Preliminary Placement Document
Subject to Completion
Not for Circulation
Private and Confidential
Serial Number:____________

This Preliminary Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made through this Preliminary placement Document to the public or any other categories of investors other than the Eligible QIBs. This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale is not permitted. The information in this Preliminary Placement Document is not complete and may be changed.

CENTUM ELECTRONICS LIMITED

Our Company was originally incorporated as 'Centum Electronics Limited' on January 8, 1993, under the provisions of Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka at Bangalore ("**RoC**"). Consequently, the certificate for commencement of business dated January 21, 1993, was issued by RoC. Subsequently, the name of our Company was changed to 'C-Mac Centum Electronics Limited' and a fresh certificate of incorporation consequent to change of name was issued by the RoC on September 23, 1998. Thereafter, the name of our Company was changed to 'Solectron Centum Electronics Limited' and a fresh certificate of incorporation consequent to change of name was issued by the RoC on September 30, 2002. Subsequently, the name of our Company was changed to 'Centum Electronics Limited' and a fresh certificate of incorporation consequent to name change was issued by the RoC on December 10, 2007. For further details, see "*Organisational Structure*" and "*General Information*" on pages 196 and 265.

Registered Office and Corporate Office: 44, KHB Industrial Area, Yelahanka, Bangalore - 560064, Karnataka, India.
CIN: L85110KA1993PLC013869
Telephone: +91 80 41436000 | **E-mail:** investors@centumelectronics.com | **Website**: www.centumelectronics.com
Contact person: Hambige Sundaresh Babu Indu, Company Secretary and Compliance Officer

Our Company is issuing up to [●] equity shares of face value of ₹ 10 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share (the "**Issue Price**"), aggregating to an amount up to ₹ [●] million (the "**Issue**"). For further details, please see "*Summary of the Issue*" on page 32.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED ("COMPANIES ACT").

The Equity Shares of the Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" together with "**BSE**", the "**Stock Exchanges**"). The closing prices of the Equity Shares on the BSE and NSE on March 7, 2025, were ₹ 1,173.35 and ₹ 1,170.70 per Equity Share, respectively. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of Equity Shares to be issued pursuant to the Issue have been received on March 10, 2025 from BSE and NSE, respectively. Our Company shall make applications for obtaining the final listing and trading approvals for the Equity Shares offered through this Preliminary Placement Document on the Stock Exchanges. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBS IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS AND THE COMPANIES ACT. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY THE COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QIBS (AS DEFINED HEREINAFTER). YOU ARE NOT AUTHORISED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 50, BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. The Company shall also make the requisite filings with the Registrar of Companies, Karnataka at Bangalore ("**RoC**"), each within the stipulated period as required under the Companies Act and PAS Rules. This Preliminary Placement Document has not been reviewed by SEBI, the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Qualified Institutional Buyers as defined in the SEBI ICDR Regulations ("**QIBs**"). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The placement of Equity Shares proposed to be made pursuant to this Preliminary Placement Document is meant solely for Eligible QIBs on a private placement basis and is not an offer to the public or to any other class of investors.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 214. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs, and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each Eligible QIB, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the Company's website and Subsidiaries or any website directly or indirectly linked to the Company's or Subsidiaries website or on the websites of the Book Running Lead Manager (as defined hereinafter) or of their respective affiliates does not constitute or form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**"). For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 231. See "*Transfer Restrictions*" on page 238 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Preliminary Placement Document is dated March 10, 2025.

BOOK RUNNING LEAD MANAGER

DAM CAPITAL ADVISORS LIMITED

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NOTICE TO INVESTORS

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. Our Company accepts full responsibility for all of the information contained in this Preliminary Placement Document, and confirms that to its best knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, our Subsidiaries and our Associate (collectively, "**Group**") and the Equity Shares offered in the Issue that is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to the Group and the Equity Shares are, in every material respect, true, accurate and not misleading. The opinions and intentions expressed in this Preliminary Placement Document are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to our Company and are based on reasonable assumptions. There are no other facts in relation to the Group and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by our Company to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, the information contained in this Preliminary Placement Document has been provided as of the date of this Preliminary Placement Document and neither our Company nor Book Running Lead Manager have any obligation to update such information to a later date.

The Book Running Lead Manager has made reasonable enquiries but has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its affiliates including any of their shareholders, associates, directors, officers, employees, counsel, representatives and/or agents make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager nor any of its affiliates including any of their shareholders, directors, officers, employees, counsel, representatives or agents, as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the Issue. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on the Book Running Lead Manager or any of its affiliates, including any of their shareholders, associates, directors, officers, employees, counsel, representatives or agents, in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of the Group and the merits and risks involved in investing in the Equity Shares offered on the Issue. Prospective investors should not construe the contents of this Preliminary Placement Document legal, tax, accounting or investment advice.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling prospective Eligible QIBs to consider subscribing for the particular securities described herein. The distribution of this Preliminary Placement Document to any person other than the Eligible QIBs specified by the Book Running Lead Manager or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company and the Book Running Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved, or recommended by the securities authority or other regulatory authority of any jurisdiction, including SEBI. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in certain jurisdictions.

The purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 3, 231 and 238, respectively.

The distribution of this Preliminary Placement Document and the Issue may be restricted by law in certain countries or jurisdictions. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been nor will be taken by our Company or the Book Running Lead Manager which would permit an offering of the Equity Shares being offered in the Issue or distribution of this Preliminary Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares to be issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any other offering material in connection with the Equity Shares offered in the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares Offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulations S. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, see "*Selling Restrictions*" beginning on page 231.

The Equity Shares sold in the Issue are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 238.

This Preliminary Placement Document does not purport to contain all the information that any Eligible QIB may require in making an investment decision. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as business, legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting, investment and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Manager are making any representation to any subscriber of the Equity Shares offered in the Issue regarding the legality of an investment in such Equity Shares by such subscriber under applicable laws or regulations.

Each subscriber of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and that it is eligible to invest in India and in the Company under applicable Indian law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act and Rule 14 of the PAS Rules, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities, including the Equity Shares or otherwise accessing the capital markets in India.

Our Company and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and the Eligible QIBs shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

The information available on or through the Company's website, www.centumelectronics.com, any website directly or indirectly linked to the website of the Company, or the respective websites of the Book Running Lead Manager or any of its affiliates does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on the information contained in or available through any such websites.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

REPRESENTATIONS BY INVESTORS

References to "you" or "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares offered in this Issue, you are deemed to have represented, warranted, acknowledged and agreed to contents set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 231 and 238, respectively, and have represented, warranted and acknowledged to and agreed to our Company and the Book Running Lead Manager, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or its Subsidiaries, its jointly controlled entity, which is not set forth in this Preliminary Placement Document.

2. You are a "**Qualified Institutional Buyer**" ("**QIB**"), as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (as defined hereinafter) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations / making necessary filings with appropriate regulatory authorities, including with the RBI, if any, in connection with this Issue or otherwise in relation to accessing the capital markets;

3. You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by the SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise in relation to accessing capital markets in India.;

4. You are aware that in terms of the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, the total holding by each FPI including its investor group (which means having common ownership of more than 50% or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach or such other time as may be prescribed by SEBI and the RBI from time to time. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by the Company and the investor with applicable reporting requirements;

5. You are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority or statutory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

6. You will provide the information as required under the Companies Act, 2013, the PAS Rules and applicable SEBI regulations for record keeping by our Company, including your name, complete address, phone number, e-mail address, PAN and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

7. You are eligible to invest in and hold the Equity Shares of the Company in accordance with the FDI Policy, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of

the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign investments can only be made through the Government approval route, as prescribed in the FEMA Rules;

8. If you are Allotted Equity Shares pursuant to this Issue, you shall not sell the Equity Shares so acquired for a period of one year from the date of Allotment (as defined hereinafter), except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. You hereby make the representations, warranties, acknowledgements, undertakings and agreements in the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 231 and 238, respectively;

9. You are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document has not been reviewed, verified, or affirmed by the SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has been, and the Placement Document shall be filed with the Stock Exchanges for record purposes only and be displayed on the websites of the Company and the Stock Exchanges;

10. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities and complied and shall comply with all necessary formalities to enable you to commit to, and to participate in this Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

11. None of the Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions you may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Manager. Neither the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

12. You acknowledge that all statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our business strategies, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You acknowledge that such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. You acknowledge that such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which we will operate in the future. You agree not to place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. You acknowledge that none of the Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

13. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, and the Allotment shall be on a discretionary basis at the discretion of the Company, in consultation with the Book Running Lead Manager;

14. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013, and the rules made thereunder;

15. You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 231 and you hereby make the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 231;

16. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including in particular the "*Risk Factors*" on page 50;

17. In making your investment decision, you have (i) relied on your own examination of our Company and its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company and its Subsidiaries and the Equity Shares and the terms of the Issue based on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

18. You acknowledge that neither the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchasing, owning and disposal of the Equity Shares (including but not limited to this Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including but not limited, to this Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, either the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

19. You are a sophisticated and informed investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You and any managed accounts for which you are subscribing for the Equity Shares (i) acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment and that you and them are each able to bear the economic risk an investment in the Equity Shares, (ii) will not look to the Company and/or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates for all or part of losses that may be suffered in connection with this Issue; (iii) have no need for liquidity with respect to the investment in the Equity Shares, and (iv) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute such Equity Shares and you have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, which may cause or require any sale by you or them of all or any part of the Equity Shares;

20. You are not a 'promoter' of the Company (as defined under Section 2(69) of the Companies Act and the SEBI ICDR Regulations), and are not a person related to any of the Promoters, either directly or indirectly and your Bid (as defined hereinafter) does not directly or indirectly represent any Promoter or Promoter Group or persons or entities related thereto;

21. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of the Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

22. You acknowledge that you have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined herein);

23. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to this Issue. Your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

24. The Bid made by you would not eventually result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter);

25. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIB in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under this Issue shall not exceed 50.00% of the Issue Size. For the purposes of this representation:

    a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiaries or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiaries or holding company and any other QIB ; and

    b) 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations.

26. You are aware that after Allotment, final applications will be made for obtaining listing and trading approvals from the Stock Exchange, and that there can be no assurance that such approvals will be obtained on time or at all. Neither the Company nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

27. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

28. You are aware that in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in this Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager;

29. You are aware that the pre-Issue and post-Issue shareholding pattern of the Company, as required by the SEBI Listing Regulations, will be filed by the Company with the Stock Exchanges;

30. You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that the Company shall make necessary filings with the RoC as may be required under the Companies Act;

31. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5.00% of the Equity Shares in this Issue, the Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by the Company;

32. The contents of this Preliminary Placement Document are exclusively the responsibility of the Company and that neither the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates nor any person acting on its or their behalf or any of the counsels or advisors to this Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of the Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such

information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Manager or the Company or any other person and neither the Book Running Lead Manager nor the Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Manager and its shareholders, directors, officers, employees, counsels, representatives, agents and affiliates will not be liable for your decision to accept an invitation to participate in this Issue based on any other information, representation, warranty, statement or opinion;

33. Neither the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by the Company of any of its obligations or any breach of any representations and warranties by the Company, whether to you or otherwise;

34. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the Application Form.

35. Any dispute arising in connection with this Issue shall be governed and construed in accordance with the laws of the Republic of India, and the courts in Mumbai, India, shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Preliminary Placement Document or the Issue;

36. Either (i) you have not participated in or attended any investor meetings or presentations by the Company or its agents with regard to the Company or this Issue; or (ii) if you have participated in or attended any Company presentations; (a) you understand and acknowledge that the Book Running Lead Manager may not have the knowledge of the statements that the Company or its agents may have made at such Company presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Manager has advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

37. The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations.

38. If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account to make (and you hereby make) the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to ‘you’ to include such accounts;

39. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in this Issue. You agree to indemnify and hold the Company and the Book Running Lead Manager and their respective shareholders, directors, officers, employees, counsels, representative, agents, affiliates and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by you, or on behalf of the managed accounts; and

40. You acknowledge that the Company, the Book Running Lead Manager and their respective affiliates, shareholders, directors, officers, employees, agents, counsels, officers, representatives and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Manager and the Company and are irrevocable.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals, including in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended ("**SEBI FPI Regulations**"), an Eligible FPIs, including the affiliates of the Book Running Lead Manager, who are registered as category I FPI can issue, subscribe and otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit the same with SEBI by way of electronic transfer in the designated bank account of SEBI. Such P-Notes can be issued post compliance with the KYC norms and such other conditions as specified by SEBI from time to time. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) is not permitted to be 10.00% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50.00% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company. Further, the Eligible FPIs are permitted to invest in the Equity Shares of our Company, subject to the restrictions and limits on the Foreign Portfolio Investment as specified in "*Issue Procedure*" on page 214.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of Offshore Derivative Instruments.

Affiliates of the Book Running Lead Manager which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Manager and does not constitute any obligations of or claims on the Book Running Lead Manager.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Please also see *"Selling Restrictions"* and *"Transfer Restrictions"* on pages 231 and 238, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(i) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

(ii) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(iii) take any responsibility for the financial or other soundness of our Company, the promoter of our Company, its management or any scheme or project of the Company.

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares, may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain conventions

Unless otherwise specified, all references to “India” in this Preliminary Placement Document are to the Republic of India, together with its territories and possessions, all references to “France” are to the French Republic, all references to “Belgium” are to the Kingdom of Belgium and all references to the “US”, the “USA”, the “United States” or the “U.S.” are to the United States of America, together with its territories and possessions.

Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document. References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

In this Preliminary Placement Document, unless the context otherwise indicates or implies, references to “you”, “your”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors”, “prospective investors” and “potential investor” are to the prospective investors in the Issue, references to “the Company” or “the Issuer” or “our Company” are to Centum Electronics Limited and references to or “we”, “us” or “our” are to the Company, its Subsidiaries and Associate, unless otherwise specified.

Currency and units of presentation

In this Preliminary Placement Document, all references to “Indian Rupees”, “₹”, “INR”, “`” and “Rs” are to Indian Rupees, the official currency of the Republic of India. All references to “U.S. dollars”, “USD” and “U.S.$” are to United States dollars, the official currency of the United States of America. All references to “Euro” and “€” are to Euro, the official currency of the European Union. All references to “GBP” are to British pound sterling, the official currency of United Kingdom. All references to “CHF” are to Swiss Franc, the official currency of Switzerland and Liechtenstein. All references herein to “India” are to the Republic of India and its territories and possessions and all references herein to the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable. All references herein to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Preliminary Placement Document have been presented in million or whole numbers, unless stated otherwise. Except otherwise specified, our Company has presented certain numerical information in this Preliminary Placement Document in “million” units. One million represents 1,000,000. Where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million, such figures appear in this Preliminary Placement Document expressed in such denominations as provided in their respective sources.

Except as otherwise set out in this Preliminary Placement Document, all figures set out in this Preliminary Placement Document have been rounded off to two decimal places. However, all figures expressed in terms of percentage, have been rounded off to one or two decimal places, as applicable. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Non-GAAP Financial Measures

In evaluating our business, we consider and use certain non-GAAP financial measures that are not defined under Ind AS and are not presented in accordance with Ind AS (which are referred to herein as “**Non-GAAP**” financial measures) such as Profit after tax Margin (%), EBIDTA, Adjusted EBITDA, EBITDA Margin (%), Adjusted EBITDA Margin (%), Adjusted Profit after tax, Average total equity, Return on Equity (%), Adjusted Return on Equity (%), EBIT, Adjusted EBIT, Total Capital Employed, Adjusted Total Capital Employed, Return on Capital Employed (%), Adjusted Return on Capital Employed (%), Total Borrowings to Equity Ratio (in times), Average Inventories, Inventory Turnover Ratio (in times), Total Capitalisation, Non-current borrowings/Total Equity (in times) and Total Borrowings / Total Equity (in times), Cash profit before Interest, Interest Coverage Ratio (in times), Working Capital, Adjusted Working Capital, Adjusted Working Capital Days, Average Trade receivables, Trade receivable turnover days, Inventory Turnover Days, Gross Purchases and Gross Billings assess our operating performance. We have included Non-GAAP financial measures because we believe they are indicative measures of our operating performance and are used by investors and analysts to evaluate companies in the same industry. We believe that the inclusion of supplementary adjustments applied in the presentation of each Non-

GAAP financial measure is appropriate because it is a more indicative measure of our baseline performance, as it excludes certain charges that our Company's management considers to be outside of our core operating results. Non-GAAP Measures are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ periods or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. Non-GAAP financial measures should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with Ind AS and prospective investors should read Non-GAAP financial measures in conjunction with the financial statements included in "*Financial Information*" on page 267. Non-GAAP financial measures for our Company may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation. Other companies may calculate these Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. The presentation of these Non-GAAP Measures is not intended to be considered in isolation or as a substitute for the financial information included in this Preliminary Placement Document. Also see "*Risk Factors – We have in this Preliminary Placement Document included certain non-GAAP financial measures. These non-GAAP measures may vary from any standard methodology that is generally applicable across the industry, and therefore may not be comparable with financial or industry-related statistical information of similar nomenclature computed and presented by other companies*" on page 81.

Financial and other Information

Our Company reports its financial statements in Indian Rupees. The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', "Fiscal" or "Fiscal Year" or "FY" or "year ended", are to the twelve-month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

Our Company has published its audited consolidated financial statements as of and for the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 and the unaudited consolidated financial results of our Company for the nine months period ended December 31, 2024 and December 31, 2023 and the unaudited consolidated financial results of our Company as at and for the six months period ended September 30, 2024 and September 30, 2023, in compliance with the SEBI Listing Regulations. As required under the applicable regulations, and for the convenience of prospective investors, we have included the following in this Preliminary Placement Document:

i. Each of the audited consolidated financial statements of our Company as at and for the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with the Indian Accounting Standards ("**Ind AS**") specified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended (collectively, the "**Audited Consolidated Financial Statements**"); and

ii. Each of the statement of unaudited consolidated financial results for the nine months period ended December 31, 2024 and December 31, 2023, prepared in accordance with Regulation 33 of the SEBI Listing Regulations (the "**December Unaudited Consolidated Financial Results**")

iii. Each of the statement of unaudited consolidated financial results as at and for the six months period ended September 30, 2024 and September 30, 2023, prepared in accordance with Regulation 33 of the SEBI Listing Regulations (the "**September Unaudited Consolidated Financial Results**").

The Audited Consolidated Financial Statements have been audited by our Statutory Auditors, M/s S.R. Batliboi & Associates LLP, Chartered Accountants, who have been appointed as our Statutory Auditors in accordance with Section 139 of the Companies Act, 2013, and they have issued audit reports dated May 22, 2024, May 27, 2023, and May 24, 2022, for the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022, respectively. For further details, see "*Statutory Auditors*" on page 264. Further, the December Unaudited Consolidated Financial Results and September Unaudited Consolidated Financial Results have been reviewed by our Statutory Auditors on which they have issued limited review reports dated February 14, 2025 and February 7, 2024 for nine months period ended December 31, 2024 and December 31, 2023, respectively and November 12, 2024 and November 9, 2023 for six months period ended September 30, 2024 and September 30, 2023, respectively.

The Audited Consolidated Financial Statements should be read along with the respective audit reports, and the Unaudited Consolidated Financial Results should be read along with the corresponding limited review reports.

Unless otherwise indicated or the context requires otherwise, all financial data in this Preliminary Placement Document as at and for the year ended March 31, 2024 is derived from the Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2023 is derived from the comparative financial information included in Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2022 is derived from the comparative financial information included in Fiscal 2023 Audited Consolidated Financial Statements; financial information for the nine months period ended December 31, 2024 is derived from December Unaudited Consolidated Financial Results for the nine months period ended December 31, 2024; and financial information for the nine months period ended December 31, 2023 is derived from the comparative financial information included in the December Unaudited Consolidated Financial Results as and for the nine months period ended December 31, 2024; and financial information as at and for the six months period ended September 30, 2024 is derived from September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2024; and financial information as at and for the six months period ended September 30, 2023 is derived from the comparative financial information included in the September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2024 except for the statement of assets and liabilities which has been derived from the September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2023. Further, our financial information for nine months period ended December 31, 2024 and December 31, 2023 and six months period ended September 30, 2024 and September 30, 2023 are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials.

Our Company prepares its annual financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see "*Risk Factors - Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*" on page 80.

Our Statutory Auditors have provided no assurance or services related to any prospective financial information in this Preliminary Placement Document.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates, other industry data and certain industry data forecasts pertaining to the business of our Company contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which our Company competes more particularly described in the section titled "*Industry Overview*" on page 161.

Unless stated otherwise, industry data used throughout this Preliminary Placement Document has been obtained or derived from the report titled "*Industry Report on Global & Indian EMS, ER&D, & BTS Market (With Focus on Defence and Space)"* dated January 29, 2025 ("**F&S Report**"), which is a report commissioned and paid for by our Company and prepared and issued by Frost & Sullivan (India) Private Limited, in connection with the Issue.

In this context, please note that we have relied on the F&S Report. This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Further, references to various segments in the F&S Report and information derived therefrom are references to industry segments and in accordance with the presentation, analysis and categorisation in the F&S Report. Our segment reporting in our financial statements is based on the criteria set out in Ind AS 108, Operating Segments and we do not present such industry segments as operating segments. Information included in this Preliminary Placement Document from F&S Report is subject to the following disclaimer:

"The study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. The estimates provided by Frost & Sullivan (India) Private Limited ("Frost & Sullivan"), and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Frost & Sullivan has prepared the study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that the study presents a true and fair view of the industry within the limitations of, among others, secondary statistics, and primary research, and it does not purport to be exhaustive. The results that can be or are derived from the findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged forecasts, estimates, predictions, and other forward-looking statements contained in the report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

In making any decision, the recipient should conduct its own investigation and analysis of all facts and information and the recipient must rely on its own examination. The recipients should not construe any of the contents in the report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors."

This information is subject to change and cannot be certified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the F&S Report from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors- This Preliminary Placement Document contains information from an industry report which was prepared by Frost & Sullivan (India) Private Limited, which is paid and commissioned by the Company, pursuant to an engagement with our Company"* on page 76.

FORWARD LOOKING STATEMENTS

This Preliminary Placement Document contains certain "forward-looking statements". These forward-looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "could", "may", "potential", "will pursue" and similar expressions or variations of such expressions.

All statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans, objectives, strategies, goals and prospects are forward-looking statements.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could prove to be inaccurate. Further, the actual results may differ materially from those suggested by the forward-looking statements.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. Our manufacturing facilities are subject to operating risks. Any shutdown of our existing manufacturing facilities or future manufacturing facilities or any other operational problems caused by unforeseen events such as disruption in electricity or water or fuel supply may reduce sales and adversely affect our business, and results of operations and financial condition;

2. A substantial portion of our revenue is dependent on our key customers in India and foreign jurisdictions involved in space, aerospace and defence, including government entities including defence public sector undertakings and government organizations involved in space industry. The loss of one or more customers or a decline or reprioritisation of the Indian defence or space budget, reduction in orders, termination of existing contracts, delay of existing or anticipated contracts or programmes could adversely affect our business, results of operations, financial conditions and cash flows;

3. Our plans to install equipment and machinery in our existing manufacturing facilities in India from the proceeds of the Issue may face delays in placing orders and implementation, or vendors may not be able to provide the equipment / machinery in a timely manner and may result in cost overruns. If we are unable to implement the plan for installation of such equipment / machinery, it could adversely impact our ability to use such equipment and machinery, business, results of operations and financial condition;

4. Any failure to comply with the provisions of the contracts entered with our customers, especially the GoI Entities, could have an adverse effect on our business, financial conditions and results of our operations. Additionally, imposition of liquidated damages and invocation of performance bank guarantees / indemnity bonds by our customers could impact our results of operations and we may face potential liabilities from lawsuits and claims by customers in the future; or

5. Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations.

For further discussion of factors that could cause our actual results to differ from our expectations, see "*Risk Factors*" and the chapters "*Our Business*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" beginning on pages 50, 177, 161 and 108, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. None of our Company, the Directors, the Book Running Lead Manager or any of its affiliates or associates, have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not realise.

If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations, cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company incorporated with limited liability under the laws of India. All of our Directors are residents of India. All of our Company's Key Managerial Personnel and Senior Managerial Personnel are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may be difficult for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon by the same parties or between parties under whom they or any of them claim to be litigating under the same title, except: (a) where the judgment has not been pronounced by a court of competent jurisdiction; (b) where the judgment has not been given on the merits of the case; (c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (d) where the proceedings in which the judgment was obtained were opposed to natural justice; (e) where the judgment has been obtained by fraud; and (f) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. The suit must be brought in India within three (3) years from the date of the judgment by a court in the United States in the same manner as any other suit filed to enforce a civil liability in India.

Under Section 14 of the Civil Procedure Code, a court in India shall presume, upon the production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code can be enforced in India (i) by instituting execution proceedings; or (ii) by instituting a suit on such judgment.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that Section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by an appropriate court in India. Under the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and does not include arbitration awards.

Among others, each of the United Arab Emirates, United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. A judgment of a foreign court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India may be required to obtain prior approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian Rupees (₹) on the date of judgment and not on the date of payment.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Indian Rupee and foreign currencies will affect the foreign currency equivalent of the Indian Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Indian Rupees (₹) on the Equity Shares.

The exchange rates are based on the reference rates released by RBI / FBIL which are available on their respective websites. No representation is made that any Indian Rupee amounts could have been, or could be, converted into U.S. dollars, Euro, GBP or CHF at any particular rate. No representation is made that the Rupee amounts actually represent such U.S. dollar, Euro, GBP or CHF or could have been or could be converted into U.S. Dollar, Euro, GBP or CHF at the rates indicated, at any other rate, or at all.

The following table sets forth information concerning exchange rates between the Indian Rupee and the U.S. dollar (in ₹ per US$), for or as of the end of the periods indicated.

(₹ per US$)

	Period end(*)	Average(**)	High(***)	Low(****)
Fiscal ended:				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Month ended				
February 28, 2025	87.40	87.05	87.59	86.65
January 31, 2025	86.64	86.27	86.64	85.71
December 31, 2024	85.62	84.99	85.62	84.66
November 30, 2024	84.50	84.36	84.50	84.11
October 31, 2024	84.09	84.03	84.09	83.81
September 30, 2024	83.79	83.81	83.98	83.49

(*Source: www.fbil.org.in and www.rbi.org*)

* *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.*
** *Average of the official rate for each Working Day of the relevant period.*
*** *Maximum of the official rate for each working day of the relevant period.*
**** *Minimum of the official rate for each working day of the relevant period.*

Note:
(1) High, low and average are based on the RBI reference rates and rounded off to two decimal places.
(2) In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates for the previous Working Day have been considered.

The following table sets forth information concerning exchange rates between the Indian Rupee and the Euro (in ₹ per €), for or as of the end of the periods indicated.

(₹ per €)

	Period end(*)	Average(**)	High(***)	Low(****)
Fiscal ended:				
March 31, 2024	90.22	89.80	92.45	87.07
March 31, 2023	89.61	83.73	90.26	78.34
March 31, 2022	84.66	86.56	90.51	83.48
Month ended				
February 28, 2025	90.78	90.58	91.31	89.27
January 31, 2025	90.01	89.30	90.40	88.11
December 31, 2024	89.08	89.03	89.66	88.17
November 30, 2024	89.36	89.63	91.66	88.32
October 31, 2024	91.25	91.57	93.31	90.70
September 30, 2024	93.53	93.07	93.53	92.55

(*Source: www.fbil.org.in and www.rbi.org*)

* *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.*
** *Average of the official rate for each Working Day of the relevant period.*
*** *Maximum of the official rate for each working day of the relevant period.*
**** *Minimum of the official rate for each working day of the relevant period.*

Note:
(1) High, low and average are based on the RBI reference rates and rounded off to two decimal places.

(2) In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates for the previous Working Day have been considered.

The following table sets forth information concerning exchange rates between the Indian Rupee and the Great Britain Pound (in ₹ per GBP), for or as of the end of the periods indicated.

(₹ per GBP)

	Period end(*)	Average(**)	High(***)	Low(****)
Fiscal ended:				
March 31, 2024	105.29	104.07	107.64	100.39
March 31, 2023	101.87	96.77	102.23	86.62
March 31, 2022	99.55	101.78	104.58	99.36
Month ended				
February 28, 2025	109.98	108.98	110.41	107.05
January 31, 2025	107.62	106.61	107.85	105.05
December 31, 2024	107.46	107.48	108.37	106.29
November 30, 2024	107.46	107.57	109.40	105.79
October 31, 2024	108.95	109.65	112.06	108.73
September 30, 2024	112.16	110.74	112.16	109.61

(*Source: www.fbil.org.in and www.rbi.org*)

* *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.*
** *Average of the official rate for each Working Day of the relevant period.*
*** *Maximum of the official rate for each working day of the relevant period.*
**** *Minimum of the official rate for each working day of the relevant period.*

Note:
(1) High, low and average are based on the RBI reference rates and rounded off to two decimal places.
(2) In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates for the previous Working Day have been considered.

The following table sets forth information concerning exchange rates between the Indian Rupee and the Swiss Franc (in ₹ per CHF), for or as of the end of the periods indicated.

(₹ per CHF)

	Period end(*)	Average(**)	High(***)	Low(****)
Fiscal ended:				
March 31, 2024	92.42	93.49	98.97	89.71
March 31, 2023	89.82	84.16	90.32	77.20
March 31, 2022	82.25	81.11	83.40	77.80
Month ended				
February 28, 2025	96.84	96.22	97.61	94.64
January 31, 2025	95.19	94.79	95.77	94.04
December 31, 2024	94.28	95.31	96.57	94.28
November 30, 2024	95.97	95.82	97.50	94.47
October 31, 2024	97.38	97.58	99.17	96.84
September 30, 2024	99.20	98.95	99.67	98.15

(*Source: www.currency-converter.org.uk*)

* *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.*
** *Average of the official rate for each Working Day of the relevant period.*
*** *Maximum of the official rate for each working day of the relevant period.*
**** *Minimum of the official rate for each working day of the relevant period.*

Note:
(1) High, low and average are based on the RBI reference rates and rounded off to two decimal places.
(2) In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates for the previous Working Day have been considered.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any statute or regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections "*Taxation*", "*Industry Overview*", "*Financial Information*" and "*Legal Proceedings*" beginning on pages 247, 161, 267 and 258, respectively, shall have the meaning given to such terms in such sections.

General Terms

Our Company / the Company / the Issuer/Centum	Centum Electronics Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at 44, KHB Industrial Area, Yelahanka, Bangalore – 560 064, Karnataka, India
the Group / us / we / our	Unless the context otherwise indicates or implies, refers to our Company, our Subsidiaries and our Associate as at and during the relevant fiscal/ period.

Company Related Terms

Term	Description
Articles of Association/AoA/Articles	The articles of association of our Company, as amended from time to time
Associate	Ausar Energy SAS. For the purposes of financial information, the term 'Associate' shall mean our Associate as at and during the relevant Fiscal / period.
Audited Consolidated Financial Statements	Each of the audited consolidated financial statements comprising the consolidated balance sheet as at March 31, 2024, March 31, 2023 and March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2024, March 31, 2023 and March 31, 2022, read along with the notes thereto including a summary of significant accounting policies and other explanatory information of our Company, Subsidiaries and Associate (collectively, the "**Group**"), prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act.
Auditor/Statutory Auditors	The current statutory auditors of our Company, namely M/s S.R. Batliboi & Associates LLP
Audit Committee	The audit committee of our Board of Directors. For details, see "*Board of Directors and Senior Management*" on page 199
Board of Directors/Board	The board of directors of our Company, including any duly constituted committees thereof. For details, see "*Board of Directors and Senior Management*" on page 199
Chairman and Managing Director	The Chairman and Managing Director of our Company, being Mallavarapu Venkata Apparao
Chief Financial Officer	The Chief Financial Officer of our Company, being Karunilam Srinivasan Desikan
Company Secretary and Chief Compliance Officer	Company Secretary and Chief Compliance Officer of our Company, being Hambige Sundaresh Babu Indu
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by our Board of Directors. For details, see "*Board of Directors and Senior Management*" on page 199
December Unaudited Consolidated Financial Results	Each of the statement of profit and loss of December Unaudited Consolidated Financial Results of the Group for the nine months period ended December 31, 2024 and December 31, 2023 prepared in accordance with Regulation 33 of the SEBI Listing Regulations
Director(s)	The director(s) on the Board of our Company, as may be appointed from time to time
Equity Shares	Equity shares of our Company of face value ₹ 10 each

Term	Description
Executive Director(s)	The executive directors of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 199
Independent Director(s)	The non-executive and independent Directors of our Company appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in "*Board of Directors and Senior Management*" on page 199
Key Management Personnel	The key management personnel of our Company in accordance with the provisions of the Companies Act, 2013, as amended. For details, see "*Board of Directors and Senior Management*" beginning on page 199
Memorandum of Association/Memorandum/MoA	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by our Board of Directors. For details, see "*Board of Directors and Senior Management*" beginning on page 199
Promoters	Our promoters, Mallavarapu Venkata Apparao, Swarnalatha Mallavarapu, M S Swarnakumari, Nikhil Mallavarapu and Tanya Mallavarapu
Promoter Group	The persons and entities constituting the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	44, KHB Industrial Area, Yelahanka, Bangalore – 560 064, Karnataka, India
Risk Management Committee	The risk management committee constituted by our Board of Directors. For details, see "*Board of Directors and Senior Management*" beginning on page 199
RSU 2021	Centum Electronics Limited – Restricted Stock Unit Plan 2021
Senior Management Personnel	Senior Management Personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as disclosed in "*Board of Directors and Senior Management*" on page 199
September Unaudited Consolidated Financial Results	Each of the statement of September Unaudited Consolidated Financial Results of the Group for the six months period ended September 30, 2024 and September 30, 2023 prepared in accordance with Regulation 33 of the SEBI Listing Regulations
Subsidiary(ies)	Subsidiaries of our Company as per the Companies Act, as on the date of this Preliminary Placement Document, namely: 1. Centum T&S Private Limited *(formerly known as Centum Adeneo India Private Limited)*; 2. Centum Electronics UK Limited; 3. Centum T&S Group Société Anonyme (S.A.) (step-down subsidiary); 4. Centum T&S (Centum Technologies ET Solutions) (step-down subsidiary); 5. Centum R&D (Centum Recherche Et Développement) (step-down subsidiary); 6. Centum Adetel Transportation System (step-down subsidiary); 7. Centum Technologies ET Solutions - Société à responsabilité limite (SRL) (step-down subsidiary); 8. Centum T&S (Centum Technologies ET Solutions) (step-down subsidiary); and 9. Centum E&S (Centum Équipements ET Systèmes) (step-down subsidiary). However, for the purpose of financial information included in this Preliminary Placement Document, "Subsidiary(ies)" shall mean subsidiaries of our Company as at and for the relevant Fiscal/financial period.
Stakeholders' Relationship Committee	The stakeholders' relationship committee constituted by our Board of Directors. For details, see "*Board of Directors and Senior Management*" on page 199
Unaudited Consolidated Financial Results	December Unaudited Consolidated Financial Results and September Consolidated Financial Results

Business and Issue Related Terms

Term	Description
Allocated/Allocation	Allocation of Equity Shares as determined by the Company, in consultation with the Book Running Lead Manager, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms and Application Amount submitted by Eligible QIBs, in compliance with Chapter VI of the SEBI ICDR Regulations and other applicable law
Allot/Allotment/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares pursuant to the Issue

Term	Description
Allottees	Bidders to whom Equity Shares are Allotted pursuant to the Issue
Application Form	Serially numbered, specifically addressed bid cum application form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Application Amount/Bid Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue, including any revisions thereof determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Bid(s)	An indication of interest by an Eligible QIB/Bidder, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly
Bid/Issue Closing Date	[●], which is the last date up to which the Application Forms will be accepted by our Company (or the Book Running Lead Manager, on behalf of our Company)
Bid/Issue Opening Date	March 10, 2025, the date on which our Company (or the Book Running Lead Manager on behalf of our Company) commenced acceptance of the Application Forms
Bidder(s)	Any prospective investor, being a QIB, who makes a Bid pursuant to the terms of the serially numbered Preliminary Placement Document and the Application Form sent to it
Bidding Period	The period between the Bid/Issue Opening Date and Bid/Issue Closing Date inclusive of both dates during which Bidders could submit their Bids including any revision and/or modifications thereof
Book Running Lead Manager or BRLM	DAM Capital Advisors Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●]
Designated Date	The date of credit of Equity Shares to the demat accounts of successful Bidders
Eligible FPIs	FPIs that are eligible to participate in the Issue in terms of applicable law, other than individuals, corporate bodies and family offices.
Eligible QIBs	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations, and which is not restricted from participating in the Issue under the applicable laws, including Regulation 179(2) of the SEBI ICDR Regulations.
Escrow Account	Special non-interest bearing, no-lien, current bank accounts, without any cheques or overdraft facilities, opened in the name and style "*Centum Electronics - QIP Escrow Account 2025*" with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the Application Amount shall be deposited by the Bidders and from which refunds, if any, shall be remitted to unsuccessful Bidders, as set out in the Application Form
Escrow Agreement	Agreement dated March 10, 2025 entered into amongst our Company, the Escrow Banks and the Book Running Lead Manager for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	Kotak Mahindra Bank Limited
Floor Price	The floor price of ₹ 1,219.65, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The Company, in consultation with Book Running Lead Manager, may offer a discount on the Floor Price in accordance with the approval of the Shareholders accorded on January 14, 2025, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
Issue	The issue and Allotment of [●] Equity Shares each at a price of ₹ [●] per Equity Share to Eligible QIBs, including a premium of ₹ [●] per Equity Share,

Term	Description
	aggregating to an amount up to ₹ [●] million, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act and the rules made thereunder
Issue Price	₹ [●] per Equity Share
Issue Size	The aggregate size of the Issue, which is up to ₹ [●] million
Monitoring Agency	CRISIL Limited
Monitoring Agency Agreement	Agreement dated January 30, 2025 entered into between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of proceeds in relation to the Issue
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated March 10, 2025 entered into between our Company and the Book Running Lead Manager
Placement Document	Placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder, as amended
Preliminary Placement Document	This preliminary placement document dated March 10, 2025 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013, as amended
Pricing Date	The date of determination of the number of Equity Shares to be placed through the Issue and the Issue Price for the same
QIBs or Qualified Institutional Buyers	Qualified institutional buyer, as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act read with the applicable provisions of the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Relevant Date	March 10, 2025, which is the date of the meeting of the Board of Directors of the Company or a duly authorised committee thereof on which it is decided to open the Issue
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Issue Shares
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/Abbreviations

Term	Description
₹/Rupees/INR/Rs.	Indian Rupees
Adjusted EBITDA	Adjusted EBITDA is the sum of Profit/ (loss) after tax plus Total tax expenses plus Depreciation and amortisation expenses plus Finance costs minus Other income minus Finance income minus Share of profit / (loss) of associates (net) plus Exceptional items (net)
Adjusted EBITDA Margin	Adjusted EBITDA divided by Revenue from operations
Adjusted Return on Capital Employed (%)	Adjusted Return on Capital Employed (%) is calculated as (Profit/ (loss) after tax plus Total tax expenses plus Finance Costs minus Share of profit / (loss) of associates (net) plus Exceptional items (net) divided by (Total equity plus Non-Current Financial liabilities - Borrowings plus Current Financial liabilities -

Term	Description
	Borrowings plus Deferred tax liabilities (net) minus Goodwill minus Goodwill on consolidation minus Other intangible assets minus Intangible assets under development
Adjusted Return on Equity (%)	Adjusted Return on Equity (%) is calculated as Profit/ (loss) after tax plus Exceptional items (net) divided by average of opening Total equity and closing Total equity
Adjusted Working Capital Days	Adjusted Working Capital Days is calculated as (Total current assets minus Total current liabilities which is adjusted by plus Current Financial liabilities - Borrowings) multiplied by number of days divided by Revenue from operations
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AS	Accounting Standards
AY	Assessment year
BSE	BSE Limited
CAGR	Compounded annual growth rate
Calendar Year	Year ending on December 31 of the relevant year
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CIBIL	TransUnion CIBIL Limited
CIN	Corporate identity number
Civil Procedure Code / C. P. C	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder to the extent in force pursuant to the notification of the Notified Sections
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Cr.P.C	Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
Customer Group	Customers of our Group, along with their affiliates, subsidiaries, or associated entities
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director identification number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
EBITDA	Earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding profit / (loss) after tax for the year / period, total tax expenses, finance costs, depreciation and amortisation expenses
EBRC	Electronic Bank Realisation Certificate
EGM	Extraordinary general meeting
EPCG	Export Promotion Capital Goods
EPS	Earnings per share
ESOSs	Employee stock option scheme
FBIL	Financial Benchmarks of India Private Limited
FDI Policy	Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (Formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI by circular DPIIT file number

Term	Description
	5(2)/2020-FDI Policy, with effect from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, as amended together with rules and regulations thereunder
Financial Year/Fiscal Year /Fiscal/FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the PAS Rules
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GBP	Great Britain Pound Sterling
GDP	Gross Domestic Product
GoI/Government	Government of India
GoI Group	Government of India (GoI) organizations, such as defence public sector undertakings and government organizations involved in space research, along with their affiliates, subsidiaries, or associated entities
Gross Billings	The total amount invoiced by our Company to our customers for goods sold or services rendered before any deductions
GST	Goods and Service Tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS	Indian Accounting Standards (“Ind AS”) specified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Insolvency and Bankruptcy Code/ IBC	The Insolvency and Bankruptcy Code, 2016
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT Act/Income Tax Act	Income Tax Act, 1961, as amended
IT Rules	Income Tax Rules, 1962, as amended
ITAT	Income Tax Appellate Tribunal
MCA	Ministry of Corporate Affairs
NA	Not applicable
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs
Non-Resident Indian/NRI	A person resident outside India, as defined in the FEMA (Deposit) Regulations, 2016
Notified Sections	The sections of Companies Act, 2013 that have been notified by the MCA and are currently in effect
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Order Book	Order book means aggregate contract value of ongoing projects of our Company and our subsidiaries as of February 21, 2025, multiplied by Company’s or our subsidiary’s share, reduced by the value of work executed by our Company and our subsidiaries until February 21, 2025
p.a.	Per annum
PAN	Permanent account number allotted under the I.T. Act
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
PPE	Personal Protective Equipment
PSI	Package Scheme of Incentive Policy, 2013
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended

Term	Description
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Karnataka at Bangalore
RodTEP	Remission of Duties and Taxes on Exported Products
RoU	Right of Use
Rs/Rupees/Indian Rupees	The legal currency of India
RSU	Restricted Stock Unit
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SLR	Statutory liquidity ratio
State Government	The government of a state of the Union of India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Total borrowings	Total borrowings refers to the sum of Non-current Financial liabilities-Borrowings and Current Financial liabilities- Borrowings
Total Borrowings to equity ratio (in times)	Total Borrowings to equity ratio (in times) is calculated as (Non-current Financial liabilities- Borrowings plus Current Financial liabilities - Borrowings)/Equity attributable to equity holders of the parent
U. S. Securities Act	U.S. Securities Act of 1933, as amended
U.K.	United Kingdom
US$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
USA/U.S./United States	United States of America
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

Technical and Industry Terms

Term	Description
ADAS	Advance Driver Assistance Systems
AI	Artificial Intelligence
ATAGS	Advanced Towed Artillery Gun System
BAS	Bhartiya Antariksha Station
BESS	Battery Energy Storage Systems
BPM	Business Process Management
BTS	Built-to-spec
CAGR	Compounded Annual Growth Rate
CBIC	Chennai-Bengaluru Industrial Corridor
CEA	Consumer Electronics and Appliances
CY	Calendar Year
DAP	Defence Acquisition Procedure
DGFT	Directorate General of Foreign Trade
DLI	Design-Linked Incentives
DMIC	Delhi-Mumbai Industrial Corridor
DoP	Department of Pharmaceuticals
DPP	Defence Procurement Procedure
DSIR	Department of Scientific & Industrial Research
DVA	Domestic Value Addition

Term	Description
e-2W	Electric Two-Wheeler
e-3W	Electric Three-Wheeler
EMS	Electronic Manufacturing Services
ER&D	Engineering Research & Development market
ESP	Engineering Service Providers
EV	Electric Vehicle
EW	Electronic Warfare
FY	Financial Year
GCC	Global Capability Centres
ISO	International Organisation for Standardisation
ISR	Intelligence, Surveillance, and Reconnaissance Systems
ISRO	Indian Space Research Organisation
R&D	Research and Development
RoHS	Restriction of Hazardous Substances
S&T	Science and Technology
SDG	Sustainable Development Goals
SEZ	Special Economic Zone
SoC	System on Chips
USD	US Dollars
VGF	Viability Gap Fund
VLSRSAM	Vertical Launch Short Range Surface to Air Missile
VoP	Value of Production
Y-o-Y	Year on Year

SUMMARY OF BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 14 *for a discussion of the risks and uncertainties related to those statements and also the sections titled "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages* 50, 267 *and* 108*, respectively, for a discussion of certain factors that may affect our business, financial conditions, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

We have included various operational and financial performance indicators in this Preliminary Placement Document, many of which may not be derived from our consolidated financial statements. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of our consolidated financial statements and financial results and other information relating to our business and operations included in this Preliminary Placement Document. See "Risk Factors –We have in this Preliminary Placement Document included certain non-GAAP financial measures. These non-GAAP measures may vary from any standard methodology that is generally applicable across the industry, and therefore may not be comparable with financial or industry-related statistical information of similar nomenclature computed and presented by other companies." on page 81.

Unless otherwise indicated, industry and market related data used in this section has been derived from the report titled "Industry Report on Global & Indian EMS, ER&D, & BTS Market (With Focus on Defence and Space)", January 29, *2025 (the "**F&S Report**"), prepared and released by Frost & Sullivan (India) Private Limited, which has been exclusively commissioned and paid for by our Company pursuant to an engagement letter dated October 25, 2024, for the purpose of confirming our understanding of the industry we operate in, in connection with the Issue. In addition, references to various segments in the F & S Report and information derived therefrom are references to industry segments and in accordance with the presentation, analysis and categorisation in the F & S Report. Our segment reporting in our financial statements is based on the criteria set out in Ind AS 108, Operating Segments and we do not present such industry segments as operating segments. See "Presentation of Financial and Other Information", "Industry and Market Data" and "Risk Factors — This Preliminary Placement Document contains information from an industry report which was prepared by Frost & Sullivan (India) Private Limited, which is paid and commissioned by the Company, pursuant to an engagement with our Company" on pages* 10, 13 *and* 76*, respectively.*

We publish our financial statements in Indian Rupees. Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, all financial data in this Preliminary Placement Document as at and for the year ended March 31, 2024 is derived from the Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2023 is derived from the comparative financial information included in Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2022 is derived from the comparative financial information included in Fiscal 2023 Audited Consolidated Financial Statements; and financial information for the nine months period ended December 31, 2024 is derived from December Unaudited Consolidated Financial Results for the nine months periods ended December 31, 2024; and financial information for the nine months period ended December 31, 2023 is derived from the comparative financial information included in the December Unaudited Consolidated Financial Results for the nine months periods ended December 31, 2024 and financial information for the six months period ended September 30, 2024 is derived from September Unaudited Consolidated Financial Results as at and for the six months periods ended September 30, 2024; and financial information for the six months period ended September 30, 2023 is derived from the comparative financial information included in the September Unaudited Consolidated Financial Results as at and for the six months periods ended September 30, 2024 except for the statement of assets and liabilities which has been derived from the September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2023. For further information, see "Financial Information" on page 267*. The Unaudited Consolidated Financial Results of our Company are not indicative of our Company's annual performance and are not comparable with the Audited Consolidated Financial Statements. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to the Company together with its subsidiaries and associate, on a consolidated basis.*

Overview

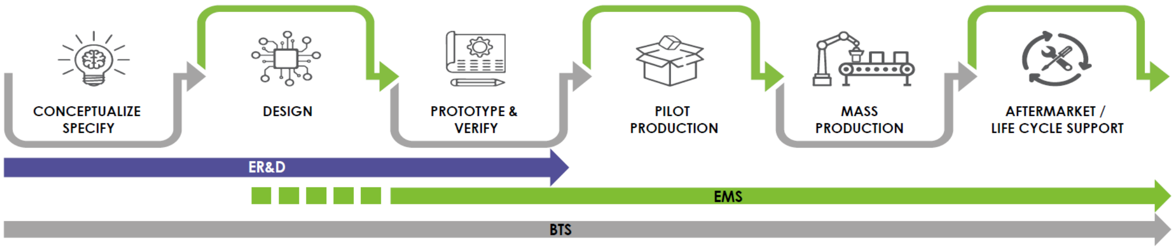
We are one of India’s leading end-to-end integrated electronics solutions provider, as of September 30, 2024, offering a comprehensive suite of services that spans the entire electronics system design and manufacturing spectrum (*Source: F&S Report*). From conceptualizing product designs to delivering full-scale production, our capabilities enable us to create critical solutions for key industries such as defense, space, aerospace, industrial, energy, automotive and medical sectors. Further, our notable contributions to India's space missions, including Chandrayaan-3, Gaganyaan, PSLV-C57/Aditya L-1 and XPoSat missions, demonstrate our involvement in providing essential modules and systems to support the nation's technological advancements.

We bring over thirty years of experience, having commenced operations in 1994 as a manufacturer, designer, and exporter of electronic components. As market demands evolved, we strategically diversified into high-growth sectors with high entry barriers such as aerospace, defense, space, medical, and automotive—industries that required comprehensive solutions and long-term partnerships. To support this diversification, we expanded our manufacturing capabilities which allowed us to move up the value chain, offering integrated modules, printed circuit board assemblies and box builds, and establish a dedicated build-to-specification vertical.

Our strategic initiatives also included key acquisitions and collaborations. Solectron Corporation, USA, a company involved in the EMS business, acquired C-MAC Industries Inc, our ultimate holding company, in 2001. This partnership with Solectron enabled us to establish a separate EMS division, significantly improving our procurement and manufacturing capabilities and enhancing our ability to serve global EMS customers. Additionally, we acquired the Adetel Group SA, France in 2016 to set up a dedicated ER&D vertical, expand our technical design expertise and global footprint and cater to a broader range of industries.

This progression, from component manufacturing to offering comprehensive, integrated solutions, has enabled us to establish ourselves as a one-stop-shop provider. Our flexible engagement models are tailored to meet the project needs of our customers, ensuring we remain well-positioned to capitalize on future growth opportunities and deliver sustainable, long-term value.

Currently, our business is organized based on the stages of services we provide to our customers. We operate under the following business verticals:



1) *Engineering R&D Services (ER&D)*: Our services encompass the conceptualization, design, and certification of various products. As of December 31, 2024, our global design strength consists of 588 engineers located across Europe, North America, and India, enabling us to work closely with our international customers. To cater to diverse project needs, we provide flexible engagement models, including consulting and fixed price engagements, allowing our customers to choose the most suitable approach for their specific requirements.

2) *Electronic Manufacturing Services (EMS)*: Our EMS services include manufacturing complex products ranging from printed circuit board assemblies to complex box builds. We adopt a client-centric approach to meet every requirement and help our customers achieve their goals of lower Total Cost of Ownership (TCO) and reduced time-to-market. By leveraging dedicated, customer-focused teams and adapting streamlined processes and systems, we are able to meet specific product and customer needs, ensuring efficient and timely delivery of challenging products.

3) *Build to Specification (BTS):* Our BTS services take projects from conceptualization to mass production. By offering a single point of contact for design/engineering and manufacturing, we believe that we streamline project interfaces, reduce time-to-market, and implement a design-to-cost approach that minimizes total cost of ownership. Further, as an indigenous company providing design and conceptualization services, we enable our customers to maximize their Intellectual Property (IP) value

enabling us to deliver innovative solutions that foster long-term partnerships, enhance customer value, and generate sustainable business growth.

The table below shows our Gross Billings across various business verticals for the periods/years indicated:

Business Vertical	For the nine months period ended December 31				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ million)	Percentage of Gross Billings	Amount (₹ million)	Percentage of Gross Billings	Amount (₹ million)	Percentage of Gross Billings	Amount (₹ million)	Percentage of Gross Billings	Amount (₹ million)	Percentage of Gross Billings
Engineering R&D Services	1,645.67	21.03%	1,848.28	23.48%	2,582.11	23.88%	2,154.06	23.85%	2,407.38	31.64%
Electronic Manufacturing Services	3,839.12	49.07%	3,458.35	43.93%	4,719.06	43.64%	3,488.83	38.62%	1,795.84	23.60%
Build to Specification (BTS)	2,338.96	29.90%	2,565.93	32.59%	3,512.15	32.48%	3,390.28	37.53%	3,406.05	44.76%
Total Gross Billings	**7,823.75**	**100.00%**	**7,872.56**	**100.00%**	**10,813.32**	**100.00%**	**9,033.17**	**100.00%**	**7,609.27**	**100.00%**

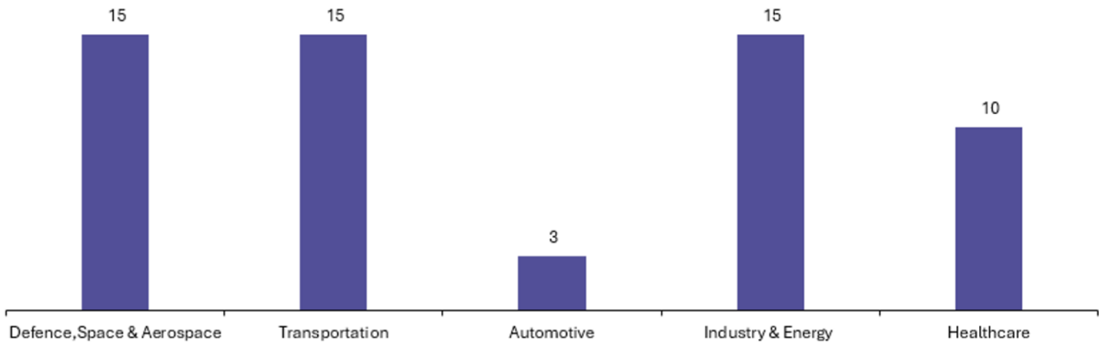
We operate two manufacturing facilities located in Karnataka, India as well as seven design centres strategically located facilities worldwide, including in India, France, Belgium and Canada. Some of our manufacturing facilities are approved under the Electronics Hardware Technology Park Scheme of the Software Technology Park of India in Bangalore.

Our extensive global presence enhances our ability to identify and capitalize on business opportunities across diverse markets. This global footprint enables us to deliver value and foster long-term partnerships with our customers worldwide. Additionally, to streamline operations, we maintain a diversified procurement network of 630 suppliers as of December 31, 2024, supported by advanced IT-enabled supply chain management solutions and strategic sourcing initiatives to enhance efficiency and reliability.

We have built a large and diversified customer base, spanning multiple verticals and geographies, including clients such as a leading national space agency, prominent national defense research organization, a French defence company, an European aircraft manufacturer, and, an European OEM, a US OEM, Global OEMs for Industrial & Power grid automation, and global rail OEMs.

We collaborate with our customers throughout the entire product life cycle, offering services that include concept creation, product development, prototyping, testing, mass manufacturing, after-sales support, and end-of-life solutions. This collaboration enables our customers to shorten their product development timelines and time-to-market cycles. Our customer-centric strategy allows us to expand the range of products we manufacture, increase shipment volumes for existing products, and extend our engagement into new areas requiring similar solutions.

This has enabled us to develop long-term relationships with our customers. The table below provides an overview of our average business relationship with the top three Customer Groups (in years) in the verticals shown below as on December 31, 2024.



In addition, as of February 21, 2025, we have an Order Book of ₹18,612.99 million.

Over the years, we have integrated and continue to enhance our environmental, social, and governance (ESG) practices, adopting a sustainable and responsible approach to our operations. Our processes comply with global standards, and we are certified under ISO 9001, 14001, and 18001 by BVCI. Additionally, we hold industry-specific certifications, including AS/EN 9100 for defense and aerospace, IRIS Rev 2 for railway signaling, IATF 16949 for automotive, and ISO 13485 for medical systems, underscoring our commitment to quality and compliance across diverse sectors. Our company is led by a highly experienced team of promoters with extensive expertise in the Electronics System Design and Manufacturing (ESDM) industry. Our Promoter and Managing Director, Mallavarapu Venkata Apparao, founded Centum Electronics in 1993. Under his leadership, we have grown into a global electronics design and manufacturing company with operations in India, France, Belgium, and Canada. Mr. Mallavarapu has received several accolades, including the 'Order of Rio Branco' from the Brazilian government, the 'Champion of Innovation Award' from the Prime Minister of New Zealand, and the 'Officier de l'Ordre National du Mérite' from the President of France. Our Promoter and Executive Director, Nikhil Mallavarapu, has been with the company since 2012, holding various leadership roles, including business unit management and corporate strategy development. Under their leadership, we have expanded our operations and established a significant presence in India. Our senior management team, with their expertise, has demonstrated the ability to anticipate market trends, drive growth, and foster strong customer relationships.

The following table sets forth certain information relating to financial performance metrics as at the dates and for the periods/years indicated:

(in ₹ million, unless otherwise indicated)

Particulars	As at/for the financial year ended March 31,			As at/for the six months period ended September 30,	
	2022	2023	2024	2023	2024
Revenue from operations	7,799.40	9,229.69	10,908.20	4,957.32	5,053.34
Total Borrowings[1]	2,725.99	2,627.61	1,736.94	2,979.92	2,097.94
Total Equity	1,985.20	2,040.57	1,967.10	1,993.46	1,888.50
Cash and cash equivalents	480.44	352.71	481.21	357.76	417.16
Profit/(loss) before tax	(522.02)	121.36	78.78	18.90	(1.29)
Total income	7,879.64	9,288.22	10,976.34	4,977.08	5,081.20
Total assets	9,229.61	10,726.98	10,638.04	11,421.12	11,511.00
Inventories	2,248.25	2,610.62	3,173.77	3,327.61	4,016.24
Current assets	5,873.40	7,367.01	7,600.26	7,989.92	8,452.18
Current liabilities	5,791.81	7,440.79	7,054.80	8,189.56	8,649.77
Current Financial liabilities-Borrowings	1,910.25	2,047.99	1,290.23	2,386.79	1,783.21
Adjusted EBITDA[2]	742.43	762.09	858.48	388.23	357.76
Adjusted EBITDA Margin (%)[3]	9.52%	8.26%	7.87%	7.83%	7.08%
Profit/ (loss) after tax	(534.65)	66.94	(27.55)	(31.08)	(41.55)
Adjusted Return on Equity[4,8] (%)	3.14%	3.33%	1.06%	(1.54)%	(2.16)%
Adjusted Return on Capital Employed[5,8] (%)	10.16%	10.05%	16.45%	4.63%	4.71%
Adjusted Working Capital Days[6]	93	78	61	80	57
Total Borrowings to Equity Ratio[7] (in times)	1.34	1.25	0.85	1.46	1.07

Note:

1 Total Borrowings refers to the sum of Non-current Financial liabilities- Borrowings and Current Financial liabilities- Borrowings

2 Adjusted EBITDA is the sum of Profit/ (loss) after tax plus Total tax expenses plus Depreciation and amortisation expenses plus Finance costs minus Other income minus Finance income minus Share of profit / (loss) of associates (net) plus Exceptional items (net)

3 Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Revenue from operations

4 Adjusted Return on Equity (%) is calculated as Profit/ (loss) after tax plus Exceptional items (net) divided by average of opening Total equity and closing Total equity

5 Adjusted Return on Capital Employed (%) is calculated as (Profit/ (loss) after tax plus Total tax expenses plus Finance Costs minus Share of profit / (loss) of associates (net) plus Exceptional items (net) divided by (Total equity plus Non-Current Financial liabilities - Borrowings plus Current Financial liabilities - Borrowings plus Deferred tax liabilities (net) minus Goodwill minus Goodwill on consolidation minus Other intangible assets minus Intangible assets under development

6 Adjusted Working Capital Days is calculated as (Total current assets minus Total current liabilities which is adjusted by plus Current Financial liabilities - Borrowings) multiplied by number of days divided by Revenue from operations

7 Total Borrowings to equity ratio (in times) is calculated as (Non-current Financial liabilities- Borrowings plus Current Financial liabilities -Borrowings)/Equity attributable to equity holders of the parent

8 Adjusted Return on Equity (%) and Adjusted Return on Capital Employed (%) for the six months period ended September 30, 2024 and six months period ended September 30, 2023 are not annualised

The following table sets forth certain information relating to financial performance metrics for the periods indicated:

(in ₹ million, unless otherwise indicated)

Particulars	For the nine months period ended December 31,	
	2023	2024
Revenue from operations	7,939.27	7,866.79
(Loss)/ profit before tax	126.13	(162.28)
Total Income	7,969.74	7,917.41
Adjusted EBITDA[1]	677.12	551.59
Adjusted EBITDA Margin (%)[2]	8.53%	7.01%
(Loss) / profit after tax	41.40	(234.52)

Note:
1 Adjusted EBITDA is the sum of Profit/ (loss) after tax plus Total tax expenses plus Depreciation and amortisation expenses plus Finance costs minus Other income minus Finance income minus Share of profit / (loss) of associates (net) plus Exceptional items (net)
2 Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Revenue from operations

Our Competitive Strengths

1. Integrated electronics manufacturing player with end-to-end solutions across the Electronics System Design and Manufacturing value chain
2. Diversified presence across multiple high growth verticals ensuring stability and long-term growth
3. Multiple manufacturing facilities and design centres strategically located across the globe with advanced infrastructure
4. Long-standing relationships with a marquee and well-diversified customer base
5. Experienced and committed promoters and management team

Our Strategies

1. Focus on expansion across each vertical to capitalize on industry opportunity
2. Expansion of our customer portfolio
3. Retain and strengthen our technological practice
4. Optimizing operational efficiency and margins through our Engineering R&D vertical

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-up*", "*Issue Procedure*" and "*Description of the Equity Shares*" beginning on pages 50, 92, 229, 214 and 243, respectively.

Issuer	Centum Electronics Limited
Face Value	₹10 per Equity Share
Floor Price	The floor price calculated on the basis of Regulation 176 of Chapter VI of the SEBI ICDR Regulations is ₹ 1,219.65 per Equity Share. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Our Company may offer a discount of up to 5% on the Floor Price in accordance with the approval of the Shareholders accorded through their special resolution by way of postal ballot passed on January 14, 2025, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Price	₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share)
Issue Size	The issue of [●] Equity Shares, aggregating to an amount up to ₹ [●] million* A minimum of 10% of the Issue Size i.e., up to [●] Equity Shares, shall be available for Allocation to Mutual Funds only and up to [●] Equity Shares should be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs. ** Subject to allotment of Equity Shares pursuant to the Issue.*
Date of Board Resolution	November 12, 2024
Date of Shareholders' Resolution	January 14, 2025
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. See "*Issue Procedure", "Selling Restrictions" and "Transfer Restrictions*" on pages 214, 231 and 238, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered shall be determined by the Book Running Lead Manager in consultation with the Company, at their sole discretion.
Dividend	See "*Description of Equity Shares*", "*Dividend Policy*" and "*Taxation*" beginning on pages 243, 107 and 247, respectively.
Indian Taxation	For details of 'Statement of possible tax benefits available to the Company, material subsidiaries and to shareholders of the Company under the applicable direct tax laws in India', see "*Taxation*" beginning on page 247
Equity Shares issued and outstanding immediately prior to the Issue	12,896,807 Equity Shares of face value of ₹ 10 each
Issued, subscribed and paid up Equity Share capital prior to the Issue	₹ 128,968,070.00
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares of face value of ₹ 10 each, being fully paid-up
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR. For further details, see "*Issue Procedure*" on page 214
Listing and trading	Our Company has obtained in-principle approvals dated March 10, 2025, in

	terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares pursuant to the Issue, from NSE and BSE, respectively. Our Company shall make an application to each of the Stock Exchanges after Allotment to obtain final listing and trading approvals for the Equity Shares, after the Allotment and credit of Equity Shares to the beneficiary account with the Depository Participants. The trading of the Equity Shares would be in dematerialised form and only in the cash segment of each of the Stock Exchanges.
Lock-up	For details in relation to lock-up, see "*Placement and Lock-up – Lock-up*" on 228 for a description of restrictions on our Company and Promoters in relation to the Equity Shares.
Proposed Allottees	See "*Details of Proposed Allottees*" on page 268 for names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company.
Transferability Restrictions	The Equity Shares Allotted pursuant to the Issue shall not be sold for a period of one (1) year from the date of Allotment, except on the Stock Exchanges. For details in relation to other transfer restrictions, see "*Transfer Restrictions*" beginning on page 238
Use of Proceeds	The gross proceeds from the Issue will be aggregating to approximately ₹ [●] million. The Net Proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹ [●] million. See "*Use of Proceeds*" beginning on page 92 for additional information
Risk Factors	See "*Risk Factors*" beginning on page 50 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares
Closing Date	The Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about [●]
Status, Ranking and Dividend	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The shareholders of our Company will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Shareholders of our Company may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held. For further details, please see "*Dividend Policy*" and "*Description of the Equity Shares*" on pages 107 and 243, respectively.
Voting Rights	See "*Description of Equity Shares – Voting Rights*" beginning on page 245

Security Codes/Symbols for the Equity Shares	ISIN	INE320B01020
	BSE Code	517544
	NSE Code	CENTUM

SUMMARY FINANCIAL INFORMATION

The following summary financial information and other data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements, including the notes thereto and the reports thereon, which appear in "Financial Information" beginning on page 267*. The summary financial information set forth below is derived from and should be read in conjunction with the Audited Consolidated Financial Statements prepared in accordance with the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and Unaudited Consolidated Financial Results prepared in accordance with the Regulation 33 of the SEBI Listing Regulations. Further, the financial information contained below (i) as at and for the year ended March 31, 2024, is derived from financial information included in Fiscal 2024 Audited Consolidated Financial Statements; (ii) as at and for the year ended March 31, 2023 is derived from the comparative financial information included in Fiscal 2024 Audited Consolidated Financial Statements; (iii) as at and for the year ended March 31, 2022 is derived from the comparative financial information included in Fiscal 2023 Audited Consolidated Financial Statements; (iv) for the nine months period ended December 31, 2024 is derived from December Unaudited Consolidated Financial Results for the nine months period ended December 31, 2024; and (v) for the nine months period ended December 31, 2023 is derived from the comparative financial information included in the December Unaudited Consolidated Financial Results for the nine months period ended December 31, 2024; and (v) for the six months period ended September 30, 2024 is derived from September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2024; and (vi) for the six months period ended September 30, 2023 is derived from the comparative financial information included in the September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2024 except for the statement of assets and liabilities which has been derived from the September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2023.*

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Summary consolidated balance sheet

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2023	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	1,119.54	1,071.27	1,126.04
Capital work-in-progress	0.09	54.09	2.87
Goodwill	-	412.58	412.58
Goodwill on consolidation	376.23	-	-
Other intangible assets	416.42	249.85	314.67
Intangible assets under development	120.14	227.56	100.99
Right-of-use assets	481.07	464.74	529.77
Financial assets			
- Investment in associates	59.15	82.47	84.17
- Other investments	13.78	13.81	0.55
- Trade receivables	269.12	-	-
- Other financial assets	378.36	362.62	275.64
Deferred tax assets (net)	31.58	69.68	102.48
Non-current tax assets (net)	48.89	9.59	13.43
Other assets	41.84	341.71	74.59
Total non-current assets	**3,356.21**	**3,359.97**	**3,037.78**
Current assets			
Inventories	2,248.25	2,610.62	3,173.77
Financial assets			
- Trade Receivables	2,499.02	3,309.97	2,279.77
- Cash and cash equivalents	480.44	352.71	481.21
- Bank balances other than cash and cash equivalents	93.66	69.25	234.58
- Other financial assets	226.21	121.20	440.82
Other assets	325.82	903.26	990.11
Total current assets	**5,873.40**	**7,367.01**	**7,600.26**
Total assets	**9,229.61**	**10,726.98**	**10,638.04**
Equity and liabilities			
Equity			
Equity Share capital	128.85	128.85	128.88
Other equity	1,910.83	1,978.32	1,903.84
Equity attributable to equity holders of the parent	**2,039.68**	**2,107.17**	**2,032.72**
Non - controlling interests	(54.48)	(66.60)	(65.62)
Total equity	**1,985.20**	**2,040.57**	**1,967.10**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	815.74	579.62	446.71
- Lease liabilities	355.54	361.58	407.81
Deferred tax Liabilities (net)	48.82	27.12	5.42
Other liabilities	77.30	167.39	672.17
Net employee defined benefit liabilities	58.28	61.81	53.12
Provisions	70.35	23.67	14.51
Government grants	26.57	24.43	16.40
Total non-current liabilities	**1,452.60**	**1,245.62**	**1,616.14**
Current liabilities			
Financial liabilities			
- Borrowings	1,910.25	2,047.99	1,290.23
- Lease liabilities	120.03	91.79	117.96
- Trade payables	1,140.83	2,109.71	2,377.69

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2023	As at March 31, 2024
- Other financial liabilities	598.56	517.04	371.60
Other liabilities	1,701.28	2,254.99	2,516.77
Government grants	7.87	8.16	8.03
Net employee defined benefit liabilities	6.51	7.39	7.98
Provisions	274.59	287.08	313.43
Liabilities for current tax (net)	31.89	116.64	51.11
Total current liabilities	**5,791.81**	**7,440.79**	**7,054.80**
Total equity and liabilities	**9,229.61**	**10,726.98**	**10,638.04**

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Summary consolidated statement of profit and loss

(₹ in million, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024
Income			
Revenue from operations	7,799.40	9,229.69	10,908.20
Other income	47.05	37.25	45.91
Finance income	33.19	21.28	22.23
Total income	**7,879.64**	**9,288.22**	**10,976.34**
Expenses			
Cost of materials consumed	3,065.02	4,146.60	5,446.42
(Increase)/ decrease in inventories of work-in-progress and finished goods	(45.44)	5.29	(191.51)
Employee benefit expenses	3,199.02	3,327.22	3,671.16
Finance costs	263.48	273.44	346.31
Depreciation and amortisation expenses	431.93	438.26	452.74
Other expenses	838.37	988.49	1,123.65
Total expenses	**7,752.38**	**9,179.30**	**10,848.77**
Profit / (loss) before share of profit/(loss) of associates, exceptional items and tax	**127.26**	**108.92**	**127.57**
Share of profit / (loss) of associates (net)	(45.74)	12.44	-
Profit / (loss) before exceptional items and tax	**81.52**	**121.36**	**127.57**
Exceptional items (net)	(603.54)	-	(48.79)
Profit / (loss) before tax	**(522.02)**	**121.36**	**78.78**
Tax expenses			
- Current tax	57.49	126.51	158.21
- Adjustment of tax relating to earlier period	(11.05)	(10.32)	3.70
- Deferred tax (credit) / expense	(33.81)	(61.77)	(55.58)
Total tax expenses	**12.63**	**54.42**	**106.33**
Profit / (loss) for the year	**(534.65)**	**66.94**	**(27.55)**
Other comprehensive income			
(A) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
(i) (a) Exchange differences on translating the financial statements of foreign operations	16.85	1.24	19.37
(b) Income tax effect on above	-	-	-
(ii) (a) Net movement on effective portion of cash flow hedge	-	0.02	(0.22)
(b) Income tax effect on above	-	(0.01)	0.06
(B) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(i) (a) Remeasurement gains / (losses) on defined benefit plans	10.00	7.77	4.28

(₹ in million, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024
(b) Income tax effect on above	(2.63)	(1.96)	(1.14)
Other comprehensive income for the year, net of tax	**24.22**	**7.06**	**22.35**
(Loss)/ profit for the year	(534.65)	66.94	(27.55)
Attributable to			
Equity holders of the parent	(305.43)	98.16	17.75
Non-controlling interests	(229.22)	(31.22)	(45.30)
Other comprehensive income for the year	**24.22**	**7.06**	**22.35**
Attributable to			
Equity holders of the parent	19.89	8.44	23.23
Non-controlling interests	4.33	(1.38)	(0.88)
Total comprehensive income for the year	**(510.43)**	**74.00**	**(5.20)**
Attributable to			
Equity holders of the parent	(285.54)	106.60	40.98
Non-controlling interests	(224.89)	(32.60)	(46.18)
Earnings per equity share (nominal value of ₹ 10 each)			
Earnings per share (₹) : Basic and diluted, computed on the basis of profit / (loss) attributable to equity holders of the parent (per equity share of ₹10 each)			
- Basic	(23.70)	7.62	1.38
- Diluted	(23.70)	7.55	1.36

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Summary consolidated statement of cash flows

(*₹ in million*)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before tax expenses	(522.02)	121.36	78.78
Non- cash adjustments to reconcile profit / (loss) before tax to net cash flows:			
Depreciation and amortisation expenses	431.93	438.26	452.74
Provisions/ liabilities no longer required, written back	(28.90)	(20.87)	(28.32)
Fair value loss/ (gain) on financial instruments	(0.15)	(0.02)	0.22
Net foreign exchange differences (unrealised)	5.24	23.89	24.23
Provision for expected credit losses / bad debts written off/ doubtful Advances	83.81	44.33	4.58
Employee share based compensation cost	0.16	13.91	21.68
Provision for inventory obsolescence	-	95.11	11.15
Provision for onerous contract	-	15.41	8.24
Government grants	(7.87)	(10.50)	(8.16)
Gain / (loss) on disposal of property, plant and equipment	0.92	(0.58)	(1.07)
Provision for dimunition in the value of investment / receivables	372.77	-	-
Provision for impairment of contract assets	-	-	34.29
Provision for dimunition in the value of loans	6.06	-	-
Provision for settlement of claims	132.22	-	-
Provision for impairment of unbilled revenue	34.48	-	-
Impairment of non-current investments	-	-	13.26
Finance income	(33.19)	(21.28)	(22.23)
Finance costs	229.57	246.65	346.31
Share of (profit) / loss of associates	45.74	(12.44)	-
Operating profit / (loss) before working capital changes	**750.77**	**933.23**	**935.71**
Working capital adjustments:			
(Increase) / decrease in inventories	(310.80)	(443.21)	(571.29)
Decrease/ (increase) in trade receivables/non-current/current financial and other assets	184.48	(1,216.31)	915.31

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2024
Increase / (decrease) in trade payables, non-current/current provisions, financial liabilities and other liabilities	514.39	1,435.05	1,098.91
Cash generated from / (used in) operations	**1,138.84**	**708.76**	**2,378.64**
Direct taxes paid (net of refunds)	(103.97)	0.56	(242.97)
Net cash flow from / (used in) operating activities	**1,034.87**	**709.32**	**2,135.67**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, including other intangible assets and capital advances	(187.53)	(217.56)	(330.42)
Proceeds from sale of property, plant and equipment	3.56	0.63	1.65
Proceeds from sale of non-current investments	9.31	-	-
Investment in bank deposits (having original maturity of more than three months) and other bank balances	6.28	72.18	(119.48)
Interest income received	19.06	23.61	8.09
Government grant received	-	8.65	-
Net cash flow (used in) / from investing activities	**(149.32)**	**(112.49)**	**(440.16)**
CASH FLOW FROM FINANCING ACTIVITIES			
Acquisition of non-controlling interests	-	(135.13)	(143.89)
Proceeds from long term borrowings	-	-	158.93
Repayment of long term borrowings	(219.53)	(298.77)	(230.10)
(Repayment)/ proceeds of short term borrowings (net)	(204.97)	(45.86)	(702.38)
Payment of principal portion of lease liabilities	(130.75)	(135.14)	(103.64)
Payment of interest portion of lease liabilities	(13.14)	(9.86)	(11.78)
Finance costs paid	(217.87)	(223.29)	(324.00)
Dividend paid (including amount transferred to Investor Education and Protection Fund)	(25.53)	(32.49)	(90.67)
Net cash flow (used in) / from financing activities	**(811.79)**	**(880.54)**	**(1,447.53)**
Net increase/(decrease) in cash and cash equivalents	73.76	(283.71)	247.98
Cash and cash equivalents at the beginning of the year	411.48	480.44	211.78
Effect of exchange differences on cash and cash equivalents held in foreign currency	(4.79)	15.05	1.35
Cash and cash equivalents at the end of the year	**480.44**	**211.78**	**461.11**

Summary consolidated financial results

(₹ in million, unless otherwise stated)

Particulars	For the nine months period ended December 31	
	2023	**2024**
Income		
Revenue from operations	7,939.27	7,866.79
Other income	14.12	30.94
Finance income	16.35	19.68
Total Income	7,969.74	7,917.41
Expenses		
Cost of materials consumed	4,060.78	4,277.26
Decrease/ (increase) in inventories of work-in-progress and finished goods	(317.38)	(255.81)
Employee benefit expenses	2,719.62	2,611.82
Depreciation and amortisation expenses	332.51	339.96
Finance costs	248.95	231.48
Other expenses	799.13	681.93
Total expenses	7,843.61	7,886.64
Share of profit / (loss) of associate	-	-
Profit/ (loss) before exceptional items and tax expense	126.13	30.77
Exceptional items	-	(193.05)
(Loss)/profit before tax	126.13	(162.28)
Tax expenses		
- Current tax (net)	122.29	90.24
- Adjustment of tax relating to earlier period	3.70	-
- Deferred tax expense/ (credit)	(41.26)	(18.00)
Total tax expenses	84.73	72.24
(Loss) / profit after tax	41.40	(234.52)
Other comprehensive income/ (expenses) (net of tax)		
(a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
(i) Remeasurement gains / (losses) on defined benefit plans	5.73	3.64
(ii) Income tax effect on above	(1.44)	(0.92)
(b) Other comprehensive income to be reclassified to profit or loss in subsequent periods		
(i) Exchange differences on translating the financial statements of foreign operations	8.52	17.63
(ii) Income tax effect on above	-	-
(iii) Net movement on effective portion of cash flow hedge	-	-
(iv) Income tax effect on above	-	-
Total other comprehensive income/ (expenses) (net of tax)	12.81	20.35
Total comprehensive income for the period, net of tax	54.21	(214.17)
Total comprehensive income attributable to:		
(a) Equity holders of the parent	86.50	(181.50)
(b) Non-controlling interest	(32.29)	(32.67)
Total comprehensive income for the period	54.21	(214.17)
Paid up equity share capital (Face value - ₹ 10 per share)	128.88	128.97
Earnings per equity share (EPS) (of ₹ 10 each)*		

(₹ in million, unless otherwise stated)

Particulars	For the nine months period ended December 31	
	2023	**2024**
- Basic (in ₹)	5.56	(15.50)
- Diluted (in ₹)	5.49	(15.50)

**Not annualised*

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Summary consolidated statement of assets and liabilities

(₹ in million)

Particulars	As at September 30	
	2023	2024
ASSETS		
Non-current assets		
Property, plant and equipment	1,143.47	1,096.80
Capital work-in-progress	2.95	25.07
Goodwill	-	412.58
Goodwill on consolidation	376.23	-
Other intangible assets	302.71	302.48
Intangible assets under development	194.86	58.07
Right-of-use assets	542.39	488.53
Financial assets		
- Investments in associates	81.92	87.43
- Other investments	13.80	0.57
- Other financial assets	415.03	333.87
Deferred tax assets (net)	79.80	154.74
Non-current tax assets (net)	9.78	33.00
Other assets	268.26	65.68
Total non-current assets	3,431.20	3,058.82
Current assets		
Inventories	3,327.61	4,016.24
Financial assets		
- Trade receivables	3,227.01	2,296.83
- Cash and cash equivalents	357.76	417.16
- Bank balances other than cash and cash equivalents	73.65	155.71
- Other financial assets	115.02	395.75
Other assets	888.87	1,170.49
Total current assets	7,989.92	**8 452.18**
Total assets	11,421.12	11,511.00
Equity and liabilities		
Equity		
Equity Share capital	128.85	128.97
Other equity	1,910.62	1,833.71
Equity attributable to equity holders of the parent	2,039.47	**1 962.68**
Non - controlling interests	(46.01)	(74.18)
Total Equity	**1,993.46**	**1,888.50**
Liabilities		
Non-current liabilities		
Financial liabilities		
- Borrowings	593.13	314.73
- Lease liabilities	419.30	371.17
Deferred tax Liabilities (net)	16.27	-
Other liabilities	104.64	208.11
Net employee defined benefit liabilities	64.38	58.41
Provisions	20.05	6.58
Government grants	20.33	13.73
Total non-current liabilities	**1,238.10**	**972.73**
Current liabilities		
Financial liabilities		
- Borrowings	2,386.79	1,783.21
- Lease liabilities	112.60	114.10
- Trade payables	2,263.18	3,026.47
- Other financial liabilities	284.17	305.46
Other liabilities	2,807.48	3,033.45
Government grants	8.10	6.68
Net employee defined benefit liabilities	8.79	7.98

(₹ in million)

Particulars	As at September 30	
	2023	**2024**
Provisions	255.02	279.47
Liabilities for current tax (net)	63.43	92.95
Total current liabilities	8,189.56	**8 649.77**
Total equity and liabilities	11,421.12	**11,511.00**

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Summary consolidated financial results

(₹ in million, unless otherwise stated)

Particulars	For the six months period ended September 30	
	2023	2024
Income		
Revenue from operations	4,957.32	5,053.34
Other income	8.82	14.32
Finance income	10.94	13.54
Total Income	**4,977.08**	**5,081.20**
Expenses		
Cost of materials consumed	2,536.23	2,881.43
(Increase)/ decrease in inventories of work-in-progress and finished goods	(268.18)	(381.02)
Employee benefit expenses	1,793.00	1,729.48
Finance costs	171.73	152.60
Depreciation and amortisation expenses	217.36	234.31
Other expenses	508.04	465.69
Total expenses	**4,958.18**	**5,082.49**
Share of profit / (loss) of associates	-	-
Profit / (loss) before exceptional items and tax expense	**18.90**	**(1.29)**
Exceptional items	-	-
Profit / (loss) before tax	**18.90**	**(1.29)**
Tax expenses		
- Current tax (net)	69.39	98.55
- Adjustment of tax relating to earlier period	2.50	-
- Deferred tax (credit) / expense	(21.91)	(58.29)
Total tax expenses	**49.98**	**40.26**
(Loss) / profit after tax	**(31.08)**	**(41.55)**
Other comprehensive income / (expenses) (net of tax)		
(a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
(i) Remeasurement gains / (losses) on defined benefit plans	3.72	2.42
(ii) Income tax effect on above	(0.94)	(0.61)
(b) Other comprehensive income to be reclassified to profit or loss in subsequent periods		
(i) Exchange differences on translating the financial statements of foreign operations	22.65	(11.36)
(ii) Income tax effect on above	-	-
(iii) Net movement on effective portion of cash flow hedge	-	-
(iv) Income tax effect on above	-	-
Total other comprehensive income / (expenses) (net of tax)	**25.43**	**(9.55)**
Total comprehensive income for the period, net of tax	**(5.65)**	**(51.10)**
Total comprehensive income attributable to:		
(a) Equity holders of the parent	20.92	(42.54)
(b) Non-controlling interest	(26.57)	(8.56)
Total comprehensive income for the period	**(5.65)**	**(51.10)**
Paid up equity share capital (Face value - ₹ 10 per share)	128.85	128.97
Earnings per equity share (EPS) (of ₹ 10 each)*		

(₹ in million, unless otherwise stated)

Particulars	**For the six months period ended September 30**	
	2023	**2024**
- Basic (in ₹)	(0.39)	(2.71)
- Diluted (in ₹)	(0.39)	(2.71)

**Not annualised*

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Summary of consolidated cash flows

(₹ in million)

Particulars	For the six months period ended September 30	
	2023	2024
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before tax	18.90	(1.29)
Non- cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation and amortisation expenses	217.36	234.31
Provisions/ liabilities no longer required, written back	(3.51)	(1.10)
(Reversal) / provision for expected credit loss / bad debts written off / doubtful advances	-	(4.72)
Net foreign exchange differences (unrealised)	18.55	14.91
Employee share based compensation cost	10.09	10.52
Provision for inventory obsolescence	-	31.67
Government grants	(4.15)	(4.02)
(Gain) / loss on sale / disposal of property, plant and equipment (net)	(1.07)	-
Finance income	(10.94)	(13.54)
Finance costs	171.73	152.60
Operating profit / (loss) before working capital changes:	**416.96**	**419.34**
Working capital adjustments:		
(Increase) / decrease in inventories	(721.49)	(863.83)
(Increase) / decrease in trade receivables / non-current / current financial assets and other assets	126.22	(65.82)
Increase / (decrease) in trade payables, non-current / current provisions, financial liabilities and other liabilities	628.08	638.76
Cash generated from / (used in) operations	**449.77**	**128.45**
Direct taxes paid (net of refunds)	(125.29)	(76.28)
Net cash from / (used in) operating activities	**324.48**	**52.17**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including capital work-in progress, intangible assets and capital advances	(244.09)	(91.53)
Proceeds from sale of property, plant and equipment	1.65	-
Redemption / (investment) in bank deposits (having original maturity of more than three months) and other bank balances	(37.67)	28.65
Interest income received	2.76	3.81
Net cash (used in) / from investing activities	**(277.35)**	**(59.07)**
CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition of non-controlling interest	(143.89)	-
Proceeds from long term borrowings	154.34	-
Repayment of long term borrowings	(93.51)	(150.31)

(₹ in million)

Particulars	For the six months period ended September 30	
	2023	**2024**
Proceeds / (repayment) of short term borrowings (net)	210.14	258.21
Payment of principal portion of lease liabilities	(52.83)	(57.60)
Payment of interest portion of lease liabilities	(5.91)	(6.15)
Issue of shares	-	0.60
Finance costs paid	(168.77)	(142.32)
Dividend paid (including amount transferred to Investor Education and Protection Fund)	(51.87)	(38.83)
Net cash (used in) / from financing activities	**(152.30)**	**(136.40)**
Net (decrease) / increase in cash and cash equivalents	(105.17)	(143.30)
Cash and cash equivalents at the beginning of the year	352.71	461.11
Effect of exchange differences on cash and cash equivalents held in foreign currency	(2.37)	7.79
Cash and cash equivalents at the end of the period	**245.17**	**325.60**

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RELATED PARTY TRANSACTIONS

For details in relation to the related party transactions entered into by our Company during Fiscals 2024, 2023 and 2022, as per the requirements under Ind AS 24 'Related party disclosures', as applicable and specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported see "*Financial Information – Related Party Transaction*" on pages F-84, F-166 and F-246.

RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us, our Equity Shares, or the industry in which we operate or to India and other jurisdictions we operate in. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" on pages 177, 161, 108 and 267, respectively, as well as the other financial and statistical information contained in this Preliminary Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

We have included various operational and financial performance indicators in this Preliminary Placement Document, many of which may not be derived from our consolidated financial statements. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of our consolidated financial statements and financial results and other information relating to our business and operations included in this Preliminary Placement Document. See "Risk Factors – We have in this Preliminary Placement Document included certain non-GAAP financial measures. These non-GAAP measures may vary from any standard methodology that is generally applicable across the industry, and therefore may not be comparable with financial or industry-related statistical information of similar nomenclature computed and presented by other companies." on page 81.

This Preliminary Placement Document also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For further information, see "Forward-Looking Statements" on page 14.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Report on Global & Indian EMS, ER&D, & BTS Market (With Focus on Defence and Space)" dated January 29, 2025 ("**F&S Report**") prepared and issued by Frost & Sullivan (India) Private Limited, appointed by us on October 25, 2024, and exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, exclusively in connection with the Issue. References to various segments in the F & S Report and information derived therefrom are references to industry segments and in accordance with the presentation, analysis and categorisation in the F & S Report. Our segment reporting in our financial statements is based on the criteria set out in Ind AS 108, Operating Segments and we do not present such industry segments as operating segment. A copy of the F&S Report is available on the website of our Company at https://www.centumelectronics.com/investor-relations/. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "Industry and Market Data" on page 13.*

Unless otherwise indicated or stated or unless the context requires otherwise, the financial information contained in this Preliminary Placement Document as at and for the year ended March 31, 2024 is derived from the Fiscal

2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2023 is derived from the comparative financial information included for Fiscal 2023 in Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2022 is derived from the comparative financial information included for Fiscal 2022 in Fiscal 2023 Audited Consolidated Financial Statements; and financial information for the nine months period ended December 31, 2024 is derived from December Unaudited Consolidated Financial Results for the nine months period ended December 31, 2024; and financial information for the nine months period ended December 31, 2023 is derived from the comparative financial information included in the December Unaudited Consolidated Financial Results for the nine months period ended December 31, 2024; and financial information for the six months period ended September 30, 2024 is derived from September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2024; and financial information for the six months period ended September 30, 2023 is derived from the comparative financial information included in the September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2024 except for the statement of assets and liabilities which has been derived from the September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2023. Figures for the reported period may be different as compared to figures disclosed as comparative financials in the reporting period due to regrouping /rearrangement wherever considered necessary to conform to the figures presented in the reporting period. Unless otherwise indicated or the context otherwise requires, for the purposes of financial information included, in this section, references to "we", "us" and "our" are to the Company together with its Subsidiaries and Associates, on a consolidated basis.

INTERNAL RISK FACTORS

1. ***Our manufacturing facilities are subject to operating risks. Any shutdown of our existing manufacturing facilities or future manufacturing facilities or any other operational problems caused by unforeseen events such as disruption in electricity or water or fuel supply may reduce sales and adversely affect our business, results of operations, cash flows and financial condition.***

As on the date of this Preliminary Placement Document, our Company operates two manufacturing facilities located in Bangalore, Karnataka, India. The following table sets forth details of our operational manufacturing facilities and our verticals operating at each of these facilities as of the date of this Preliminary Placement Document:

	Location / address of the Manufacturing Facility	Vertical
1.	No.44, KHB Industrial Area, Yelahanka New Town, Bangalore 560 106	Built to Specification products for Indian defence and space customers
	No.43, KHB Industrial Area, Yelahanka New Town, Bangalore 560 106	
2.	Plot No.58-P, Bengaluru Aerospace Park, Sy. No. 8-Part of Unachur Village and Sy. No. 8 – Part of Dummanahalli village, Jala Hobli, Bengaluru North, Yelahanka Taluk	Electronic manufacturing services

Our manufacturing facilities are subject to operating risks and we may encounter manufacturing problems or experience difficulties or delays in production as a result of occurrence of the following events or any other events beyond our control:

(i) forced or voluntary closure of manufacturing units, including as a result of regulatory actions;

(ii) problems with supply chain continuity, including as a result of natural or man-made disasters at any of our manufacturing units;

(iii) manufacturing shutdowns, breakdown or failure of equipment, industrial accident, equipment performance below expected levels of efficiency, obsolescence of our equipment and manufacturing units, industrial accidents and the need to comply with the directives of relevant government authorities;

(iv) labour disputes, strikes, lock-outs that may result in temporary shutdowns or manufacturing disruptions;

(v) Disruption in electricity or water or fuel supply;

(vi) any shortage or disruption in the availability of power or water;

(vii) failure of a supplier to provide us with the critical raw materials or components for an extended period of time, which could impact continuous supply;

(viii) shortage of qualified and skilled personnel;

(ix) changes in applicable local laws and regulations impacting our manufacturing units; and

(x) local political tensions.

While we have periodic scheduled shutdowns for maintenance, there have been no such instances of any shutdown or disruptions or interruptions at any of our manufacturing facilities in the last three Fiscals and the nine months period ended December 31, 2024, as a result of any of the factors mentioned above. However, we cannot assure you that such shutdown or disruptions or interruptions may not happen going forward and our business and financial results may not be adversely affected.

Such shutdown, disruptions or interruptions in our operations may result in reduced production and reduced sales or higher costs to arrange for alternative arrangements to meet our customer obligations and may also lead to loss of business and/or loss of customers which could adversely affect our business, cash flows, and results of operations.

2. ***A substantial portion of our revenue is dependent on our key customers in India and foreign jurisdictions involved in space, aerospace and defence, including government entities including defence public sector undertakings and government organizations involved in space industry. The loss of one or more customers or a decline or reprioritisation of the Indian defence or space budget, reduction in orders, termination of existing contracts, delay of existing or anticipated contracts or programmes could adversely affect our business, results of operations, financial conditions and cash flows.***

We are dependent on our key customers for a substantial portion of our revenue. Centum is one of India's leading end-to-end integrated electronics solutions providers, as of September 30, 2024, offering a comprehensive suite of services that spans the entire electronics system design and manufacturing spectrum to high-growth sectors with high entry barriers such as aerospace, defense, space, medical, and mobility. The Company is present in high growth markets-ER&D, EMS and BTS. (*Source: F&S Report*) The Company was founded in 1994 in Bengaluru, India. Since then, the Company has rapidly grown into a diversified electronics Company with operations in North America, UK, EMEA and Asia. (*Source: F&S Report*)

Consequently, our business is dependent on projects and programmes undertaken by our key customers and GoI and associated entities ("**GoI Entities**"). The table sets forth details of our Gross Billings on consolidated basis from our top three Customer Group (excluding GoI Group) and GoI Group*:*

Customer Concentration	Fiscal						For the nine months period ended December 31,			
	2022		2023		2024		2023		2024	
	Amount (₹ million)	Percentage of Gross billings	Amount (₹ million)	Percentage of Gross billings	Amount (₹ million)	Percentage of Gross billings	Amount (₹ million)	Percentage of Gross billings	Amount (₹ million)	Percentage of Gross billings
Top three customer group	2,831.75	36.23%	3,685.51	39.48%	4,655.01	41.87%	3,617.31	45.95%	3,906.64	49.93%
Top three GoI Group	1,475.41	18.87%	1,391.15	14.90%	1,189.84	10.70%	886.40	11.26%	758.60	9.70%

We derive a significant portion of our revenue from our key customers and GoI Entities, exposing us to risks associated with dependency on a limited customer base. A reduction in business from these customers, whether due to pricing, our inability to maintain quality and quantity standards, delays, adverse market conditions, changes in government policies, or competition offering superior or lower-cost alternatives, could adversely affect our business, results of operations, financial condition, and cash flows.

While we maintain long-term relationships with key customers, we do not rely on commitment in form of long-term agreements with our customers., we primarily operate on tender-based model in domestic market, particularly in defence and space sectors, which involves competitive bidding, extended timelines and pricing pressure and in international markets, we operate on a purchase order basis with customers, which provides short-term revenue visibility and lacks the security of long term contractual commitments. Any adverse developments with these customers, including disputes, disqualifications, or their consolidation with other entities, could significantly impact our cash flows, liquidity, and ability to retain business. Additionally, if we lose one or more of these customers, there is no assurance that we can offset such losses through new or existing customers. While we have not experienced the loss of any key customers in the last three Fiscals or the nine months period ended December 31, 2024, there can be no assurance that we will not face such losses in the future. Any loss of a key customer, reduction in business volumes, changes in their procurement priorities, or delays or cancellations of projects could significantly impact our revenues and cash flows.

Furthermore, our contracts with GoI entities are subject to the availability of budgets for defence and space initiatives. India has achieved unprecedented growth in its indigenous defense production during FY 2023-24, reflecting the Government's focused efforts on achieving self-reliance under the 'Aatmanirbhar Bharat'. The Ministry of Defence reported a record-high Value of Production (VoP) of ₹1,273 crore in DY2024, marking a significant increase from the ₹1,086 crore achieved in FY 2023. India's defense production has witnessed consistent growth, driven by contributions from both the public and private sectors. In FY2024, the total Value of Production (VoP) reached ₹1,268.87 billion, with the private sector contributing ₹268 billion (21.1%) and public sector undertakings (PSUs) contributing ₹1,004 billion (78.9%). Future estimates indicate continued expansion, with the private sector's contribution projected to reach ₹699 billion and PSUs expected to achieve ₹2,301 billion by FY 2029E. (*Source: F&S Report*) Although there has been a general increase in defence and space allocations by the GoI, reductions in specific budgets, may directly impact our revenues. Risks associated with GoI contracts include stricter regulatory requirements such as minimum local contents, extended tender processes, pricing pressures to win tenders, potential time or cost overruns, delays in payments, and exposure to terms and conditions such as payment of liquidated damages in case of delay in delivery, right to inspect and test the products, right of rejection in part or full, right to place repeat order on the same priced and terms and conditions, confidentiality and providing performance guarantees / security covering period of warranty.

Although we are focused on diversifying our customer base and expanding into markets to reduce dependency on a limited customer base, these efforts may not fully mitigate the risks associated with customer concentration. Any adverse developments with key customers and changes in government priorities, tax policies, or geopolitical circumstances could result in reduced orders, termination of contracts, or delays in anticipated programs, all of which could materially and adversely affect our business, results of operations, and profitability.

3. Our plans to install equipment and machinery in our existing manufacturing facilities in India from the proceeds of the Issue may face delays in placing orders and implementation, or vendors may not be able to provide the equipment / machinery in a timely manner and may result in cost overruns. If we are unable to implement the plan for installation of such equipment / machinery, it could adversely impact our ability to use such equipment and machinery, business, results of operations and financial condition.

As on the date of this Preliminary Placement Document, our Company operates two manufacturing facilities located in Bangalore, Karnataka, India.

We intend to utilize a portion of the Net Proceeds from the Issue to install equipment and machinery at our existing manufacturing facilities in India to enhance our capacity. For further details, see "*Use of Proceeds*" on page 92. These plans require us to procure machinery and equipment, and coordinate with external agencies responsible for civil work, installation, commissioning, and supply of equipment. As of the date of this Preliminary Placement Document, we have not yet placed orders for all the machinery and equipment required for the proposed capital expenditure nor have we entered into definitive contracts or made payments (including advances) towards the same. In the event of any delay in placing the orders, or if vendors are unable to supply the required equipment in a timely manner or at all, we may face time and cost overruns, which could adversely impact our ability to implement the planned installations and achieve the intended economic benefits.

Furthermore, there can be no assurance that we will be able to procure machinery and equipment from the vendors who provided us with quotations, or that we will find alternative vendors who can meet our requirements at acceptable prices. The quotations we have obtained are valid only for a certain period of time and may be subject to revisions. The actual amount and timing of our capital expenditure requirements may differ from our estimates due to unforeseen delays, cost escalations, unanticipated expenses, regulatory changes, engineering design modifications, and technological advancements.

Although we have undertaken capacity enhancements in the past and have significant experience in executing such projects, there can be no assurance that the current installations will proceed as planned or within the allocated budget. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of the project, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our business, results of operations and financial condition.

4. ***Any failure to comply with the provisions of the contracts entered with our customers, especially the GoI Entities, could have an adverse effect on our business, financial conditions and results of our operations. Additionally, imposition of liquidated damages and invocation of performance bank guarantees / indemnity bonds by our customers could impact our results of operations and we may face potential liabilities from lawsuits and claims by customers in the future.***

The contracts entered with our customers, especially GoI Entities, contain obligations and are subject to laws which give them certain rights, obligations and remedies including without limitation to the following:

(i) right to inspect the products;

(ii) to provide indemnity to the customers from loss or damages etc. for any claim for infringement of patents, copyrights and trademarks;

(iii) to keep all information received from the customers confidential;

(iv) right to terminate the contract for default, delays and force majeure conditions;

(v) right to reject and refuse subsequent deliveries;

(vi) claim liquidated damages;

(vii) to provide performance guarantees / security covering period of warranty;

(viii) right to claim intellectual property rights in products; and

(ix) to comply with government orders.

While in the last three fiscals and nine months period ended December 31, 2024, there has been no instance of non-compliance of such obligations under the contracts entered with our customers including GoI Entities except for imposition of certain liquidated damages by certain GoI entities in the past for delays in achieving milestones which were in the ordinary course of business and there are no material adverse impact or significant losses nor any loss of contracts, in the event that our customers enforce any of the above provisions, it could have an adverse effect on our business operations, financial conditions and results of our operations.

We cannot assure you that, in the future, such contracts can be completed profitably or on terms that are commercially acceptable to us. Any time and/or cost overruns on our contract could have a material adverse effect on our business, results of operations and financial condition. The incurring of such liabilities pursuant to the imposition of liquidated damages or the invocation of such performance bank guarantees and indemnity bonds in relation to our contracts could have an adverse effect on our business, results of operation, and financial condition. For instance, one of our customer had levied a penalty amounting to ₹ 9.14 million for late delivery of the products. Though we have requested the customer for waiver of the penalty, we cannot assure that such penalty will be waived-off.

Further, our customers have the right to inspect and do quality audit our facilities, processes and products after reasonable notice to ensure that our services are meeting their internal standards. If we fail to perform our services in accordance with best practices stipulated by our customers and/or our customers are dissatisfied with the quality of our facilities in any manner, our reputation could be harmed and our customers may terminate/modify their contractual arrangements and/ or refuse to renew their contractual arrangements or purchase orders. This may have an adverse impact on our business, financial condition, results of operations and future prospects.

5. ***Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations.***

Our Order Book does not necessarily indicate future earnings related to the performance of that work. Our Order Book refers to expected future revenues under contracts or purchase orders. Order Book projects represent only business that is considered firm, although deferments, withdrawals, cancellations or unanticipated variations or scope or schedule adjustments may occur. We prepare our Order Book on the basis of the aggregate contract value of our ongoing projects as of such date, multiplied by our share, reduced by the value of work executed by us until such date. For the purposes of calculating the Order Book value, we do not take into account any escalation or change in work scope of our ongoing projects as of the relevant date. The manner in which we calculate and present our Order Book information may vary from the manner in which such information is calculated and presented by other companies, including our competitors. The Order Book information included in this Preliminary Placement Document is not audited and does not necessarily indicate our future earnings. Our Order Book should not be considered as a substitute for performance measures. our order book depends on continued growth of the defence and space sector in India and our ability to remain competitive.

As of February 21, 2025, our Order Book stands at ₹ 18,612.99 million. The breakup of our Order Book position based on our business verticals is as under:

Particulars / Verticals	Value of Order Book (As on February 21, 2025) (₹ in million)	Percentage of total Order Book
Engineering Research and Development Services	1,949.15	10.47%
Electronic Manufacturing Services	7,202.85	38.70%
Build to Specification	9,460.99	50.83%
Total	**18,612.99**	**100.00%**

For further details on our Order Book, see "*Our Business - Order Book*" on page 192.

6. ***We are subject to strict quality requirements, customer inspections and audits, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and future prospects.***

The Company is one of India's leading end-to-end integrated electronics solutions providers, as of September 30, 2024, offering a comprehensive suite of services that spans the entire electronics system design and manufacturing spectrum to high-growth sectors with high entry barriers such as aerospace, defense, space, medical, and mobility. The Company is present in high growth markets-ER&D, EMS and BTS. Also the company has not identified any direct peers within the specified verticals. (*Source: F&S Report*)

Given the nature of our products and solutions, and the sector in which we operate, our customers typically have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in products and solutions manufactured by us or failure to comply with the specifications of our customers may, in turn, lead to the manufacture of faulty end-products by our customer.

Due to the nature of our business verticals we are required to take customer- specific certifications to qualify as a supplier. As on the date of this Preliminary Placement Document, we have the following certifications:

Particulars	Certification Body	Standard	Scope
Quality Management System	The certification body of TÜV SÜD AMERICA INC	AS 9100D and ISO 9001:2015	Design, Manufacture & Supply of Electronic Modules, PCB Assembly, Box Build, Integration, Testing and Screening of Electronic Components & Modules for Space, Avionics and Defence Applications
Quality Management System	The certification body of TÜV SÜD AMERICA INC	AS 9100D and ISO 9001:2015	Manufacture and Supply of Printed Circuit Board Assembly, Integration and Box Build for Aviation, Space, Defense and Other Industrial Applications
Quality Management System	The certification body of TÜV SÜD Management Service GmbH	IATF 16949	Manufacture of Printed Circuit Board Assemblies, Modules and Box Build

Particulars	Certification Body	Standard	Scope
Medical Devices – Quality Management System	The certification body of TÜV SÜD Product Service GmbH	ISO 13485:2016	The Provision of Production, Distribution and Servicing of Printed Circuit Board Assemblies and Box Build Assemblies for medical devices
Environmental and Occupational Health ad Safety Management System	The certification body of TÜV SÜD South Asia Private Limited	ISO 14001:2015 and ISO 45001:2018	Design, Manufacture & Supply of Electronic Modules, PCB Assembly, Box Build, Integration, Testing and Screening of Electronic Components & Modules for Space, Avionics and Defence Applications
Environmental Management System	The certification body of TÜV SÜD South Asia Private Limited	ISO 14001:2015	Manufacture and Supply of Electronic Modules, Sub Systems, Printed Circuit Board Assembly (Pcba), Box Build & Repairs, Plastic Moulded Components and Assemblies
Information Security Management System	The certification body of TÜV SÜD South Asia Private Limited	ISO/IEC 27001:2013	Design, Manufacturing, Integration and Screening of PCB Assembly and Electronic Modules
Occupational Health and Safety Management System	The certification body of TÜV SÜD South Asia Private Limited	ISO 45001:2018	Manufacture and Supply of Electronic Modules, Sub Systems, Printed Circuit Board Assembly (Pcba), Box Build & Repairs, Plastic Moulded Components and Assemblies
AFNOR Certification	IRIS Certification® approved certification body	IRIS Certification® Conformity assessment:2020 and based on ISO/TS 22163:2017	Design and Development for the scopes of certification: 04 (Power system, drive unit), 05 (Auxiliary systems), 11 (Carrier systems, enclosures), 19 (Single railway components) For the Products of Power Electronics, Digital and Analog Electronics, Calculators and Security Products

We also work in space and defence and aerospace industry and a certificate of conformance for all the components used in our products is required. We also maintain records with information on batch name and other information to allow defect investigation and rectification. This may lead to cancellation of supply orders or non-renewal of agreements by our customers and at certain instances may impose additional costs in the form of product liability and /or product recall. While there have not been any warranty claims made against our products or any cancellation of existing or future orders resulting in a material adverse impact on our business, financial condition, results of operations and cash flows, there can be no assurance that this will continue in the future. There can be no assurance that we or our component suppliers comply or can continue to comply with all regulatory requirements or the quality requirement standards of our customers. The longer useful life of some our products makes it possible that latent defects might not appear for several years. There is no guarantee that any future non-compliance with quality standards will not result in a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. Further, any failure to make timely deliveries of products and solutions as per our customers' requirements could result in cancellation or non-renewal of purchase orders and at certain instances may also result in us bearing additional financial exposure.

We are subject to product liability and other claims from customers, in connection with (i) the non-compliance of the products and services with customers' specifications, drawings, samples and performance requirements, or (ii) non-compliance of applicable law or misappropriation of any trade secret or infringement or unauthorised use of any patent, trademark or any other intellectual property right. These liabilities might arise from causes that are directly attributable to us or causes that are attributable to third parties which act as our suppliers or subcontractors. While there have been no instances of product liability and other claims from our customers in last three Fiscals and nine months period ended December 31, 2024, we cannot assure such claims will not be made by our customers in future. While we maintain insurance coverage for product liability claims, such insurance may not be adequate or sufficient to cover all potential losses or liabilities, and there can be no assurance that such insurance coverage will be available in the future on commercially reasonable terms or at all. Any failure to adequately address or mitigate product liability claims, whether due to insufficiency of insurance coverage or otherwise, could result in significant financial costs, reputational harm, and an adverse effect on our business, financial condition, and results of operations.

Though we have adopted quality policy to ensure that our products will be able to meet the expectations of our customers and stakeholders in quality, technology and value and to enhance quality of all our products, processes and services. However, it is possible that our procedures and processes may fail to test for all possible conditions of use or identify all defects in the design, engineering or specifications of the components. Any such failure to identify defects could require us to undertake service actions or component recalls. While in the last three fiscals and nine months period ended December 31, 2024, there have been no instances of defects identified in our products or any negative publicity associated with our Company or its products. Any future instances of such defects or negative publicity regarding our Company, or our products could adversely affect our reputation, our operations and our results from operations.

7. ***Significant shortages of, or delay or disruption in the supply of raw materials or increase in prices and cost of import of raw material could affect our estimated costs, expenditures and timelines which may have a material adverse effect on our business quarterly revenues and/or profitability, financial condition, results of operations, cash flows and reputation.***

Our business significantly depends on the defence, aerospace, space, industrial, medical and mobility sectors. We rely on a complex network of domestic and foreign suppliers for critical components and raw materials that we require for the manufacture of our products. Some suppliers may depend on third parties for materials required to manufacture products for us.

Our primary raw materials are (i) electronic components such as integrated circuits, resistors, capacitors, diode, PCB and other semiconductors; (ii) hi-realisation electronic components such as FPGA, relays, memory devices, bare dies, etc.; (iii) photo diode, connectors, transistors, wound components or magnetic components, plastic parts, sheet metal parts, hermetic packages and lids and process consumables such as thick firm resistors, gold ribbon and bonding wire.

Such raw materials are sourced from both domestic and internation suppliers. Our suppliers' ability to provide raw materials to us at competitive prices is affected by global commodity prices, inflation and our ability to negotiate with our suppliers effectively. Any significant movement in global commodity prices and inflation beyond our expectations and budgets, could significantly increase our costs. Additionally, factors such as economic or political conditions of the countries where we procure supplies from, the military conflict between Russia and Ukraine, and in the Middle East, as well as the de-coupling of China and western economies, may result in increases in costs of raw materials, which could increase our production and delivery costs and reduce our margins.

The table below set forth the gross purchase made by the us from domestic and foreign suppliers and percentage of gross purchases the periods / years indicated:

Particulars	Fiscal						For the nine months period ended December 31			
	2024		2023		2022		2023		2024	
	₹ million	% of gross purchases	₹ million	% of gross purchases	₹ million	% of gross purchases	₹ million	% of gross purchases	₹ million	% of gross purchases
Gross purchase from domestic suppliers	1,086.37	18.53%	608.00	13.37%	443.97	12.47%	1,029.57	20.31%	1,020.16	19.01%
Gross Purchases from foreign suppliers	4,776.80	81.47%	3,938.75	86.63%	3,115.58	87.53%	4,038.83	79.69%	4,346.89	80.99%

Due to shortage of labour and local restrictions impacting the transport has contributed to a bottleneck in supply for the semiconductor industry which is expected to continue in near future. In addition, the ongoing conflicts globally may impact the supply chain for certain of the raw materials including electronic components that are used in our products. There can be no assurance that any disruption that affect supply of our raw materials and consequently our ability to deliver products in a timely manner, will not occur in the future. If such disruptions occur, it may have an adverse impact on our financial position.

While we have not entered into long-term agreements with our suppliers and there has been no instance of shortages of raw materials face by us in last three Fiscals and nine months period ended December 31, 2024, we may experience shortages in availability of raw material, resulting in delay in fulfilment of orders and delivery of our products and a consequent adverse impact on our business, operations, profits, financial condition, and cash flows.

8. ***We are dependent on third-party transportation providers for the supply of materials for our manufacturing process and delivery of our finished products. If we are required to expend considerable resources in addressing our distribution requirements, it could adversely affect our results of operations.***

Our success depends on the supply and transport of raw materials and equipment required for our manufacturing facilities from suppliers and of our finished products from our manufacturing facilities to our customers, which are subject to various uncertainties and risks. We use third-party freight and transportation providers for the delivery of materials to manufacturing facilities and our finished products to customers. While there has been no instance of transportation strikes in the last three Fiscals and nine months period ended December 31, 2024, transportation strikes, if any, in future could have an adverse effect on supplies and deliveries to our customers and from our suppliers.

In addition, materials and components, as well as our products shipped to customers, may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be a delay in delivery of materials and products which may also affect our business and results of operations negatively. In the event we fail to maintain a sufficient volume of materials and delivery of such materials to us is delayed, we may be unable to meet orders in a timely manner or at all. While there has been no such instance in last three Fiscals and nine months period ended December 31, 2024, any such inability may result in loss of sales opportunities that our competitors may capitalize on, thereby adversely affecting our business, financial condition, results of operations, and cash flows. Any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers.

The table below sets forth our transportation, outward freight, duty and handling charges as a percentage of our revenue from operations for the years /periods indicated:

Particulars	Fiscal 2022		Fiscal 2023		Fiscal 2024		For the nine months ended December 31,			
							2023		2024	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Transportation outward freight, duty & handling charges	16.48	0.21%	33.21	0.36%	34.55	0.32%	25.31	0.32%	21.97	0.28%

We could be required to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

9. ***We are required to have significant working capital. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business, cash flows and results of operations.***

Our business operations are working capital intensive considering long gestation period from winning to execution of the orders. Particularly, the manufacturing of a few of our individual products often requires significant time, given the complexity and customization involved in meeting the specific customer requirements. We usually finance our working capital requirements mainly through arrangements with banks. While Indian customers from space industry provided advances, in recent years, we have started and seek to collect the advances for executing orders from our EMS customers, which in turn has reduced our reliance on working capital limits.

However, delays in payment under on-going contracts or in disbursements under our financing arrangements and/or in particular, reduction of advance payments due to lower order intake could adversely affect our working capital, lower our cash flows and materially increase the amount of working capital to be funded through external debt financings. Further, extraordinary fluctuations in working capital needs linked to delays and/or a reduction in customer payments or advance payments, inventory and work in progress increases and/or accelerated payments to suppliers may lead to extraordinary cash absorptions which may affect our ability to meet our financial obligations when due in future.

10. Our Associate has been placed under receivership (Redressement Judiciaire) under French Laws and if our Associate fails to execute and secure certain projects, we may face problems in recovering current account receivables, commercial debt and bond loan provided by us to the Associate.

We have made an investment in Ausar Energy SAS ("**Associate**"), which is an Associate of our Company. Further, we have current account receivables, commercial debt and bond loan recoverable from the Associate, the repayment of which is conditional upon certain projects coming into effect or the Associate receiving cash inflows from these projects. If such projects are delayed, modified, or not implemented, the repayment of current account receivables, commercial debt and bond loan may not be recoverable by us.

Additionally, we have entered into an agreement for the sale of our share in the Associate to a party to such agreement. The agreement includes the following key terms:

(i) The counterparty has a call option to purchase our share in the Associate and we also have a put option to sell our shares at a certain fixed value.

(ii) The exercise of our put option is contingent upon the Associate signing a certain project in alignment with the key terms of the Associate's business plan.

If due to the unforeseen circumstances, the Associate fails to execute the specific project that aligns with its business plan, we may be unable to exercise our put option. These factors could adversely affect our financial condition, cash flows and results of operations.

The Associate has been placed in receivership (Redressement Judiciaire) under French Laws whilst bids will be invited for takeover of the Associate and restructuring of its business and debts or obligations. Pending final outcome in the matter and settlement of the recovery proceedings, the management has provided for the carrying value of its current account receivables, commercial debt and bond loan amounting to ₹ 193.05 million and the same has been disclosed as exceptional item.

11. We face foreign exchange risks, primarily in relation to borrowings, import and export of products that could adversely affect our profitability in rupees terms.

We have foreign currency trade payables and receivables and are accordingly, exposed to foreign currency exchange risk. Following is the geographical segment revenue as per Ind AS 108 – "Operating Segments" for the year ended March 31, 2024:

Geographical segment as per Ind AS 108 – "Operating Segments"	Percentage of revenue (%)
Aggregate of Europe and UK, North America and Rest of the world	71.40%
India	28.60%

Although we monitor and review forex fluctuations and, where necessary, claim adjustments with domestic EMS customers, there can be no assurance that we will be able to do so immediately or fully, which could adversely affect our business, financial condition, results of operations and cash flows. Changes in currency exchange rates may influence our results of operations. Depreciation of INR (Rupee) versus USD, CAD and EUR will result in lower revenues in Rupee terms, which could adversely affect our profitability. As and when outflows are incurred, the required foreign exchange is bought from market at the then prevailing exchange rate.

We also avail foreign currency funding in the form of secured foreign currency term loan and unsecured foreign currency term loans. In Fiscal 2022, 2023 and 2024 and for the six months ended September 30, 2023 and September 30, 2024, the outstanding amounts of foreign currency terms loans were ₹ 791.11 million, ₹ 649.02 million, ₹ 469.54 million, ₹ 556.38 million and ₹ 385.60 million, respectively. Further, we have also availed foreign currency funding in the form of packing credit loan in foreign currency. Such packing credit loan in foreign currency availed by us and outstanding were ₹545.14 million, ₹ 365.32 million in Fiscal 2022 and 2023 and nil for Fiscal 2024 and six months period ended September 30, 2023 and September 30, 2024. The fluctuations in the foreign exchange rates may impact our profitability which could adversely affect our business, financial condition, cash flows and results of operations.

12. We could incur losses as a result of cost overruns, delays in delivery or failures to meet specifications which may have an adverse effect on our business, financial condition and results of operations and cash flows.

All costs including labour and raw materials costs are forecasted by us when we enter accept orders or place bids for the tenders. In case of cost variances from such estimates, we are permitted to retain all cost savings on completed contracts but are liable for the full amount of all cost overruns. In the past, we have witnessed cost overruns in the case of some of our orders and we may continue to witness the same in future. The actual costs incurred on an order may vary from our estimates due to factors such as:

(i) Unanticipated variations in foreign exchange;

(ii) Unanticipated increase in cost of labour, raw material and sub-contracting;

(iii) Equipment failure;

(iv) Changes in specifications provided by the customers; and

(v) Rejection by the customers and rectification in the products by us.

We cannot assure you that these orders, if secured, can be completed profitably. Significant cost overruns on our fixed price contracts could have a material adverse effect on our business, financial condition, results of operations and prospects. For example, our GoI Entities are able to charge liquidated damages for late delivery at a rate of 0.5% per week of delay to a maximum of 5% or 10 % of the value of the undelivered portion of the order. While we have incurred liquidated damages due to delays in achieving milestones in relation to certain of the orders and there has been no material financial impact in relation to the same, there is no assurance that we will not incur damages, cost overruns, delays in delivery or failures to meet specifications in future.

13. Our financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our reputation, business and financial condition.

We have entered into agreements with certain banks for term loans and working capital loans. As of February 21, 2025, the Group's total outstanding borrowings were ₹ 2,499.68 million, certain of which contain restrictive covenants, including requirements that we obtain consent from the lenders prior to undertaking certain matters including altering our capital structure, change in shareholding pattern, amending our constitutional documents, changing the management, and dilution of Promoters' shareholding. For the purposes of the Issue, our Company has intimated and has obtained necessary consent from its lenders, as is respectively required under the relevant facility documentation for undertaking activities in relation to this Issue including consequent actions, such as change in the capital structure, change in shareholding pattern of our Company, etc.

Moreover, plant and machinery and land of certain of our manufacturing facilities are mortgaged to the banks and current assets and present and future assets have been offered as a collateral by way of hypothecation for some of our loans, among other security. Additionally, we are required to, among others, maintain the prescribed debt service coverage ratio, net total debt, total outstanding liability (including contingent liabilities)/ adjusted total net worth, net debt/EBITDA, external rating, sales and net profit projections, debt/EBITDA, total outstanding liability/adjusted total net worth, current ratio, interest coverage ratio and fixed asset coverage ratio as defined in respective sanction letters. There can be no assurance that we will be able to comply with these financial or other covenants at all times or that we will be able to obtain the consent necessary to take the actions that we believe are required to operate and grow our business. Though there are no instances of breach of covenants of these financing arrangements, there can be no assurance that we will not breach these covenants in future. Such breaches may constitute events of default under the relevant facility agreements, which may permit the lenders under each of the relevant facility agreements to declare the amounts outstanding under the relevant facility agreements to be due and payable immediately. As of the date of this Preliminary Placement Document, there are no pending defaults under the relevant facility agreements.

If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms.

14. If we fail to manage mergers, acquisitions, strategic investments and alliances, disinvestments, and other transactions successfully, our financial results, business, and future prospects could be harmed.

We have pursued and may continue to pursue strategic investments and alliances and mergers and acquisitions as a mode of expanding our operations. In 2016, we acquired Adetel Group (currently known as Centum T&S Group) ("**Adetel**") to strengthen our technological capabilities and expand our global presence. Although Company's operations post-acquisition of Adetel were envisaged to be profitable however, fixed price contract margins, high employee costs among others impacted turnaround. Further, in 2018, we exited the frequency control products component business by selling our 51% stake to our joint venture partner.

Going forward, we may undertake acquisitions, mergers, investments and expansions to enhance our operations and technological capabilities. Further, our Board approved the scheme of amalgamation of our Subsidiary, Centum T&S Private Limited with the Company on August 9, 2024. There can be no assurance that we will be able to raise sufficient funds to finance such strategies for growth. Further, expansion, mergers and acquisitions may require us to incur or assume new debt, expose us to future funding obligations, legal claims, past liabilities, regulatory probes or integration risks and we cannot assure you that such expansion or acquisitions will contribute to a significant increase in revenue or profitability.

15. Our Company and our Subsidiaries are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.

Our Company and our Subsidiaries are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings involving our Company and our Subsidiaries, as on the date of this Preliminary Placement Document along with the amount involved, to the extent quantifiable.

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory/ Regulatory proceedings	Material Civil litigations	Aggregate amount involved (to the extent ascertainable) (₹ in million)
Company					
By our Company	3	-	-	-	11.59
Against our Company	-	6	-	2	183.86*
Subsidiaries					
By our Subsidiaries	-	-	-	-	-
Against our Subsidiaries	-	-	-	-	-
Directors and Promoters					
By our Directors and Promoters	-	-	-	-	-
Against our Directors and Promoters	-	-	-	-	-

**One material civil case involves claim in US$ which have been converted into INR using the foreign exchange rate of 1 USD = 86.65 INR as on February 21, 2025 (source: www.fibil.org.in)*

There can be no assurance that these litigations will be decided in favour of our Company and our Subsidiaries, respectively, and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. As on the date of this Preliminary Placement Document, our Company has not created any provisions related to the above litigations filed against the Company.

If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of such outstanding litigations, please see "*Legal Proceedings*" on page 258.

16. ***We are exposed to credit risk from our customers and the recoverability of our trade receivables is subject to uncertainties.***

We typically allow certain credit period to some of our customers and are therefore exposed to credit risk from such customers. The table below sets forth certain details of our average trade receivables, and trade receivable turnover days as at and for the year/period indicated:

Particulars	**As at and for the financial year ended March 31,**			**As at and for the six months ended September 30**	
	2022	**2023**	**2024**	**2023**	**2024**
Average Trade receivables* (₹ million)	2,330.12	2,904.50	2,794.87	3,268.49	2,288.30
Trade receivable turnover days #	109	115	94	120	82

** Average Trade receivables is calculated as average of opening trade receivables and closing trade receivables.*
 # Trade receivable turnover days is calculated as Average Trade receivable multiplied by number of days divided by Revenue from operations.

A customer's ability to make payments on timely basis depends on various factors such as the general economic and market conditions and the customer's cash flow position, which are out of our control. Delays in receiving payments from our customers may adversely affect our cash flow position and our ability to meet our working capital requirements. While there have been no major defaults in payment by our customers in the last three Fiscals and the nine months ended December 31, 2024, there is no assurance that our customers will pay us on a timely basis, which may adversely affect the recoverability of our trade receivables, or that we will be able to efficiently manage the level of bad debt arising from delayed payments.

Bringing action against our customers to enforce their contractual obligations is often expensive and time consuming and there can be no assurance that if we initiate any legal proceedings against any such entities, we will receive a judgment in our favour or on a timely basis. A failure by any of our customers to meet its contractual commitments, or an insolvency or liquidation of any of our customers, could have an adverse effect on our financial condition, results of operations and cash flows.

17. ***Our Statutory Auditors have included certain emphasis of matters and modifications in their audit reports.***

Our Statutory Auditors have included certain emphasis of matters in their audit reports in the last five Fiscals, being, Fiscals 2020, 2021, 2022, 2023 and 2024:

Fiscal (Consolidated financial information)	**Details of matter of emphasis or other observations or modifications**	**Details of impact on financial statements and corrective steps taken by the Company**	**Corrective steps taken and/or proposed to be taken by the Company**
2022	The Statutory Auditors have drawn attention to a note to the consolidated financial statements for the year ended March 31, 2022 which describes the uncertainties and management assessment of the financial impact of the outbreak of Corona virus (COVID-19) on the business operations,	NIL	NA

Fiscal (Consolidated financial information)	Details of matter of emphasis or other observations or modifications	Details of impact on financial statements and corrective steps taken by the Company	Corrective steps taken and/or proposed to be taken by the Company
	liquidity position 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. The opinion of the Statutory Auditors is not modified in respect of this matter.		
2021	The Statutory Auditors have drawn attention to a note to the consolidated financial statements for the year ended March 31, 2021 which describes the uncertainties and management assessment of the financial impact of the outbreak of Corona virus (COVID-19) on the business operations, financial position, liquidity position 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. The opinion of the Statutory Auditors is not modified in respect of this matter.	NIL	NA
2020	The Statutory Auditors have drawn attention to a note to the consolidated financial statements for the year ended March 31, 2020 which describes the uncertainties and management assessment of the financial impact of the outbreak of Corona virus (COVID-19) on the business operations and financial position of the Company. 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. The opinion of the Statutory Auditors is not modified in respect of this matter.	NIL	NA

Further, the audit report dated May 22, 2024 issued by our Company's statutory auditors for our annual consolidated financial statements as of and for the Fiscal 2024 including modifications to the auditors report under paragraph 'legal and statutory information' which indicates that:

(i) Audit trail feature is not enabled in certain accounting software for maintaining books of accounts of our Company and our domestic subsidiary for certain changes made, if any, to data using privileged/ administrative access rights in so far it relates to the aforesaid applications.

There can be no assurance that any similar emphasis of matters and qualifications will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

18. The insurance coverage taken by us may not be adequate to protect against certain business risks and uncertainties and this may have an adverse effect on the business operations.

Our business relates to ER&D, EMS and BTS in aerospace, space, defence, industrial and energy, healthcare, transportation and automative industries. Our business is subject to risks inherent to the engineering and manufacturing industry such as work accidents, storm, fire, earthquake, flood, inundation, explosions including hazards that may cause severe damage, including the physical destruction of property, breakdown of machinery and other force majeure events. We are subject to losses resulting from defects or damages arising during transit of our products. The Company maintains insurance coverage, including insurance in relation to standard fire and special perils, burglary and housebreaking, terrorism, electronic equipment, portable electronic equipment, machinery breakdown, money, plate glass, sales turnover – all mode, public liability, trade credit and cyber security and crime.

Our insurance coverage for net tangible assets for September 30, 2023, September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 was ₹ 2,533.99 million, ₹ 3,016.19 million, ₹ 2,533.99 million, ₹ 2,644.66 million and ₹ 2,639.48 million, which was 221.61%, 275.00%, 225.04%, 246.87% and 235.76%, of our net tangible assets for the respective period. Further, as of September 30, 2023, September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the aggregate coverage of the insurance policies obtained by us on inventory was ₹4,052.50 million, ₹4,896.30 million, ₹4,052.50 million, ₹2,871.00 million and ₹2,500.00 million, respectively, which, as a percentage of total inventory was 121.78%, 121.91%, 127.69%, 109.97% and 111.20%, respectively.

Notwithstanding the insurance coverage that we carry, the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurance policies, could materially harm our financial condition and future results of operations. Additionally, there may be various other risks and losses for which we are not insured, either because such risks are uninsurable or not insurable on commercially acceptable terms. In addition, in the future, we may not be able to maintain insurance of all types which we deem necessary or adequate or at rates which we consider reasonable. In the past we have not recovered the full amount of assessed losses from insurance claims for certain incidents, and some claims remain pending as on the date of this Preliminary Placement Document and there can be no assurance we will be able to recover the full amount of assessed losses in future.

There may also be certain types of risks (including but not limited to business disruptions) for which we are not covered. If we incur substantial liability and the insurance does not, or is insufficient to, cover the damages, our business, financial condition, results of operations and prospects may be materially adversely affected. There is no assurance that our customers or unrelated third parties will not make claims against us in the future that may result in negative profitability and adverse publicity. In addition, our insurance policies are generally subject to periodic renewal, and our ability to renew these policies on similar or otherwise acceptable terms, cannot be assured.

19. Our Company was incorporated in 1993 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation.

We are unable to trace some of our historical records, including the form filings made with the RoC, share transfer deeds and corresponding resolutions maintained by our Company. We may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions. For instance, we have been unable to trace the following corporate records and regulatory filings of our Company:

(i) return of allotment filed with RoC, including list of allottees, board and shareholders resolution for such issue with respect to allotments of equity shares made by the Company dated October 6, 1994 and January 18, 1995;

(ii) form 32 pertaining to certain appointments and resignations of directors and company secretary filed during the period from 1994 to 1996;

(iii) form 17 pertaining to satisfaction of certain charges; and

(iv) listing agreement entered into by and between our Company and BSE Limited.

While no legal proceedings or regulatory action has been initiated against our Company or is pending in relation to untraceable secretarial and other corporate records and documents as of the date of this Preliminary Placement Document, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company or that any fines will be imposed by regulatory authorities on our Company in this respect in the future. Further, the impact of this is not expected to be material.

20. ***There have been certain instances of non-compliances, including with respect to certain secretarial/ regulatory filings for corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties for any such non-compliance and our business, financial condition and reputation may be adversely affected.***

We manage regulatory compliance by monitoring and evaluating our internal controls and strive to ensure that we are in compliance with all relevant statutory and regulatory requirements. There can be no assurance that deficiencies in our filings will not arise in future, or that we will be able to implement, or continue to maintain, adequate measures to rectify or mitigate any deficiencies in our internal control. Any inability on our part to adequately detect, rectify any deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks and to avoid frauds.

In the past, our Company had received a notice from BSE and NSE regarding non-compliance under Regulation 42 of SEBI Listing Regulations, imposing a total fine of ₹ 11,800 including GST, each by BSE and NSE, which was duly paid by our Company. Further, in Fiscal 2018, there was a delay in filing AOC 4 with the RoC, for which our Company paid the additional fee and rectified the non-compliance. Further, as on March 31, 2024 there are certain trade payables towards purchase and sale of goods and services respectively, which are outstanding beyond permissible time period stipulated under the Master Circular on Import of Goods and Services and Master Circular on Export of Goods and Services issued by Reserve Bank of India. Considering that the balances were outstanding for more than the stipulated time, the Group may be required to request extension / approvals from the appropriate regulatory authorities which in certain cases, we have received in the past, however, we cannot assure you that such extensions / approvals would be granted in future.

While our Company has paid the respective penalty imposed by the Stock Exchanges and has rectified the regulatory requirements for the non-compliances mentioned above and has paid the additional fees, as applicable and there has been no material financial impact in relation to the same, we cannot assure you that we will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our secretarial filings and/or corporate records in the future, which may adversely affect our business, financial condition and reputation.

21. ***Our manufacturing facilities, office premises and guest houses are located on leased premises. If we are unable to renew these leases, complete the transfer of one of our manufacturing facility under lease cum sale agreement or relocate on commercially suitable terms, it may have a material adverse effect on our business, results of operation and financial condition.***

Our manufacturing facilities located in Bangalore, Karnataka and office premises/ engineering and design centers and office parking located in India, Belgium, France and Canada and guest houses located in Bangalore, Karnataka and Hyderabad, Telangana are on leased premises. For further details, see "*Our Business – Properties*" on page 195.

One of our manufacturing facility located in Bangalore, Karnataka is held under lease cum sale agreement, where in lease term has expired, and the transfer of title of the property by Karnataka Industrial Areas Development Board ("**KIADB**") is pending. While we have approached KIADB for transfer of the property and registration of the sale deed on multiple occasions, we have not received any communication from KIADB on the same. While there is no material financial impact of the same on our operations, any further delay in completing the transfer of this property could expose us to risks, including potential challenges to our right to use the property or disruptions to our operations.

The lease periods and rental amounts for these properties vary on the basis of their locations. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations and financial condition. If we are unable to renew these leases or relocate on commercially suitable terms, it may have a material adverse effect on our business, results of operation and financial condition.

Additionally, a property taken on lease by the Company has been sub-leased by the Company to one of its Subsidiary, and the stamp duty applicable to the sub-lease agreement has not been paid. While there is no material financial impact of the same on our operations, non-payment of stamp duty may render the sub-lease agreement unenforceable and expose us to potential penalties, legal disputes, or regulatory scrutiny.

22. We had negative net cash flow in the past and may continue to have negative net cash flows in the future.

We had negative cash flows for the following years / periods as set out below:

(₹ in million)

Particulars	FISCAL			Six months period ended	
	2024	**2023**	**2022**	**September 30, 2023**	**September 30, 2024**
Net cash flow from / (used in) operating activities (A)	2,135.67	709.32	1034.87	324.48	52.17
Net cash flow (used in) / from investing activities (B)	(440.16)	(112.49)	(149.32)	(277.35)	(59.07)
Net cash flow (used in) / from financing activities (C)	(1,447.53)	(880.54)	(811.79)	(152.30)	(136.40)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	247.98	(283.71)	73.76	(105.17)	(143.30)
Cash and cash equivalents at the beginning of the year / period	211.78	480.44	411.48	352.71	461.11
Effect of exchange differences on cash and cash equivalents held in foreign currency	1.35	15.05	(4.79)	(2.37)	7.79
Cash and cash equivalents at the end of the year / period	461.11	211.78	480.44	245.17	325.60

Negative net cash flows from investing and financing activities for these years / periods were primarily attributable to purchase of property, plant and equipment including capital work-in-progress, intangible assets and capital advances. Negative cash flow from financing activities for these years / period were primarily attributable to repayment of long term borrowings and finance costs paid. For further details in relation to the net cash flows in the preceding periods, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 108. We cannot assure you that our net cash flow will be positive in the future.

23. Our Company has extended a loan to its subsidiary, Centum T&S Private Limited and the wholly owned subsidiary of the Company, Centum Electronics UK Limited has extended current account advances to its subsidiary, Centum T&S Group S.A. Any adverse developments in the operations or financial condition of these subsidiaries may impair their ability to repay these loans, which could have a material adverse effect on Company's financial condition and results of operations.

Our Company has extended financial support in the form of a loan of ₹ 20.00 million to its Subsidiary, Centum T&S Private Limited for its business and operational requirements. As on September 30, 2024, an amount of ₹ 10.00 million remains outstanding. Further, the wholly owned Subsidiary of the Company, Centum Electronics UK Limited has extended current account advances to its Subsidiary, Centum T&S Group S.A.

The financial performance and repayment ability of our subsidiaries may be influenced by various factors, including their operational efficiency, market conditions, regulatory changes, and the success of their business strategies. Any adverse developments in the operations or financial condition of these subsidiaries may impair their ability to repay these loans, which could have a material adverse effect on our financial condition and results of operations.

Further, loans extended to our subsidiaries are subject to regulatory requirements, including compliance with applicable provisions of the Companies Act, 2013, and the terms of such loans may not always be on arm's-length terms. Any non-compliance with such regulatory provisions could expose us to penalties or other regulatory actions.

Additionally, in the event of significant financial distress in one or more of our subsidiaries, we may be required to make further financial contributions or provide additional support, which could strain our liquidity and affect our ability to meet our financial obligations. These risks, coupled with our reliance on the performance of our subsidiaries, could materially and adversely impact our financial condition, results of operations, and cash flows.

24. ***If our customers do not outsource manufacturing of the products, or if there is a downward trend in the original equipment manufacturers ("OEMs") / original design manufacturing ("ODMs") business and/or demand for our products it could have an adverse effect on our business, results of operations, financial condition and cash flows.***

The Company is one of India's leading end-to-end integrated electronics solutions providers, as of September 30, 2024, offering a comprehensive suite of services that spans the entire electronics system design and manufacturing spectrum to high-growth sectors with high entry barriers such as aerospace, defense, space, medical, and mobility. (*Source: F&S Report*)

Our business verticals are as follows: (i) Engineering R&D Services; (ii) Electronic Manufacturing Services; and (iii) Build to Specification. We derive all of Gross Billings from these business verticals. The table below shows our Gross Billings across various business verticals for the periods/years indicated:

Business Vertical	For the nine months period ended December 31				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ million)	Percentage of Gross Billings	Amount (₹ million)	Percentage of Gross Billings	Amount (₹ million)	Percentage of Gross Billings	Amount (₹ million)	Percentage of Gross Billings	Amount (₹ million)	Percentage of Gross Billings
Engineering R&D Services	1,645.67	21.03%	1,848.28	23.48%	2,582.11	23.88%	2,154.06	23.85%	2,407.38	31.64%
Electronic Manufacturing Services	3,839.12	49.07%	3,458.35	43.93%	4,719.06	43.64%	3,488.83	38.62%	1,795.84	23.60%
Build to Specification (BTS)	2,338.96	29.90%	2,565.93	32.59%	3,512.15	32.48%	3,390.28	37.53%	3,406.05	44.76%
Total Gross Billings	**7,823.75**	**100.00%**	**7,872.56**	**100.00%**	**10,813.32**	**100.00%**	**9,033.17**	**100.00%**	**7,609.27**	**100.00%**

Companies involved in the commercial products business verticals in aerospace, defense, space, medical, and mobility have been outsourcing manufacturing of the products to third party players like us. However, there can be no assurance that they will continue to do so in the future. There can be no assurance that our customers will continue to outsource or increase the share of outsourcing of their products to us. In the event our customers decide to stop third party outsourcing of their products or reduce the products which are outsourced for manufacturing it could have an adverse effect on our business, results of operations, financial condition and cash flow.

25. ***We have certain contingent liabilities as per Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets) that have not been provided for in our financial statements and financial results, which if they materialize, may adversely affect our financial condition.***

The following are our contingent liabilities for the years / periods, as per Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets):

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2023	As at March 31, 2024	As at September 30, 2023	As at September 30, 2024
(i) Guarantees					
Corporate Guarantees	331.31	43.91	-	-	-
Bank Guarantees (excluding performance bank guarantees given to various customers)	29.19	29.21	29.60	29.23	29.54
(ii) Disputes					
Matters relating to income tax under dispute	46.44	46.44	46.44	46.44	46.44
Matters relating to indirect taxes under dispute	143.34	143.34	136.85	143.34	136.85
Others –					

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2023	As at March 31, 2024	As at September 30, 2023	As at September 30, 2024
Stamp duty levy	16.28	-	-	-	-
Property tax	5.89	10.86	-	-	-
Other claims against the Group not acknowledged as debts	11.75	9.78	9.91	9.91	26.76

Note: The aforementioned amount under disputes are as per the demand from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

If a significant portion of these liabilities materialize, it could have an effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

26. An inability to produce quality products that address customer needs or adopt new technologies and in an effective and timely manner may adversely affect our business, results of operations and cash flows.

Our business depends on our ability to adopt new technologies and to develop new value-for-money and quality products that address customer needs. We may be required to make significant capital investment to adopt evolving technologies for our products. While we have 588 design engineers as of December 31, 2024, we cannot assure that our efforts and expenses incurred towards such engineers may yield any meaningful results. Our competitors may develop production technologies that enable them to manufacture products such as raadar sub system, active antenna array unit, space radar processor, sar payload, fire suppressor system, power management systems, stabilization systems and controls, onboard computer and servo controller, light weight ESM and comint system, bus and power management unit, power conditioner, data processing unit, etc. Technologies developed or adopted by others may prove more advantageous than ours for commercialization and may render our products obsolete or unable to compete with such products of competitors. As a result, we may need to make significant capital investment to maintain our market position and effectively compete in the future.

We may experience difficulties with the quality of our products, or introduction of new products. An inability to further refine and enhance our products to adapt to or keep pace with evolving technologies and industry standards could cause our products to become uncompetitive or obsolete. In addition, there is no assurance that our new products will be successful in gaining market acceptance. If our products do not deliver reliable results, or if we fail to introduce products that meet customer preferences in a timely and cost-effective manner, we may fail to retain our existing customers and increase demand for our products. The development of products may require substantial investment, and we have no assurance that such investment will be successful. We make incremental investments to adapt evolving technologies to both existing equipment as well as planned capacity expansion. If customers do not widely adopt our products, we may not be able to realize a return on our investment and our business prospects and financial condition performance may be adversely impacted.

In addition, the cost of upgrading our manufacturing capacities or implementing new technologies, replacing existing equipment or expanding our manufacturing capacity to accommodate technology advancements in the manufacture of products could be significant, and may adversely affect our financial performance if we are unable to pass on such costs to our customers. Failure to respond to current and future technological changes in an effective and timely manner may adversely affect our business prospects and financial performance.

27. Any adverse revision to our credit rating by rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available.

Currently, our borrowing facilities availed from our lenders are rated by CARE Ratings Limited, a credit rating agency.

The credit rating dated January 13, 2025 assigned to financing facilities availed by our Company by CARE Rating Limited are as follows:

Types of credit rating	Rating
Long term bank facilities	CARE BBB; Stable
Long term / short term bank facilities	CARE BBB; Stable / CARE A3+

Though the ratings assigned to us have not been downgraded in the past three Fiscals and nine months period ended December 31, 2024, any downgrade in our credit ratings by rating agencies in future may increase our costs of accessing funds in the capital markets and adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures or other purposes.

28. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

We have in ordinary course of business entered into related party transactions with our Promoters, Directors, Key Managerial Personnel and our associate, Ausar Energy SAS. We have in the past and may in the future purchase or sell goods to related parties. For further details of these transactions, please see "*Related Party Transactions*" on page 49. We have taken the requisite approval of the Board and the Shareholders for such transactions under the Companies Act, 2013.

All the related party transactions carried out by our Company in the past have been in compliance with the Companies Act, 2013 and other applicable provisions at that time.

Although all related-party transactions that we may enter into are on an arm's length basis and are subject to approval by our Audit Committee, Board or Shareholders, as required under the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), we cannot assure you that such transactions in the future, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. Such related-party transactions in the future may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, cash flows and results of operations. There can also be no assurance that any dispute that may arise between us and related parties will be resolved in our favor. For further details on our related-party transactions, please see "*Related Party Transactions*" on page 49.

We cannot assure you that we will be able to maintain the terms of such transactions or in the event that we enter future transaction with related parties, that the terms of the transactions will be favourable to us.

29. The loss of certain independent certification and accreditation of our products and the manufacturing practices that we have adopted could harm our business.

We rely on independent certification of our products and must comply with the requirements of independent organizations or certification authorities. As on the date of this Preliminary Placement Document, we have the following certifications:

Particulars	Certification Body	Standard	Scope
Quality Management System	The certification body of TÜV SÜD AMERICA INC	AS 9100D and ISO 9001:2015	Design, Manufacture & Supply of Electronic Modules, PCB Assembly, Box Build, Integration, Testing and Screening of Electronic Components & Modules for Space, Avionics and Defence Applications
Quality Management System	The certification body of TÜV SÜD AMERICA INC	AS 9100D and ISO 9001:2015	Manufacture and Supply of Printed Circuit Board Assembly, Integration and Box Build for Aviation, Space, Defense and Other Industrial Applications
Quality Management System	The certification body of TÜV SÜD Management Service GmbH	IATF 16949	Manufacture of Printed Circuit Board Assemblies, Modules and Box Build
Medical Devices – Quality Management	The certification body of TÜV SÜD Product	ISO 13485:2016	The Provision of Production, Distribution and Servicing of Printed

Particulars	Certification Body	Standard	Scope
System	Service GmbH		Circuit Board Assemblies and Box Build Assemblies for medical devices
Environmental and Occupational Health ad Safety Management System	The certification body of TÜV SÜD South Asia Private Limited	ISO 14001:2015 and ISO 45001:2018	Design, Manufacture & Supply of Electronic Modules, PCB Assembly, Box Build, Integration, Testing and Screening of Electronic Components & Modules for Space, Avionics and Defence Applications
Environmental Management System	The certification body of TÜV SÜD South Asia Private Limited	ISO 14001:2015	Manufacture and Supply of Electronic Modules, Sub Systems, Printed Circuit Board Assembly (Pcba), Box Build & Repairs, Plastic Moulded Components and Assemblies
Information Security Management System	The certification body of TÜV SÜD South Asia Private Limited	ISO/IEC 27001:2013	Design, Manufacturing, Integration and Screening of PCB Assembly and Electronic Modules
Occupational Health and Safety Management System	The certification body of TÜV SÜD South Asia Private Limited	ISO 45001:2018	Manufacture and Supply of Electronic Modules, Sub Systems, Printed Circuit Board Assembly (Pcba), Box Build & Repairs, Plastic Moulded Components and Assemblies
AFNOR Certification	IRIS Certification® approved certification body	IRIS Certification® Conformity assessment:2020 and based on ISO/TS 22163:2017	Design and Development for the scopes of certification: 04 (Power system, drive unit), 05 (Auxiliary systems), 11 (Carrier systems, enclosures), 19 (Single railway components) For the Products of Power Electronics, Digital and Analog Electronics, Calculators and Security Products

We also work in defence and aerospace industry and a certificate of conformance for all the components used in our products is required.

We could lose the certifications and accreditations for certain of our products if we are not able to adhere to the quality standards and specifications required under such certifications and accreditations. The loss of any independent certification may restrict our ability to manufacture the products, which could have a material adverse effect on our reputation, business, financial condition and results of operations.

30. We maintain significant inventory and have low inventory turnover ratio. Our inability to accurately forecast demand for products that we manufacture and supply to our customers and manage our inventory may have an adverse effect on our business, results of operations, financial condition and cash flows.

Our business depends on our estimate of the demand for certain of our products that we manufacture and supply to our customers. We maintain a reasonable level of inventory of raw materials, work-in-progress and finished goods.

The table below sets forth details of our average inventories, Inventory Turnover Ratio (in times) and Inventory turnover days as indicated:

Particulars	As at/for the year ended March 31,			As at/for the six months period ended September 30	
	2022	2023	2024	2023	2024
Average inventories (*₹ in million*)[1]	2,095.07	2,429.44	2,892.20	2,969.12	3,595.01
Inventory Turnover Ratio (in times)[2]	1.44	1.71	1.82	0.76	0.70
Inventory turnover Days[3]	253	214	201	238	262

1. Average inventories is calculated as average of opening inventories and closing inventories.
2. Inventory Turnover Ratio (in times) is calculated as (cost of materials consumed plus (increase)/ decrease in inventories of work-in-progress and finished goods) divide by Average inventories.
3. Inventory turnover Days is calculated as average inventories divided by sum of cost of materials consumed plus (increase)/ decrease in inventories of work-in-progress and finished goods multiplied by number of days.

If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand and price for our products and accordingly plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. Our customers also have the right to return or reject the product in the event that the products do not conform to the quality standards set out under the master services agreements. In the past, there have been instances where we have repaired or re-supplied products. While the cost involved in such repair or re-supply of products was minimal and did not materially impact our financial condition, there can be no assurance that such repair costs or costs involved in re-supplying our products will not be significant in future. Further, if we overestimate demand, we may incur costs to build capacity or purchased more raw materials and manufacture more products than required. Our inability to accurately forecast demand for our products and manages our inventory may have an adverse effect on our business, results of operations and financial condition.

31. We may not be able to adequately protect or continue to use our intellectual property, including our logo. In addition, the use of the brands "Centum" or similar trade names by third parties could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows.

We sell our products and services in India and foreign jurisdiction directly to our customers. We also export our products and services to customers in various international markets. Accordingly, any negative publicity faced by us may have an adverse impact on our brands which may impact our reputation.

Our success and ability to compete depends, in part, on our ability to protect our intellectual property and proprietary rights and we generally rely on patent and trademark laws, and confidentiality agreements with our employees, consultants, customers and service providers, and generally limit access to and distribution of our proprietary information, in order to protect our intellectual property rights and maintain our competitive position. For further details, see "*Our Business – Intellectual Property*" on page 194.

The logo currently used by our Company i.e., CENTUM is not registered under the Trade Marks Act, 1999, which exposes us to the risk of third-party usage and diminishes our ability to assert exclusive ownership. Further, the trademark "CENTUM" registered under class 9 is in the name of Centum Industries Private Limited, which was acquired by our Company pursuant to a deed of assignment of trademark. However, as of the date of this Preliminary Placement Document, the same is not transferred in the name of the Company, which limits our control and rights over the trademark and exposes us to potential claims or challenges from third parties including Centum Industries Private Limited.

If we fail to file appropriate replies to the objections or register the appropriate intellectual property, or our efforts to protect relevant intellectual property prove to be inadequate, the value attached to our brand and proprietary property could deteriorate, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows.

In particular, the use of similar trade names by third parties may result in confusion among our customers, and we are exposed to the risk that entities in India and elsewhere could pass off their products as our products, including imitation products, which may adversely affect sale of our products, resulting in a decrease in market share due to a decrease in demand for our products. Such imitation products may not only result in loss of sales but also adversely affect our reputation and consequently our future sales and results of operations. In the event of such unauthorised use, we may be compelled to pursue legal action for the protection of our brand and intellectual property, which may divert our attention and resources thereby affecting our business operations. However, we may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be adequate to compensate us for the harm suffered.

We primarily rely on a combination of trademarks, patents and other intellectual property laws to establish and protect our intellectual property rights. Our efforts to protect our intellectual property may not be adequate. We may also be susceptible to claims from third-parties asserting infringement and other related claims. As on the date of this Preliminary Placement Document, there is an ongoing litigation wherein writ petition has been filed before Hon'ble Chennai High Court against the Company in relation to our trademark 'CENTUM' registered under class 9. The outcome of this litigation could materially and adversely affect our ability to use, protect, or enforce our trademark, thereby impacting the value of our intellectual property. If we lose the rights to this trademark or face any restrictions on its use, it may lead to loss of brand recognition, disruption of business activities, or additional costs to rebrand our products. See, "*Legal Proceedings*" on page 258.

Additionally, we may be susceptible to additional claims from third parties asserting intellectual property infringement or other related claims. Regardless of their merits, such claims could materially and adversely affect our relationships with current or future customers, result in costly litigation, delay or disrupt supply of products, divert management's attention and resources, subject us to significant liabilities, or require us to cease certain activities. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and cash flows.

32. We are dependent on our Promoters, Key Managerial Personnel, Senior Management and a number of key employees, and the loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations, cash flows and financial condition.

We are dependent on the continued contributions of our Promoters, Key Managerial Personnel and Senior Management who are involved in our business operations. We believe that the inputs and experience of our key personnel are valuable for the growth and development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. For further information, see "*Board of Directors and Senior Management*" on page 199.

Further, we are required to attract large numbers of skilled personnel to support our growth. As on December 31, 2024, we have 1,877 employees including 588 design engineers. For further details, please see "*Our Business – Human Resources*" page 195 for details of our permanent employees.

The following table sets forth the attrition rate of the years/period indicated:

Particulars	As at / For the Year Ended March 31, 2022	As at / For the Year Ended March 31, 2023	As at / For the Year Ended March 31, 2024	As at / For the Nine Months Period Ended December 31, 2023	As at / For the Nine Months Period Ended December 31, 2024
Total number of employees	1,664	1,738	1,809	1,851	1,877
Attrition Rate (%)	28.03%	27.10%	29.04%	21.57%	21.70%

The specialised skills we require in our industry are difficult and time-consuming to acquire and, as a result, are in short supply. We may require a long period of time to hire and train replacement personnel when we lose skilled employees. Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products or services to the market and impair the success of our operations and our revenue could decline. This could have an adverse effect on our business and results of operations. We may also have to incur severance cost in relation to termination of employment of our key employees. For instance, we have incurred in employee severance costs amounting to ₹ 48.79 million in Fiscal 2024. We will also have to train existing employees to adhere to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources and impose significant costs on us.

33. We face intense competition in our markets, and we may lack sufficient financial or other resources to maintain or improve our competitive position.

The competitive landscape in the defence, space, aerospace, industrial, transportation and medical sectors industry is dynamic and evolving. Several key factors drive competitiveness in India's Electronics Manufacturing Services (EMS) sector. Cost efficiency remains paramount, with companies optimising supply chains and manufacturing processes to offer competitive pricing. (*Source: F&S Report*)

In the Built-to-Spec (BTS) electronics manufacturing space in India, key competition factors include:

1. **Customization and Design Capability**: Competitors' ability to provide highly specialized and tailored solutions is crucial in BTS manufacturing. Companies with strong design and engineering capabilities can attract more clients by offering unique, client-specific products.

2. **Supply Chain Efficiency**: A competitive supply chain is critical in the BTS vertical. Manufacturers that have robust sourcing, production, and distribution networks are better positioned to meet tight timelines and quality standards for customized products.

3. **Cost Efficiency and Pricing**: Competitive pricing is essential, particularly for custom electronics. Companies that can achieve cost efficiencies through economies of scale or strategic outsourcing will have an advantage in winning contracts, especially for large-scale custom projects.

4. **Quality Control and Compliance**: Consistent product quality and adherence to industry-specific standards (like ISO, RoHS) are key differentiators in the BTS market. Companies that can demonstrate superior quality control systems are likely to outperform their competitors.

5. **Technology and Innovation**: The use of advanced technologies like automation, AI, IoT, and cloud-based solutions for better production efficiency and product innovation is becoming a significant competitive factor. Manufacturers that invest in R&D and continuously upgrade their technology have an edge in providing the best solutions.

6. **Production Flexibility**: Competitors that offer quick turnaround times and flexibility in production volumes—adapting to changes in client requirements or unforeseen demand fluctuations—are better positioned in the BTS vertical.

7. **Customer Relationships and After-Sales Support**: Strong relationships with clients and the ability to offer comprehensive after-sales services, including product upgrades and maintenance, provide a competitive edge. Offering ongoing support can help companies secure long-term contracts.

8. **Regulatory Knowledge and Adherence**: Navigating regulatory requirements specific to different industries (like automotive, healthcare, consumer electronics) is a crucial factor. Competitors who stay ahead of regulations and can ensure compliance are more likely to gain customer trust. (*Source: F&S Report*)

We face intense competition from ER&D, EMS and BTS manufacturers in domestic and foreign market. There can be no assurance that we will be able to adapt to new technology or maintain the quality standards of our manufacturing facilities.

Increased competition may result in price reduction, reduced margins and a loss of our market share, any of which may adversely affect our business, financial condition and prospects.

34. Underutilisation of the capacity of our manufacturing facilities could have a material adverse effect on our business, growth prospects, and financial performance.

The actual capacity of our manufacturing facilities are influenced by various factors, not limiting to the following:

(i) Changes in product demand and customer requirements, including variations in product mix.
(ii) The complexity and manufacturing time required for individual products.
(iii) The availability of raw materials and components.
(iv) Adjustments in manufacturing processes to accommodate different product types.
(v) Our operational efficiency and ability to manage inventory.

Given these factors, our capacity utilization may vary significantly over time. Underutilization of our manufacturing facilities for extended periods, or significant short-term underutilization, could have a material adverse effect on our business, growth prospects, and financial performance. Further, we may need to reallocate resources or adjust production schedules in response to customer orders or market conditions, which may impact the actual utilization of our facilities.

35. Cyber-attacks or other security breaches could have a material adverse effect on our business, results of operation or financial condition.

Our operations may be subject to cyber-attacks and other security breaches. As a manufacturer serving the GoI Entities and public sector undertakings working for customers in defence and space industry, we are required to put in place various security measures such as:

1. establishment of security and confidentiality program to ensure security and confidentiality and protection against anticipated threats and unauthorised access;
2. securing business facilities, data centres, paper files, servers, back-up systems and computing equipment; and
3. providing appropriate information security training to our personnel.

We have installed anti-virus software to prevent our systems and infrastructure from being infected and crippled by computer viruses. All our internet facing servers installed at our manufacturing facilities and offices are also secured with firewalls and intrusion preventions systems to prevent hacking. In the last three Fiscals and nine months period ended December 31, 2024, we have not faced any cyber security disruptions, however, we cannot assure you that we will not face any such threats in the future. The increasing sophistication and frequency of cyber-attacks may compromise our systems or the systems of our customers or suppliers.

Although we work cooperatively with our customer and suppliers to seek to minimise the impact of cyber threats, other security threats or business disruptions, we must rely on the safeguards put in place by these entities, which may affect the security of our information. While we have availed cyber security insurance to mitigate potential losses from such events, there can be no assurance that this insurance will adequately cover all losses or protect us against future cyber-attacks or security breaches. Occurrence of any of these events could adversely affect our internal operations, the services we provide to our customers, loss of competitive advantages derived from our research, design and development efforts or other intellectual property, early obsolescence of our products and services, our future financial results, our reputation or our stock price.

36. We currently avail benefits under certain Government incentive schemes. Any failure in meeting the obligations under such schemes may result in adversely affect our business operations and our financial condition.

Modified Special Incentive Package Scheme ("**M-SIPS**") was notified on July 27, 2012 with the approval of Union Cabinet for providing special incentive package to offset disability and attract investments in the Electronics Systems Design and Manufacturing Sector.

In Fiscal 2019, 2021 and 2023, we received a M-SIPS incentive of ₹32.94 million, ₹32.12 million and ₹8.65 million, respectively, representing 0.40%, 0.34% and 0.09%, respectively, of our revenue from operations. The GoI, may implement new laws or other regulations and policies that could affect the industry, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements for availing such benefits. Our industry sector may also be removed from entitlement of such benefits due to change in policy or regulations and new compliance requirements could increase our costs or otherwise adversely affect our business, financial condition, cash flows and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations.

Further, our Subsidiaries have received subsidies from the government of France and Canada. The following are the details of the subsidies received by us from government of France and Canada:

(₹ in million)

Particulars	For the year ended			For the nine months period ended December 31,	
	March 31, 2022	March 31, 2023	March 31, 2024	2023	2024
Income from foreign subsidies	344.04	296.54	308.21	224.86	203.29

If due to change in policy or regulations these subsidies are discontinued, we may have an adverse affect our business, financial condition, cash flows and results of operations.

37. We derive a portion of our revenues from operations and conduct business outside India and any adverse developments in these markets could adversely affect our business.

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India, Europe and North America. We derive a significant portion our revenues from manufacturing of complex products and solutions for the defence, space, aerospace, industrial, energy, transportation, automotive and medical sectors. The level of demand for ESDM services depends primarily on conditions in these sectors in our target markets, which, in turn, depend to a large extent on general economic conditions in these markets. Stronger economic indicators tend to correlate with higher demand for products in the sectors where we are present, while weaker economic indicators tend to correlate with lower demand for such products. The cyclical nature of general economic conditions means that our results of operations can fluctuate substantially from time to time.

Adverse developments in these international markets, such as reduced demand for our products and services, disruptions in supply chains, increased competition, or unfavorable changes in the political, economic, or regulatory environment, could negatively impact our operations, revenue, and profitability. Additionally, any inability to effectively manage our international operations or adapt to changes in these markets could further exacerbate these risks.

38. Compliance with, and changes in, environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures which may adversely affect our business, results of operations and cash flows.

Our operations are subject to environmental, health and safety and other regulatory and/or statutory requirements in the jurisdictions in which we operate and involve the use, handling, generation, processing, storage, transportation, and disposal of certain materials during the manufacturing of our products. We have to obtain certain environmental permits in order to conduct our business. Some of the materials used in our manufacturing processes can generate hazardous waste and improper handling of these materials can result in non-compliance with existing environmental laws and regulations, include those governing the discharge of pollutants into the air and water, the use, management, and disposal of certain materials, the clean-up of work sites and occupational health and safety. Improper handling of materials, if any, can contribute to air and water pollution and pose health and environmental risks to our employees. While there have been no instances of any non-compliance or violation of any environmental laws and regulations in the past three Fiscals and the nine months period ended December 31, 2024, we cannot assure you that such instances may not occur in the future. Further, as we execute our long-term strategic plans our environmental compliance burden may continue to increase in terms of magnitude and complexity.

In addition, we have, and may need to in the future, apply for certain additional approvals, including the renewal of approvals, which may expire from time to time. There is no assurance that such approvals and licenses will be granted or renewed in a timely manner or at all or will not be withdrawn by the relevant governmental or regulatory authorities. Failure to obtain or renew such approvals and licenses in a timely manner or a withdrawal of any of our licenses or registrations would make our operations non-compliant with applicable laws and may result in imposition of penalties by relevant authorities and may also prevent us from carrying out our business operations, in turn affecting our prospects, growth and results of operations.

39. Our ability to complete our projects in a timely manner and maintain quality standards is subject to the performance of sub-contractors, and we may face risks related to the raw material and products placed at their facilities.

From time to time, we sub-contract work for certain activities or main works related to manufacturing of products, depending on factors such as manpower availability and the complexity required for the manufacturing of the products. Although we take reasonable steps to ensure that these entities are qualified and capable, we do not have control over their day-to-day performance. We cannot ensure that there will be no delays or failures in the performance of their duties, which may cause a delay in the completion of orders.

Additionally, we may be exposed to risks relating to the quality of their services, equipment, and supplies. In the event of deficiencies in their performance or delays in job work activities, the quality of our deliverables may be adversely impacted, which could, in turn, affect our reputation and result in contractual penalties or disputes.

We place goods, including raw materials, semi-finished products, and finished products, at the premises of entities engaged for job work. While we have availed insurance coverage to mitigate risks associated with the loss, damage, or theft of such goods, there can be no assurance that such insurance will be adequate to cover all losses or that the insurer will approve claims in a timely manner, or at all. In the event of any uninsured or underinsured losses, our financial condition and results of operations could be adversely affected.

Furthermore, disputes with entities engaged for job work may arise from various factors, including but not limited to, quality and timely execution of the job work performed, payments to be made under our arrangement with them, or failure to extend existing arrangements or issue new work orders. We cannot assure you that such disputes will be amicably resolved or will not culminate in litigations which could adversely affect our business, financial condition, cash flows and results of operations.

40. ***This Preliminary Placement Document contains information from an industry report which was prepared by Frost & Sullivan (India) Private Limited, which is paid and commissioned by the Company, pursuant to an engagement with our Company.***

This Preliminary Placement Document includes information that is derived from the industry report dated January 29, 2025, titled "*Industry Report on Global & Indian EMS, ER&D, & BTS Market (With Focus on Defence and Space*" ("**F&S Report**") prepared by Frost & Sullivan (India) Private Limited, an independent consultant, which is paid and commissioned by the Company, pursuant to an engagement with our Company. The F&S Report was prepared by Frost & Sullivan (India) Private Limited for the purpose of confirming our understanding of the business of the Company. Neither we, nor the Book Running Lead Manager, nor any other person connected with the Issue has verified industry and third party related information in the F&S Report. The F&S Report highlights certain industry and market data. Such data is subject to many assumptions. There are no standard data gathering methodologies in the industries in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that F&S's assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Preliminary Placement Document. Prospective investors are advised not to unduly rely on the F&S Report when making their investment decisions.

The F&S Report disclosed in this Preliminary Placement Document is as is prepared by Frost & Sullivan (India) Private Limited and no parts, data, information has been left out or changed in any manner.

41. ***We may require additional equity or debt in the future in order to continue to grow our business, which may not be available on favourable terms or at all.***

Our strategy to grow our business organically or inorganically may require us to raise additional funds or refinance our existing debt for our term loans and short-term loans. There can be no assurance that such funds will be available on favourable terms or at all. Additional debt financing may increase our financing costs. Our financing agreements may contain terms and conditions that may restrict our ability to operate and manage our business, such as terms and conditions that require us to maintain certain pre-set debt service coverage ratios and leverage ratios and require us to use our assets, including our cash balances, as collateral for our indebtedness and those which require us to seek prior consent before obtaining additional funding. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows. Any issuance of equity to raise additional funds, on the other hand, would result in a dilution of the shareholding of existing shareholders. If we are unable to raise additional funds on favourable terms or at all as and when required, our business, financial condition, results of operations and prospects could be adversely affected.

We may also be required to finance our growth, whether organic or inorganic, through future equity offerings, which may lead to the dilution of investors' shareholdings in us. Please see "*Risk Factors – Any future issuance of the Equity Shares or sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares*" on page 83. We may also be restrained from raising funds from foreign investors as a result of regulatory policies and frameworks, including Consolidated FDI Policy.

42. ***Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.***

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. In the past, an ex-employee of the Company had cheated the Company and had siphoned-off ₹ 2.42 million during his tenure in the Company. We had reported the fraud and implemented a host-to-host connectivity system with one of our banks to integrate our ERP with the bank's host to host server to make payments seamlessly and are under process to implement of one of our banks. Also, an ex-employee of the Company had stolen gold paste weighing 477 grams. The Company has filed first information reports against both of the ex-employees. For more details, see "*Legal Proceedings*" on page 258. However, it is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. Our Company has availed fidelity guarantee insurance and employee dishonesty insurance policy to safeguard against potential losses arising from acts of dishonesty or fraud by employees. While such policies are intended to mitigate risks, there can be no assurance that the insurance coverage will be sufficient to cover all potential losses or that the insurer will approve and settle claims in a timely manner or at all.

In the past, we have made a claim under the fidelity guarantee insurance, which remains pending settlement as on the date of this Preliminary Placement Document. In the event such claim is not settled, or if any future claims are denied, delayed, or only partially covered, our Company may be required to bear such losses, which could materially and adversely affect our financial condition and results of operations. Additionally, any significant gaps in insurance coverage or delays in settlement could increase our financial exposure to risks associated with employee misconduct or dishonesty.

In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our cash flows and results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, cash flow, results of operations and financial condition could be adversely affected.

43. Our overseas Subsidiaries have incurred loss in recent years and certain of our business verticals continue to incur losses.

Certain overseas Subsidiaries of our Group have incurred losses in recent years, and there is no assurance that they will achieve profitability in the near future. Factors such as market volatility, geopolitical risks, foreign exchange fluctuations, regulatory changes, and operational inefficiencies have impacted and may continue to impact their financial performance. Sustained losses in these entities may require us to provide financial support, undertake restructuring initiatives, or consider divestment, any of which could adversely affect our consolidated financial position.

Further, certain business verticals continue to incur losses. Our ability to maintain profitability is influenced by pricing pressures, rising operational costs, foreign exchange fluctuations, and intense competition. Some business verticals require significant capital expenditure, long project cycles, or high research and development costs, which may delay or reduce expected returns. Any inability to improve cost efficiencies, optimize pricing, or successfully execute turnaround strategies in loss-making business verticals and overseas Subsidiaries could negatively impact our overall financial performance, including potential impact of future impairment of investments in loss making Subsidiaries. Additionally, external factors such as macroeconomic conditions, supply chain disruptions, and unforeseen costs could further erode margins and strain our financial stability.

44. Our Company has availed certain working capital loans that may be recalled by the lenders at any time.

Our Company has currently availed working capital loans which may be recalled by the lenders at any time. As of February 21, 2025, our Group had availed working capital loans amounting to ₹ 1,849.16 million. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. We may not have adequate working capital to undertake new assignments of our customers. As a result, any such demand may affect our business, cash flows, financial condition and results of operations.

45. The grant of options under our employee stock option plan may result in a charge to our profit and loss account and may adversely impact our net income.

Our Company, pursuant to the resolution passed by our Board on August 14, 2021 and our Shareholders on October 5, 2021 adopted the RSU 2021. As on the date of this Preliminary Placement Document, under RSU 2021, out of the total pool of 175,000 options 157,900 options have been granted, 38,800 options have lapsed / forfeited and 119,100 options are outstanding. For further details on the grants, please see section titled "*Capital Structure – Restricted Stock Unit Plan*" on page 105 Under Ind AS, the grant of restricted stock units will result in a charge to our profit and loss over the vesting period, based on the fair value of units determined on the date of grant.

Our Company may continue to introduce employee stock option schemes in the future, where options may be issued to our employees at a discount to the market price of the Equity Shares, which may have an adverse impact on our business, results of operations, cash flows and financial condition. The holders of our Equity Shares may also experience dilution of their shareholding to the extent that we issue any Equity Shares pursuant to any options issued under our employee stock option schemes.

46. Our funding requirements and deployment of the Issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.

Our funding requirements and the deployment of the Net Proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our board. In addition, schedule of implementation as described herein are based on management's current expectations and are subject to change due to various factors some of which may not be in our control.

47. Our failure to keep technical knowledge confidential could erode our competitive advantage.

The Company is India's only end-to-end integrated electronics solutions provider, as of September 30, 2024, offering a comprehensive suite of services that spans the entire electronics system design and manufacturing spectrum to high-growth sectors with high entry barriers such as aerospace, defense, space, medical, and mobility. (*Source: F&S Report*)

The technology and the expertise are earned by us through knowledge transfer, exchange of technical documents and on-job training of our employees. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the production process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. The potential damage from such disclosure is increased as many of our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. If the confidential technical information in respect of our products or business becomes available to third parties or to the public, any competitive advantage we may have over our competitors could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have a material adverse effect on our business, results of operations, financial condition and/or prospects.

48. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and there can be no assurance that we will be able to pay dividends in the future.

Our ability to pay dividends in the future will depend on a number of internal factors and external factors, which, inter alia, include, (i) upcoming projects, expansion plans; (ii) technology up gradation; (iii) merger and acquisitions; (iv) contingency funds; (v) liquidity positions; (vi) economy in which Company is operating; (vii) statutory requirements; and (viii) capital markets. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013. We cannot assure you that we will be able to pay dividends in the future. Hence, there can be no assurance that we will be able to pay dividends in the future. For further details, see "*Dividend Policy*" on page 107.

49. ***While our business is not seasonal, however, our business prospects and future financial performance depend on the demand for our products. Any decrease in demand for such products could adversely affect our business, results of operations and cash flows.***

While our business is not seasonal, however, our business prospects and future financial performance depend on the growth of the defence, space, aerospace, industrial, energy, transportation, automotive and medical sectors in India as well as globally. While we anticipate that these sectors have a favourable outlook, we cannot assure you that this will be the case in the future and any decrease in preference of our products will result in a drop in demand for our products. If the demand for our products under any business vertical does not increase, our business, results of operations, financial condition and prospects may be adversely impacted.

Additionally, demand for space and defence products can be difficult to predict as it relies on a number of factors, such as government tenders and budgets. There can be no assurance that our products and related technologies will continue to be preferred over other alternative technologies.

EXTERNAL RISKS

RISKS RELATING TO INDIA

50. ***Changing regulations in India could lead to new compliance requirements that are uncertain.***

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and our general business, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

The Government of India has enacted the Finance Act, 2024. While the Finance Act, 2024 does not propose any significant changes to the Income Tax Act, 1961, the entire union budget which is likely to be announced later this year may introduce amendments to the Income Tax Act, 1961.We have not fully determined the impact of these recent and proposed laws and regulations on our business. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. The Government has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. Moreover, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given that the various rules and regulations regarding the new regime are being evaluated in terms of various implications concerning the GST, we cannot provide you with any assurance as to this or any other aspect of the tax regime following implementation of the GST including anti-profiteering regulations of the new tax regime and availability of input tax credit ("**ITC**"). Any future increases in taxation or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Further, the Finance Act, 2023 has proposed to consider perquisites or benefits arising from business whether convertible into money or not or payable in cash or kind, as taxable income. Such changes may adversely affect our business, prospects, financial condition, cash flows and results of operations. New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by relevant tax authorities may adversely affect our results of operations. We cannot assure you as to what action current or future Governments will implement regarding tax incentives or excise duty benefits. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

51. A downgrade in ratings of India and other jurisdictions we operate in may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any further adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

52. Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

The annual consolidated financial statements for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 have been prepared and presented in conformity with Ind AS and December Unaudited Consolidated Financial Results for the nine months period ended December 31, 2024 and December 31, 2023 and September Unaudited Consolidated Financial Results for the period ended six months period ended September 30, 2024 and September 30, 2023 have been prepared as per Regulation 33 of the SEBI Listing Regulations included in this Preliminary Placement Document, which differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should be limited accordingly.

53. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business.

Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, cash flows, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, cash flows, results of operations and prospects. Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

54. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

The war in Ukraine, Israel-Palestine conflict and escalating tension among countries in the Middle East have contributed to rising rates of inflation, including in India. In response to the rising rates of inflation, various central banks, including the RBI has increased interest rates, resulting in increased cost of credit. Further deterioration in the global economy because of the Russia-Ukraine conflict, Israel-Palestine conflict, any significant escalation of an existing or new pandemic or otherwise, or the perception that such deterioration or escalation could occur, may continue to adversely affect global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate.

There have been periods of slowdown in the economic growth of India. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Any adverse development for industries which significantly contributes to our business inter-alia adverse regulatory framework or policies, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations, economic or political or financial instability, adverse tax policies or reduction in tax subsidies or incentives, inadequate access to capital for growth of business and operations, decline in market size or demand, technological advancement rendering existing technology redundant, change in competitive landscape etc. will also have a cascading adverse impact on our business, operations, financial conditions and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India or other economies where we have customers could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

55. We have in this Preliminary Placement Document included certain non-GAAP financial measures. These non-GAAP measures may vary from any standard methodology that is generally applicable across the industry, and therefore may not be comparable with financial or industry-related statistical information of similar nomenclature computed and presented by other companies.

Certain non-GAAP financial measures relating to our financial performance have been included in this Preliminary Placement Document. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance, many of which provide such non-GAAP financial measures information. These non-GAAP financial measures are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP financial Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these non-GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Such supplemental financial information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our financial information as reported under applicable accounting standards disclosed elsewhere in this Preliminary Placement Document. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 108.

56. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act may in turn adversely affect our business.

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. The Competition Act has been recently amended pursuant to Companies (Amendment) Act, 2023, which has, inter-alia increased the scope of agreements to be reviewed by the Competition Commission of India and reporting of transaction to Competition Commission of India will be based on deal value of acquisition, merger or amalgamation, instead on asset or turnover. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it may adversely affect our business, financial condition, cash flows, results of operations and prospects.

57. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Manager or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

Our Company is a company incorporated under the laws of India and all of our Directors are located in India. Nearly all of our assets, our Key Managerial Personnel, Senior Management Personnel and officers are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law.

58. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated or may subject acquirer to stringent compliance requirements, because of SEBI Takeover Regulations.

RISKS RELATING TO THE EQUITY SHARES AND THE ISSUE

59. Any future issuance of the Equity Shares or sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or disposal of our Equity Shares or any other change in our shareholding structure or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoters will not dispose of further Equity Shares after the completion of the Issue or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the price at Equity Shares will be issued pursuant to Issue. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

60. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in, do not permit them to exercise their pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their ownership position will be diluted and their proportional interest in us would be reduced.

61. ***The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by our Company in consultation with the Book Running Lead Manager. This price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

62. ***The trading price of our Equity Shares may be subject to volatility, and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price shall be determined by us in consultation with the Book Running Lead Manager, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. It may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market after the Issue. The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, unprecedented events, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

63. ***Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.***

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian rupee against the US dollar and other currencies may subject investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

64. ***Investors may be subject to Indian taxes arising out of capital gains or stamp duty on the sale of our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax (“**STT**”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

Further, the Finance Act, 2020 ("**Finance Act 2020**"), passed by the Parliament of India, stipulates the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty.

Additionally, the Finance Act, 2020 does not require DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

Further, the Government of India proposed additional tax measures in Finance Act, 2022 and Union Budget for Fiscal 2023 which, among others, requires the taxpayers to explain sources of cash credits, extended the anti-tax avoidance provision to bonus stripping of securities and repeals the 15% concessional rate on foreign dividends. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

The Government of India has enacted the Finance Act, 2024. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

65. There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on a Stock Exchange.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be applied for or granted until the Equity Shares have been issued and Allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares.

Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade. Investors can start trading the Equity Shares Allotted to them only after they have been credited to an investor's demat account, are listed and permitted to be traded. Since our Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

66. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements under applicable law. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country which share a land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Transfer Restrictions*" on page 238.

67. Listed companies in India are highly regulated and we are subject to continuous reporting requirements, which requires us to incur significant time and cost towards ensuring compliance with applicable laws, and which may also divert attention of our management from business concerns.

We are subject to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we incur significant legal, accounting, corporate governance and other expenses. We are subject to the SEBI Listing Regulations which requires us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we are required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions.

We are also required to monitor trading in the Equity Shares in terms of the SEBI Insider Trading Regulations. In order to maintain the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention are required. As a result, our management's attention may be diverted from our business, which may affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

68. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

The Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

69. Applicants in the Issue are not allowed to withdraw their bids after the Bid/Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in this Issue are not allowed to withdraw or revise downwards their Bids after the Bid/Issue Closing Date. The allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately up to ten days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our Company's business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of allotment of Equity Shares in this Issue. The occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw or revise downwards their Bids in the event of any such occurrence without the prior approval of the SEBI. Our Company may complete the allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

70. Trading of the shares may be subject to the Additional Surveillance Measure and Graded Surveillance Measure of the stock exchanges

Additional Surveillance Measure ("**ASM**") or Graded Surveillance Measure ("**GSM**"), the initiatives by the SEBI and stock exchanges to safeguard the interests of the investors and enhance market integrity, may impact the trading of the shares, once listed on the stock exchanges. While the ASM and GSM initiatives are not targeted towards any industry explicitly, however, owing to the nature of business and regulatory landscape that we operate in, the trading of shares, once listed, may be deeply impacted by the ASM and GSM. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

We may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

71. An investor will not be able to sell any of our Equity Shares allotted in the Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of issue of such Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in this Issue, eligible QIBs subscribing for each of the Equity Shares may only sell their Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

72. Investors will not have the option of getting the Allotment of Equity Shares in physical form.

In accordance with SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. This further means that they will have no voting rights in respect of the Equity Shares. Further, the Equity Shares will not be transferred by our Company in case the Eligible Shareholder does not have a demat account.

73. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 12,896,807 Equity Shares have been issued, subscribed and are fully paid up and all such Equity Shares are currently listed and traded on the Stock Exchanges.

As of March 7, 2025 the closing price of the Equity Shares on the BSE and the NSE were ₹ 1,173.35 and ₹ 1,170.70 per Equity Share, respectively. Since the Equity Shares are available for trading on the BSE and NSE, the market price and other information for each of the BSE and the NSE has been given separately.

1. The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes for Fiscals ended 2024, 2023 and 2022.

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ in million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ in million)**	**Average price for the year (₹)**
2024	2011.40	February 27, 2024	2,893	5.67	706.00	April 3, 2023	10,483	7.84	1,369.87
2023	790.00	December 28, 2022	18,940	14.40	393.15	July 5, 2022	61	0.02	527.39
2022	659.20	December 24, 2021	778	0.44	350.00	April 19, 2021	102	0.04	487.75

(Source: www.bseindia.com)

Notes:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ in million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹)**	**Average price for the year**
2024	2,011.05	February 27, 2024	54,203	105.92	701.00	April 3, 2023	110,168	82.59	1,370.17
2023	791.10	December 28, 2022	409,855	312.94	392.00	May 11, 2022	15,481	6.55	527.77
2022	659.90	January 5, 2022	173,372	110.49	356.55	April 27, 2021	5,062	1.95	488.16

(Source: www.nseindia.com*)*

Notes:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

2. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months, as applicable:

BSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ in million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ in million)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ in million)**
February 2025	1,924.95	February 7, 2025	1,327	2.40	1,189.40	February 28, 2025	1,369	1.65	1,535.26	36,012	54.43
January 2025	2,339.95	January 8, 2025	1,616	3.35	1,630.00	January 28, 2025	1,078	1.79	1,886.60	29,026	57.53
December 2024	2,400.00	December 19, 2024	25,487	58.75	1,545.00	December 2, 2024	2,824	4.53	1,964.76	127,127	266.09
November 2024	1,852.20	November 1, 2024	209	0.38	1,428.60	November 26, 2024	5,575	8.30	1,662.46	23,046	37.47
October 2024	1,929.20	October 3, 2024	1,048	1.98	1,605.10	October 28, 2024	1,020	1.68	1,789.09	24,027	42.93
September 2024	1,948.75	September 24, 2024	6,727	12.72	1,690.25	September 2, 2024	11,645	20.96	1,803.14	68,900	125.47

(Source: www.bseindia.com)

NSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ in million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ in million)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ in million)**
February 2025	1,890.00	February 1, 2025	16,173	29.36	1,188.65	February 28, 2025	10,629	12.83	1,535.68	414,381	632.50
January 2025	2,239.45	January 6, 2025	62,364	132.97	1,632.00	January 28, 2025	13,720	22.91	1,887.92	355,860	699.51
December 2024	2,390.05	December 19, 2024	198,011	459.46	1,565.00	December 2, 2024	29,329	47.09	1,963.97	1,434,256	2,960.31
November 2024	1,849.00	November 8, 2024	12,575	22.73	1,424.20	November 26, 2024	202,118	299.73	1,662.45	480,978	754.78
October 2024	1,929.00	October 3, 2024	22,714	42.91	1,606.30	October 28, 2024	6,761	11.21	1,789.03	270,960	486.68
September 2024	1,949.00	September 24, 2024	113,156	214.31	1,690.10	September 2, 2024	124,022	222.70	1,801.95	654,624	1,195.68

(Source: www.nseindia.com)

Notes:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen*

3. The following table set forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2024, 2023 and 2022:

Fiscal	**Number of Equity Shares Traded**		**Turnover (In ₹ million)**	
	BSE	**NSE**	**BSE**	**NSE**
Fiscal 2024	1,024,138	8,398,985	1,418.02	11,706.70
Fiscal 2023	426,715	6,519,143	250.03	3,944.53
Fiscal 2022	1,135,046	6,161,870	597.58	3,213.27

(Source: www.bseindia.com and www.nseindia.com)

4. The following table sets forth the market price on the Stock Exchanges on November 13, 2024, the first working day following the approval of the Board for the Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (in ₹ million)**
1,842.00	1,842.00	1,638.85	1,641.80	570	0.95

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (in ₹ million)**
1,680.90	1,717.00	1,638.20	1,649.00	21,471	35.67

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue will be aggregating to ₹ [●] million* ("**Gross Proceeds**"). Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions, and expenses of the Issue of approximately ₹ [●] million, shall be approximately ₹ [●] million* ("**Net Proceeds**").

*****_Subject to allotment of Equity Shares pursuant to the Issue_

Objects of the Issue

Subject to compliance with applicable laws and regulations, our Company proposes to utilize the Net Proceeds towards following objects:

(In ₹ million)

S. No.	Particulars	Amount which will be financed from Net Proceeds#
1.	Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company	Up to 1,450.22
2.	Capital expenditure for purchase of new equipment and machinery	Up to 349.68
3.	General Corporate Purposes*	[●]
Total Net Proceeds^		**[●]**

 # Subject to allotment of Equity Shares pursuant to the Issue.
**The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds*
^ To be determined upon finalisation of Issue Price

The main objects clause and objects incidental & ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake the existing activities and the activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(in ₹ million)

S. No.	Particulars	Estimated amount proposed to be funded from Net Proceeds	Estimated deployment in Fiscal 2025	Estimated deployment in Fiscal 2026
1.	Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company	1,450.22	592.69	857.53
2.	Capital expenditure for purchase of new equipment and machinery	349.68	-	349.68
3.	General Corporate Purposes*	[●]	[●]	[●]
Total Net Proceeds^		**[●]**	**[●]**	**[●]**

**The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds*
^ To be determined upon finalisation of Issue Price

The funding requirement, proposed deployment of funds and the intended use of the Net Proceeds set out above is based on our current business plan, internal management estimates, current circumstances of our business, prevailing market conditions, agreements entered into by the Company and other technical factors and commercial considerations. However, these fund requirements and proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or independent agency or the Book Running Lead Manager, in connection with the Issue. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, interest rates or exchange rates fluctuation, access to capital, competitive landscape and other external factors such as changes in the business environment or regulatory climate, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. For details on risks involved, see "*Risk Factors – Our funding requirements and deployment of the Issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution*" on page 78

Further, in the event, the Net Proceeds are not utilized (in full or in part) for the Object of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards the Objects of the Issue is lower than the proposed deployment such balance will be used for future growth opportunities, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the gross proceeds.

Subject to compliance with applicable laws, in case of any variations or increase in the actual utilization of funds earmarked for the purposes set forth above, such additional fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements. Further, our Board retains the right to change the above schedule of implementation and deployment of the Net Proceeds, including the manner, method, and timing of deployment of the Net Proceeds, in case of change in our business requirements and other commercial considerations. Our Statutory Auditors have provided no assurance or services related to any prospective financial information.

Details of the Object of the Net Proceeds

1. **Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company**

   Our Company has entered into certain financing arrangements with banks, which include term loans, working capital loans and cash credits. Our Company proposes to utilise an estimated amount of up to ₹ 1,450.22 million from the Net Proceeds towards re-payment or pre-payment of certain of our term loans, working capital loans and cash credits availed by our Company and accrued interest thereon.

   We believe that such re-payment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs and enable utilisation of our internal accruals for further investment in the growth and expansion of our business. Additionally, we believe that such reduction of our outstanding indebtedness will improve our ability to raise further resources in the future to fund our potential business development opportunities.

   The following table provided the details of borrowings availed by our Company, which are currently proposed to be fully or partially repaid or pre-paid up to the extent of ₹1,450.22 million from the Net Proceeds:

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Sl. No.	Name of the Lender	Nature of borrowing	Date of the sanction letter/loan agreement	Amount originally sanctioned as on February 21, 2025* (₹ in million)	Amount outstanding as on February 21, 2025 (₹ in million)	Tenor	Interest rate	Purpose for which the loan was sanctioned	Repayment date/schedule	Pre-payment penalty
1	State Bank of India	Term Loan	April 23, 2024	154.30	107.31	Repayable in 57 monthly instalments with a moratorium period of 9 months for principal repayment from the date of 1st disbursement of ₹ 4.70 million each, for 47 months and last instalment of ₹ 4.10 million	2% above 6 months MCLR	Purchase of Plant and Machinery and Computers	Repayable over 33 months beginning from May 31, 2024	2% of the outstanding amount
		Cash Credit Facility	April 23, 2024	60.00	19.51	On demand	2.8% above 6 months MCLR	Working Capital	Not Applicable	Nil
		Cash Credit Facility (Standby Limit)	April 23, 2024	50.00	32.86	On demand	2.8% above 6 month MCLR	Working Capital	Not Applicable	Nil
		EPC/FBD/Advance against Bills sent on collection basis or directly by the borrower to the foreign Buyer	April 23, 2024	450.00	436.12	180 days from the date of availment	1.15% above 91 days T-bill rate. The T-Bill shall be reset on 91 days from the date of availment	Working Capital	180 days from the date of disbursement	Nil
		EPC/FBD/Advance against Bills sent on collection basis or directly by the borrower to the foreign Buyer (Stand by Limit)	April 23, 2024	270.00	269.21	180 days from the date of availment	1.15% above 91 days T-bill rate. The T-Bill shall be reset on 91 days from	Working Capital	180 days from the date of disbursement	Nil

Sl. No.	Name of the Lender	Nature of borrowing	Date of the sanction letter/loan agreement	Amount originally sanctioned as on February 21, 2025* (₹ in million)	Amount outstanding as on February 21, 2025 (₹ in million)	Tenor	Interest rate	Purpose for which the loan was sanctioned	Repayment date/schedule	Pre-payment penalty
							the date of availment			
2	Kotak Mahindra Bank Limited	Cash Credit	November 15, 2024	170.00	126.12	12 months	Applicable MCLR period of 6 month/1 year	Working Capital	Not Applicable	Nil
		Export Packing Credit in INR	November 15, 2024	260.00	80.00	Maximum 180 days for pre-shipment credit	Based on Applicable MCLR period ON 1 month/3 months /6 months	Working Capital	180 days from the date of disbursement	Nil
		Adhoc Working Capital Demand Loan (INR/FCY)	January 23, 2025	116.00	116.00	60 days	Guidance CC ROI + 1% per annum	Working Capital	Bullet repayment on the 60th day	Nil
3	HDFC Bank Limited	Export Packing Credit in INR	November 25, 2024	400.00	100.00	Maximum 180 days together pre-shipment and Post limits	8.90 % Linked to 3 months Repo rate + Margin 2.40	Working Capital	180 days from the date of disbursement	Nil
4	Invoicemart (TReDS)	Vendor Bill Discounting	February 10, 2023	163.09**	163.09	Minimum tenor of discounting is 7 days and maximum 180 days from the upload	Rate of interest derived through bidding process based on the bank participation	Discounting/payments to MSME vendors	Minimum tenor of discounting is 7 days and maximum 180 days from the upload	There is no pre-payment penalty but prior approval from the concerned banker/ financier is required
		Total (a)		**2,093.39**	**1,450.22**					

Note: The loans availed by the Company from the lenders as set out above were utilized for the purpose for which such loans were availed.
** Certified by our independent chartered accountant, M A Narasimhan & Co, Chartered Accountants, by way of their certificate dated March 10, 2025.*
*** There is no sanction limit specified. For the purpose of the above table, the sanction limit has been assumed to be equal to the amount outstanding.*

In the event that there are any pre-payment penalties required to be paid under the terms of the relevant financing agreements, such pre-payment penalties shall be paid by us out of our internal accruals. We have taken, and will take, such provisions into consideration while deciding re-payment and/or pre-payment of loans from the Net Proceeds.

Given the nature of the borrowings and the terms of repayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

2. **Capital expenditure for purchase of new equipment and machinery**

As a part of our strategy to expand our capacity and offerings in existing product verticals and expansion of addressable market through development of new products, we intend to increase the Company's capacity. See, "*Our Business – Our Strategies*" on page 184. Accordingly, we intend to utilize ₹ 349.68 million out of the Net Proceeds towards purchase of new equipment and machinery for our existing manufacturing facilities.

An indicative list of such machinery that we have placed order for, along with the details of purchase orders we have received in this respect is set forth below, as certified by M A Narasimhan & Co, Chartered Accountants (FRN: 002347S), pursuant to their certificate dated March 10, 2025, have been set forth below:

S. No	Details of equipment / machinery	Quantity	Cost of Equipment (₹ in million)	Date of placement of order	Name of the Supplier	Estimated time of delivery
1	Pick & Place Machine#	1	60.46	January 31, 2025	ASMPT SMT Singapore Pte. Ltd	March 20, 2025
2	AXI (Inline) X-ray#	1	24.52	February 8, 2025	Viscom Machine Vision (India) Private Limited	April 25, 2025
3	Printing Machine#	1	6.76	January 31, 2025	ASMPT SMT Singapore Pte. Ltd	March 20, 2025
4	Cleaning Machine#	1	23.58	January 13, 2025	NMTRONICS (India) Private Limited	February 28, 2025
5	Reflow Oven#	1	7.09	January 31, 2025	ERSA GMBH	April 23, 2025
6	Post Reflow AOI#	1	8.55	February 17, 2025	NMTRONICS (India) Private Limited	April 15, 2025
7	Post Print AOI(SPI)#	1	5.32	February 17, 2025	NMTRONICS (India) Private Limited	April 15, 2025
8	Network Analyser-Ecal Module-flexi test port#	1	60.65	February 24, 2025	Keysight Technologies Singapore (Sales) Pte. Ltd	June 27, 2025
Total			**196.93**^			

^Excluding applicable taxes, handling and freight charges.
#The above orders have been placement in foreign currency, i.e., USD and EUR, which have been converted into INR using the foreign exchange rate of 1 USD = 86.65 INR and 1 EUR = 90.91 as on February 21, 2025 (source: www.fibil.org.in).

An indicative list of such machinery that we intend to purchase for deployment at our facilities, based on management estimates, and orders or which are yet to be placed, along with details of the quotations, as certified by M A Narasimhan & Co, Chartered Accountants (FRN: 002347S), pursuant to their certificate dated March 10, 2025, have been set forth below:

S. No	Details of equipment / machinery	Quantity	Cost of Equipment (₹ in million)	Date of quotation	Validity of quotation	Name of the Supplier*
1	Phase Noise Analyzer#	1	52.75	January 15, 2025	May 14, 2025	Rohde & Schwarz India Private Limited
2	Test Equipment for Automated Test Equipment	1	100.00	January 21, 2025	May 15, 2025	Rohde & Schwarz India (Systems) Private Limited
Total			**152.75**^			

**All quotations are valid as on date of this Preliminary Placement Document.*

^Excluding applicable taxes, handling and freight charges.

Other confirmations

The fund requirements set out above are proposed to be funded from the Net Proceeds. The estimation of the cost for machinery/equipment is based on the certificate dated March 10, 2025 from M A Narasimhan & Co, Chartered Accountants (FRN: 002347S), which is based on quotations obtained from third party vendors for each machinery / equipment, and estimates of our management. We are yet to place orders for such machineries and equipment for an aggregate amount of ₹152.75 million. Accordingly, we are yet to place orders for 43.68% of the total estimated cost in relation to the purchase of machinery and equipment. No payments (including as advance) have been made towards any of the aforementioned costs.

Further, no second-hand or used or refurbished machinery / equipment are proposed to be bought by the Company.

In addition to estimated expenses mentioned above, there may be revision in the final amounts payable towards these categories pursuant to any taxes, levies payable and / or installing cost, if any, on such items and accordingly, the actual costs may differ from the current estimates based on various commercial considerations including, amongst others, prevailing market price, demand for its products, availability of adequate manpower and equipment in timely manner, competition, business strategy and technological advancements. For further details, see "*Risk Factors – Our plans to install equipment and machinery in our existing manufacturing facilities in India from the proceeds of the Issue may face delays in placing orders and implementation, or vendors may not be able to provide the equipment / machinery in a timely manner and may result in cost overruns. If we are unable to implement the plan for installation of such equipment / machinery, it could adversely impact our ability to use such equipment and machinery, business, results of operations and financial condition*." on page 53.

In the course of our business, we are required to obtain various approvals from governmental, regulatory and statutory authorities including environmental clearances, consent to operate and consent to establish, and approval for power supply, amongst other clearances/ approvals. For further details, see "*Risk Factor – Compliance with, and changes in, environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures which may adversely affect our business, results of operations and cash flows*" on page 75. We do not require any further licenses/ approvals from any governmental authorities for installation of the abovementioned equipment / machinery.

3. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] million, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, business development initiatives, meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Interim use of Net Proceeds

Pending utilization of the Net Proceeds from the Issue, the Company shall invest such proceeds in deposits in scheduled commercial banks or invest the funds in creditworthy instruments, including money market / mutual funds, or in any other investment as permitted under applicable laws as approved by the Board and/or a duly authorized committee of the Board, from time to time. Provided that in accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made, and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges.

Monitoring Utilization of Funds

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Limited as the Monitoring Agency for monitoring the utilisation of Net Proceeds as the size of our Issue exceeds ₹ 1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee, in accordance with applicable law. Such report, along with the comments (if any) of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days from the end of each quarter or such other period as may be specified under applicable law and uploaded on the website of our Company at www.centumelectronics.com. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our financial results. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Object; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Object as stated above. In terms of Regulation 32(7) of the SEBI Listing Regulations, our Company will also disclose every year, the utilization of such funds during that year in its Annual Report until such funds are fully utilized.

Other Confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by the Board and/ or a duly authorized committee of the Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed objects as disclosed above and other applicable laws.

Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

Neither our Promoters, nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters nor our Directors, shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel and members of the Senior Management are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and members of our Senior Management.

Since the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under Schedule VII of the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation on a consolidated basis as at September 30, 2024 which is derived from the Unaudited Consolidated Financial Results and adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with "*Summary Financial Information*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and other financial information contained in "*Financial Information*" on pages 34, 50, 108 and 267, respectively.

(*₹ in million, unless otherwise stated*)

Particulars*	**Pre-Issue as at September 30, 2024**	**Amount As adjusted for the Issue****
Financial liabilities - Borrowings		
Current Borrowings (I)	1,783.21	[●]
Non-Current Borrowings (II)	314.73	[●]
Total Borrowings (III = I + II)	2,097.94	**[●]**
Equity		
Equity share capital (IV)	128.97	[●]
Other equity (V)	1,833.71	[●]
Non-controlling interests (VI)	(74.18)	[●]
Total Equity (VII = IV + V + VI)	1,888.50	**[●]**
Total Capitalisation (III+VII)	3,986.44	[●]
Ratio: Non-current borrowings/Total Equity (in times) (VII=II /VII)	0.17	**[●]**
Ratio: Total Borrowings / Total Equity (in times) (VIII = III/ VII)	1.11	**[●]**

**These terms shall carry the meaning as per Schedule III to the Companies Act, 2013 (as amended)*
*** The corresponding post-Issue capitalisation data for each of the above amounts given in the table is not determinable at this stage pending the completion of the Issue and will be updated in the Placement Document.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(In ₹ except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	15,500,000 Equity Shares of ₹ 10 each	155,000,000
B	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE**	
	12,896,807 Equity Shares of ₹ 10 each	128,968,070
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating up to ₹ [●] million (1) (2)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares of ₹ 10 each	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	28,801,463
	After the Issue(3)	[●]

(1) *The Issue has been authorised by our Board pursuant to their resolution passed on November 12, 2024. The shareholders have authorised and approved the Issue pursuant to special resolution dated January 14, 2025, passed by way of postal ballot.*

(2) *To be determined upon finalisation of the Issue Price.*

(3) *The securities premium amount 'after this Issue' will be calculated on the basis of gross proceeds from this Issue. Adjustments will not include Issue related expenses. To be included upon determination of the Issue Price and will be updated in Placement Document.*

Equity Share capital history of our Company

The history of the equity share capital our Company since incorporation is provided in the following table:

Date of allotment	Number of Equity Shares allotted	Cumulative Number of Equity Shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of Allotment	Nature of consideration
January 8, 1993	700	700	10	10	Allotment pursuant to subscription to Memorandum of Association	Cash
March 8, 1994	500,000	500,700	10	10	Allotment to SBI Capital Markets Limited- The India Magnum Fund N.V. Mutual fund	Cash
May 16, 1994	1,436,500	19,372,00	10	10	Private placement	Cash
July 28, 1994	57,600	19,948,00	10	10	Private placement	Cash
October 6, 1994	3,325,200	5,320,000	10	10	Private placement	Cash
January 18, 1995	1,980,000	7,300,000	10	10	Private placement, allotment to employee and Initial Public Offering	Cash
September 15, 1997	7,500,000	148,00,000	10	10	Allotment to C Mac Holdings, British Virjin	Cash

Date of allotment	Number of Equity Shares allotted	Cumulative Number of Equity Shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of Allotment	Nature of consideration
					Islands	
July 26, 2007	(7,400,000)	7,400,000	10	-	Reduction of paid-up capital pursuant to de-merger order passed by the High Court at Karnataka approving the demerger, (7,400,000 Equity Shares were allotted to Solectron EMS India Limited)	Other than cash
May 29, 2010	14,900	7,414,900	10	31.6	Allotment under ESOP Plan 2007	Cash
August 30, 2010	4,933,333	12,348,233	10	10	Allotment pursuant to merger between Solectron EMS India Limited with Centum Electronics Limited	Cash
May 26, 2011	16,950	12,365,183	10	31.6	Allotment under ESOP Plan 2007	Cash
August 7, 2013	2,500	12,367,683	10	53.45	Allotment under ESOP Plan 2007	Cash
October 23, 2013	1,166	12,368,849	10	53.45	Allotment under ESOP Plan 2007	Cash
January 28, 2014	27,600	12,396,449	10	31.60	Allotment under ESOP Plan 2007	Cash
	2,775	12,399,224	10	118.50	Allotment under ESOP Plan 2007	Cash
	26,385	12,425,609	10	53.45	Allotment under ESOP Plan 2007	Cash
May 29, 2014	1,850	12,427,459	10	31.60	Allotment under ESOP Plan 2007	Cash
	27,478	12,454,937	10	53.45	Allotment under ESOP Plan 2007	Cash
August 1, 2014	2,500	12,457,437	10	31.60	Allotment under ESOP Plan 2007	Cash
	825	12,458,262	10	118.50	Allotment under ESOP Plan 2007	Cash
	20,270	12,478,532	10	53.45	Allotment under ESOP	Cash

Date of allotment	Number of Equity Shares allotted	Cumulative Number of Equity Shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of Allotment	Nature of consideration
					Plan 2007	
October 31, 2014	5,050	12,483,582	10	118.5	Allotment under ESOP Plan 2007	Cash
	14,204	12,497,786	10	53.45	Allotment under ESOP Plan 2007	Cash
	28,131	12,525,917	10	71.25	Allotment under ESOP Plan 2013	Cash
January 30, 2015	43,265	12,569,182	10	53.45	Allotment under ESOP Plan 2007	Cash
	549	12,569,731	10	71.25	Allotment under ESOP Plan 2013	Cash
May 27, 2015	1,000	12,570,731	10	31.60	Allotment under ESOP Plan 2007	Cash
	5,300	12,576,031	10	118.50	Allotment under ESOP Plan 2007	Cash
	13,164	12,589,195	10	53.45	Allotment under ESOP Plan 2007	Cash
	10,260	12,599,455	10	71.25	Allotment under ESOP Plan 2013	Cash
August 7, 2015	1,000	12,600,455	10	31.60	Allotment under ESOP Plan 2007	Cash
	3,000	12,603,455	10	53.45	Allotment under ESOP Plan 2007	Cash
	2,000	12,605,455	10	71.25	Allotment under ESOP Plan 2013	Cash
November 6, 2015	3,550	12,609,005	10	31.60	Allotment under ESOP Plan 2007	Cash
	2,791	12,611,796	10	53.45	Allotment under ESOP Plan 2007	Cash
	32,996	12,644,792	10	71.25	Allotment under ESOP Plan 2013	Cash
February 8, 2016	14,990	12,659,782	10	53.45	Allotment under ESOP Plan 2007	Cash
	1,136	12,660,918	10	71.25	Allotment under ESOP Plan 2013	Cash
May 27, 2016	3,000	12,663,918	10	118.50	Allotment under ESOP Plan 2007	Cash
	42,460	12,706,378	10	53.45	Allotment under ESOP Plan 2007	Cash
	1,677	12,708,055	10	71.25	Allotment under ESOP Plan 2013	Cash

Date of allotment	Number of Equity Shares allotted	Cumulative Number of Equity Shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of Allotment	Nature of consideration
August 6, 2016	2,998	12,711,053	10	53.45	Allotment under ESOP Plan 2007	Cash
	1,000	12,712,053	10	71.25	Allotment under ESOP Plan 2013	Cash
November 14, 2016	2,911	12,714,964	10	53.45	Allotment under ESOP Plan 2007	Cash
	31,190	12,746,154	10	71.25	Allotment under ESOP Plan 2013	Cash
February 14, 2017	4,000	12,750,154	10	118.5	Allotment under ESOP Plan 2007	Cash
	1,000	12,751,154	10	53.45	Allotment under ESOP Plan 2007	Cash
	1,542	12,752,696	10	71.25	Allotment under ESOP Plan 2013	Cash
May 30, 2017	5,650	12,758,346	10	118.50	Allotment under ESOP Plan 2007	Cash
	7,892	12,766,238	10	53.45	Allotment under ESOP Plan 2007	Cash
	26,679	12,792,917	10	71.25	Allotment under ESOP Plan 2013	Cash
September 14, 2017	2,225	12,795,142	10	118.50	Allotment under ESOP Plan 2007	Cash
	5,414	12,800,556	10	53.45	Allotment under ESOP Plan 2007	Cash
	33,294	12,833,850	10	71.25	Allotment under ESOP Plan 2013	Cash
December 6, 2017	6,455	12,840,305	10	71.25	Allotment under ESOP Plan 2013	Cash
February 13, 2018	4,650	12,844,955	10	53.45	Allotment under ESOP Plan 2007	Cash
	13,110	12,858,065	10	71.25	Allotment under ESOP Plan 2013	Cash
February 26, 2018	11,559	12,869,624	10	71.25	Allotment under ESOP Plan 2013	Cash
May 30, 2018	2,981	12,872,605	10	53.45	Allotment under ESOP Plan 2007	Cash
	2,317	12,874,922	10	71.25	Allotment under ESOP Plan 2013	Cash
August 8, 2018	6,136	12,881,058	10	71.25	Allotment under ESOP Plan 2013	Cash
May 29, 2019	3,723	12,884,781	10	71.25	Allotment under ESOP	Cash

Date of allotment	Number of Equity Shares allotted	Cumulative Number of Equity Shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of Allotment	Nature of consideration
					Plan 2013	
November 9, 2023	3,653	12,888,434	10	71.25	Allotment under ESOP Plan 2013	Cash
Allotments in the one year immediately preceding this Preliminary Placement Document						
May 22, 2024	8,373	12,896,807	10	71.25	Allotment under ESOP Plan 2013	Cash

** We have placed reliance on the certificate issued by Rajshekar K, practicing company secretary, in relation to the search report dated March 10, 2025 for such allotments. For details, see "Risk Factors – Our Company was incorporated in 1993 and we are unable to trace some of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation" on page 64.*

Preference share capital history of our Company

Our Company does not have any issued or outstanding preference share capital as on the date of this Preliminary Placement Document.

Employee Stock Option Plan

The details of our ESOP schemes in force as on the date of this Preliminary Placement Document are set forth below:

Restricted Stock Unit Plan

Centum Electronics Limited – Restricted Stock Unit Plan 2021 ("RSU 2021")

The details of our RSU Plan 2021 in force as on the date of this Preliminary Placement Document are set forth below:

Our Company has formulated RSU 2021 namely Centum Electronics Limited – Restricted Stock Unit Plan 2021 ("**RSU 2021**") pursuant to a board resolution dated August 14, 2021 and special resolution passed by the shareholders on October 5, 2021 for granting Restricted Stock Units ("**RSUs**") to the employees of our Company who meet the eligibility criteria under the RSU 2021.

RSU 2021 will be administered and supervised by Nomination and Remuneration Committee, in accordance with SEBI ESOP Regulations**.** RSU 2021 envisages grant of RSUs not exceeding 175,000 Equity Shares to the eligible employees under RSU 2021, from time to time, in one or more tranches, exercisable into not more than 175,000 Equity Shares, with each RSU conferring a right upon the Employee to apply for one share of the Company. RSUs granted under RSU 2021 shall not vest earlier than a minimum vesting period of one year and not later than a maximum vesting period of eight years from the date of the grant of such RSUs. The exercise period in respect of a vested option shall be subject to a maximum period of five years commencing from the date of vesting of the RSUs by the Company.

The purpose of RSU 2021, *inter alia*, is to reward the key employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company.

The following table sets forth details in respect of the ESOP Scheme as on the date of this Preliminary Placement Document:

(No. of options)

Particulars	RSU 2021
Total	175,000
Granted	157,900
Vested	-
Exercised	-
Lapsed/Forfeited	38,800
Cancelled	-
Total outstanding	119,100

Proposed Allottees in this Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by the Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them will be included in the Placement Document in the section '*Details of Proposed Allottees*' on page 268.

Pre-Issue and post-Issue shareholding pattern

Sr no	Category	Pre-Issue (As of March 7, 2025)^		Post-Issue*	
		No. of Equity Shares Held	% of share holding	No. of Equity Shares held	% of share holding
A.	**Promoters' holding****				
1.	**Indian**				
	Individual	7,576,478	58.75	[●]	[●]
	Bodies Corporate	-	-	[●]	[●]
	Sub-total	7,576,478	58.75	[●]	[●]
2.	Foreign promoters	-	-	[●]	[●]
	Sub-total (A)	7,576,478	58.75	[●]	[●]
B.	**Non - Promoters' holding**				
1.	Institutional Investors	1,172,564	9.09	[●]	[●]
2.	Non-Institutional Investors				
	Private Corporate Bodies	866,677	6.72	[●]	[●]
	Directors and relatives	-	-	[●]	[●]
	Indian public	3,084,724	23.91	[●]	[●]
	Others including Non-resident Indians (NRIs)	196,364	1.53	[●]	[●]
	Sub-total (B)	5,320,329	41.25	[●]	[●]
	Grand Total (A+B)	**12,896,807**	**100.00**	[●]	[●]

^Based on beneficiary position data of our Company as on March 7, 2025.
**Note: The table for the post-Issue shareholding pattern of the Company has been intentionally left blank and shall be filled at the time of filing of the Placement Document.*
*** This includes shareholding of the members of the Promoter Group.*

Other Confirmations

- There would be no change in control in our Company consequent to the Issue.

- Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of allotment, except on the Stock Exchanges.

- Except as disclosed in "*– Equity share capital history of our Company*" on page 101, our Company has not made any allotment of Equity Shares in the year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or pursuant to a preferential issue, private placement or a rights issue.

- Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of notice dated December 13, 2024 to the Shareholders for the approval of this Issue.

- There are no outstanding warrants, options, or rights to convert debentures, loans, or other instruments convertible into Equity Shares as on the date of this Preliminary Placement Document.

- Our Promoters, Directors, Key Managerial Personnel, and members of the Senior Management of our Company do not intend to participate in the Issue.

- As on the date of this Preliminary Placement Document, our Company has no outstanding preference shares. Further, our Company has not issued preference shares since incorporation.

DIVIDEND POLICY

In accordance with the provisions of the Companies Act, 2013, as amended, dividend shall be paid out of (a) relevant financial year's profit, after providing for depreciation in accordance with the applicable law; or (b) net profit from any previous financial year(s), after providing for depreciation; or (c) out of (a) and (b) mentioned above.

Our Company adopted a dividend distribution policy in accordance with Regulation 43A of the SEBI Listing Regulations in the meeting of our Board held on February 14, 2017 ("**Dividend Policy**"). The Dividend Policy is designed to indicate the approach of the Board for recommending on amount of dividends on the Company Shares and the procedure for their payment.

In terms of the Dividend Policy, the form, frequency and amount of dividend, if any, will depend on a number of internal factors and external factors, which, *inter alia*, include, (i) upcoming projects, expansion plans; (ii) technology up gradation; (iii) merger and acquisitions; (iv) contingency funds; (v) liquidity positions; (vi) economy in which Company is operating; (vii) statutory requirements; and (viii) capital markets.

The following table details the dividend paid by our Company on the Equity Shares in respect of the Fiscals 2022, 2023, 2024, six months period ended September 30, 2024 and from October 1, 2024 until the date of filing of this Preliminary Placement Document:

Particulars	From January 1, 2025, till the date of the filing of the PPD	For nine months period ended December 31, 2024	Fiscal 2024		Fiscal 2023	Fiscal 2022
Number of equity shares at year/period ended	12,896,867	12,896,867	12,888,494	12,888,494	12,884,841	12,884,841
Face value per equity share (in ₹)	10	10	10	10	10	10
Dividend per equity share (in ₹)	Nil	3*	4*	3#	2.5*	2*
Dividend paid (in ₹ million)	Nil	38.69	51.54	38.67	32.21	25.77
Rate of dividend (%)	Nil	30	40	30	25	20
Mode of payment	N.A.	NECS	NECS	NECS	NECS	NECS

*****Final dividend
#Interim dividend

Future Dividends

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. There is no assurance that any future dividends will be declared or paid or that the amount thereof will not be decreased. Further, see, "*Risk Factor - Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and there can be no assurance that we will be able to pay dividends in the future*" on page 78.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations is based on, and should be read in conjunction with, our Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results, included in the section titled "Financial Information" beginning on page 267.

*Our annual consolidated financial statements are prepared in accordance with Indian Accounting Standards ("**Ind AS**"), notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Audited Consolidated Financial Statements. Ind AS differs in certain material respects from IFRS, U.S. GAAP, GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS accounting policies. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP. Any reliance by persons not familiar with Ind AS accounting policies on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see "Risk Factors - Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition" on page* 80.

Unless otherwise stated or unless the context requires otherwise, the financial information contained in this Preliminary Placement Document as at and for the year ended March 31, 2024 is derived from the Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2023 is derived from the comparative financial information included in Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2022 is derived from the comparative financial information included in Fiscal 2023 Audited Consolidated Financial Statements and financial information for the nine months period ended December 31, 2024 is derived from December Unaudited Consolidated Financial Results for the nine months period ended December 31, 2024; and financial information for the nine months period ended December 31, 2023 is derived from the comparative financial information included in the December Unaudited Consolidated Financial Results for the nine months period ended December 31, 2024 and for the six months period ended September 30, 2024 is derived from September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2024; and financial information as at and for the six months period ended September 30, 2023 is derived from the comparative financial information included in the September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2024 except for the statement of assets and liabilities which has been derived from the September Unaudited Consolidated Financial Results as at the six months period ended September 30, 2023. Figures for the reported period may be different as compared to figures disclosed as comparative financials in the reporting period due to regrouping /rearrangement wherever considered necessary to conform to the figures presented in the reporting period.

We have included various operational and financial performance indicators in this Preliminary Placement Document, many of which may not be derived from our consolidated financial statements. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of our consolidated financial statements and financial results and other information relating to our business and operations included in this Preliminary Placement Document. See "Risk Factors – We have in this Preliminary Placement Document included certain non-GAAP financial measures. These non-GAAP measures may vary from any standard methodology that is generally applicable across the industry, and therefore may not be comparable with financial or industry-related statistical information of similar nomenclature computed and presented by other companies." on page 81.

Unless stated otherwise, industry and market data used in this section has been obtained or derived from the industry report titled "Industry Report on Global & Indian EMS, ER&D, & BTS Market (With Focus on Defence and Space)" dated January 29*, 2025 (the "**F&S Report**") prepared and issued by Frost & Sullivan (India) Private Limited, appointed by us on October 25, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein* *includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar/Fiscal, as applicable. For more information, see "Risk Factors – This Preliminary Placement Document contains information from an industry report which was prepared by Frost & Sullivan (India) Private Limited, which is paid and commissioned by the Company, pursuant to an engagement with our Company" on page 76.*

Our fiscal year ends on March 31 of each year, and references to a particular fiscal period are to the 12 months ended March 31 of that year. All references to a year are to that Fiscal Year, unless otherwise noted.

Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" beginning on page 14 for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" and "Our Business" beginning on pages 50 and 177, respectively, for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Centum Electronics Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Centum Electronics Limited, its Subsidiaries, and its Associates on a consolidated basis.

Overview

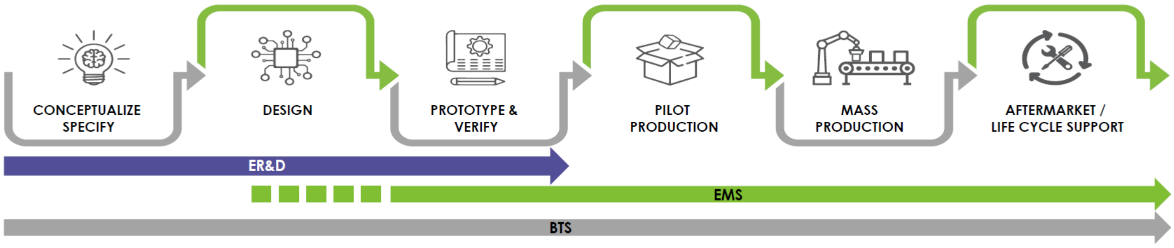
We are one of India's leading end-to-end integrated electronics solutions provider, as of September 30, 2024, offering a comprehensive suite of services that spans the entire electronics system design and manufacturing spectrum (*Source: F&S Report*). From conceptualizing product designs to delivering full-scale production, our capabilities enable us to create critical solutions for key industries such as defense, space, aerospace, industrial, energy, automotive and medical sectors. Further, our notable contributions to India's space missions, including Chandrayaan-3, Gaganyaan, PSLV-C57/Aditya L-1 and XPoSat missions, demonstrate our involvement in providing essential modules and systems to support the nation's technological advancements.

We bring over thirty years of experience, having commenced operations in 1994 as a manufacturer, designer, and exporter of electronic components. As market demands evolved, we strategically diversified into high-growth sectors with high entry barriers such as aerospace, defense, space, medical, and automotive—industries that required comprehensive solutions and long-term partnerships. To support this diversification, we expanded our manufacturing capabilities which allowed us to move up the value chain, offering integrated modules, printed circuit board assemblies and box builds, and establish a dedicated build-to-specification vertical.

Our strategic initiatives also included key acquisitions and collaborations. Solectron Corporation, USA, a company involved in the EMS business, acquired C-MAC Industries Inc, our ultimate holding company, in 2001. This partnership with Solectron enabled us to establish a separate EMS division, significantly improving our procurement and manufacturing capabilities and enhancing our ability to serve global EMS customers. Additionally, we acquired the Adetel Group SA, France in 2016 to set up a dedicated ER&D vertical, expand our technical design expertise and global footprint and cater to a broader range of industries.

This progression, from component manufacturing to offering comprehensive, integrated solutions, has enabled us to establish ourselves as a one-stop-shop provider. Our flexible engagement models are tailored to meet the project needs of our customers, ensuring we remain well-positioned to capitalize on future growth opportunities and deliver sustainable, long-term value.

Currently, our business is organized based on the stages of services we provide to our customers. We operate under the following business verticals:



1) *Engineering R&D Services (ER&D)*: Our services encompass the conceptualization, design, and certification of various products. As of December 31, 2024, our global design strength consists of 588 engineers located across Europe, North America, and India, enabling us to work closely with our international customers. To cater to diverse project needs, we provide flexible engagement models, including consulting and fixed price engagements, allowing our customers to choose the most suitable approach for their specific requirements.

2) *Electronic Manufacturing Services (EMS)*: Our EMS services include manufacturing complex products ranging from printed circuit board assemblies to complex box builds. We adopt a client-centric approach to meet every requirement and help our customers achieve their goals of lower Total Cost of Ownership (TCO) and reduced time-to-market. By leveraging dedicated, customer-focused teams and adapting streamlined processes and systems, we are able to meet specific product and customer needs, ensuring efficient and timely delivery of challenging products.

3) *Build to Specification (BTS):* Our BTS services take projects from conceptualization to mass production. By offering a single point of contact for design/engineering and manufacturing, we believe that we streamline project interfaces, reduce time-to-market, and implement a design-to-cost approach that minimizes total cost of ownership. Further, as an indigenous company providing design and conceptualization services, we enable our customers to maximize their Intellectual Property (IP) value enabling us to deliver innovative solutions that foster long-term partnerships, enhance customer value, and generate sustainable business growth.

The table below shows our Gross Billings across various business verticals for the periods/years indicated:

Business Vertical	**For the nine months period ended December 31**				**For the year ended March 31**					
	2024		**2023**		**2024**		**2023**		**2022**	
	Amount (₹ million)	**Percentage of Gross Billings**	**Amount (₹ million)**	**Percentage of Gross Billings**	**Amount (₹ million)**	**Percentage of Gross Billings**	**Amount (₹ million)**	**Percentage of Gross Billings**	**Amount (₹ million)**	**Percentage of Gross Billings**
Engineering R&D Services	1,645.67	21.03%	1,848.28	23.48%	2,582.11	23.88%	2,154.06	23.85%	2,407.38	31.64%
Electronic Manufacturing Services	3,839.12	49.07%	3,458.35	43.93%	4,719.06	43.64%	3,488.83	38.62%	1,795.84	23.60%
Build to Specification (BTS)	2,338.96	29.90%	2,565.93	32.59%	3,512.15	32.48%	3,390.28	37.53%	3,406.05	44.76%
Total Gross Billings	**7,823.75**	**100.00%**	**7,872.56**	**100.00%**	**10,813.32**	**100.00%**	**9,033.17**	**100.00%**	**7,609.27**	**100.00%**

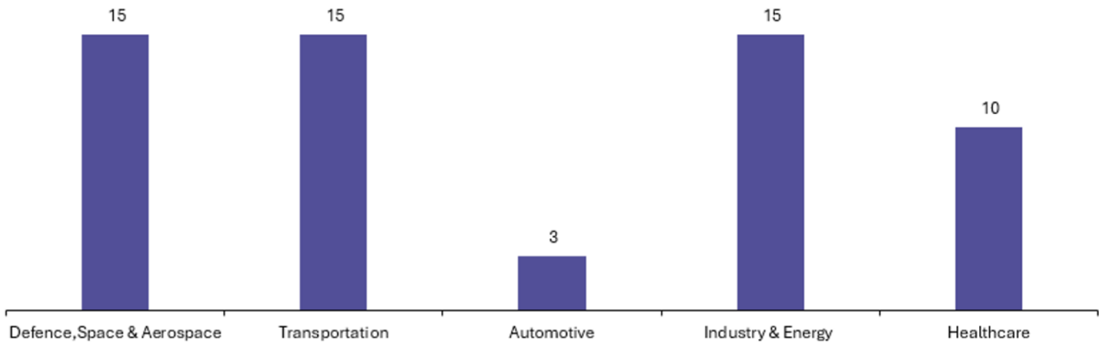
We operate two manufacturing facilities located in Karnataka, India as well as seven design centres strategically located facilities worldwide, including in India, France, Belgium and Canada. Some of our manufacturing facilities are approved under the Electronics Hardware Technology Park Scheme of the Software Technology Park of India in Bangalore.

Our extensive global presence enhances our ability to identify and capitalize on business opportunities across diverse markets. This global footprint enables us to deliver value and foster long-term partnerships with our customers worldwide. Additionally, to streamline operations, we maintain a diversified procurement network of 630 suppliers as of December 31, 2024, supported by advanced IT-enabled supply chain management solutions and strategic sourcing initiatives to enhance efficiency and reliability.

We have built a large and diversified customer base, spanning multiple verticals and geographies, including clients such as a leading national space agency, prominent national defense research organization, a French defence company, an European aircraft manufacturer, and, an European OEM, a US OEM, Global OEMs for Industrial & Power grid automation, and global rail OEMs.

We collaborate with our customers throughout the entire product life cycle, offering services that include concept creation, product development, prototyping, testing, mass manufacturing, after-sales support, and end-of-life solutions. This collaboration enables our customers to shorten their product development timelines and time-to-market cycles. Our customer-centric strategy allows us to expand the range of products we manufacture, increase shipment volumes for existing products, and extend our engagement into new areas requiring similar solutions.

This has enabled us to develop long-term relationships with our customers. The table below provides an overview of our average business relationship with the top three Customer Groups (in years) in the verticals shown below.



In addition, as of February 21, 2025, we have an Order Book of ₹18,612.99 million.

Over the years, we have integrated and continue to enhance our environmental, social, and governance (ESG) practices, adopting a sustainable and responsible approach to our operations. Our processes comply with global standards, and we are certified under ISO 9001, 14001, and 18001 by BVCI. Additionally, we hold industry-specific certifications, including AS/EN 9100 for defense and aerospace, IRIS Rev 2 for railway signaling, IATF 16949 for automotive, and ISO 13485 for medical systems, underscoring our commitment to quality and compliance across diverse sectors. Our company is led by a highly experienced team of promoters with extensive expertise in the Electronics System Design and Manufacturing (ESDM) industry. Our Promoter and Managing Director, Mallavarapu Venkata Apparao, founded Centum Electronics in 1993. Under his leadership, we have grown into a global electronics design and manufacturing company with operations in India, France, Belgium, and Canada. Mr. Mallavarapu has received several accolades, including the 'Order of Rio Branco' from the Brazilian government, the 'Champion of Innovation Award' from the Prime Minister of New Zealand, and the 'Officier de l’Ordre National du Mérite' from the President of France. Our Promoter and Executive Director, Nikhil Mallavarapu, has been with the company since 2012, holding various leadership roles, including business unit management and corporate strategy development. Under their leadership, we have expanded our operations and established a significant presence in India. Our senior management team, with their expertise, has demonstrated the ability to anticipate market trends, drive growth, and foster strong customer relationships.

The following table sets forth certain information relating to financial performance metrics as at the dates and for the periods/years indicated:

(in ₹ million, unless otherwise indicated)

Particulars	As at/for the financial year ended March 31,			As at/for the six months period ended September 30,	
	2022	2023	2024	2023	2024
Revenue from operations	7,799.40	9,229.69	10,908.20	4,957.32	5,053.34
Total Borrowings[1]	2,725.99	2,627.61	1,736.94	2,979.92	2,097.94
Total Equity	1,985.20	2,040.57	1,967.10	1,993.46	1,888.50
Cash and cash equivalents	480.44	352.71	481.21	357.76	417.16
Profit/(loss) before tax	(522.02)	121.36	78.78	18.90	(1.29)
Total income	7,879.64	9,288.22	10,976.34	4,977.08	5,081.20
Total assets	9,229.61	10,726.98	10,638.04	11,421.12	11,511.00
Inventories	2,248.25	2,610.62	3,173.77	3,327.61	4,016.24

(in ₹ million, unless otherwise indicated)

Particulars	As at/for the financial year ended March 31,			As at/for the six months period ended September 30,	
	2022	2023	2024	2023	2024
Current assets	5,873.40	7,367.01	7,600.26	7,989.92	8,452.18
Current liabilities	5,791.81	7,440.79	7,054.80	8,189.56	8,649.77
Current Financial liabilities- Borrowings	1,910.25	2,047.99	1,290.23	2,386.79	1,783.21
Adjusted EBITDA[2]	742.43	762.09	858.48	388.23	357.76
Adjusted EBITDA Margin (%)[3]	9.52%	8.26%	7.87%	7.83%	7.08%
Profit/ (loss) after tax	(534.65)	66.94	(27.55)	(31.08)	(41.55)
Adjusted Return on Equity[4,8] (%)	3.14%	3.33%	1.06%	(1.54)%	(2.16)%
Adjusted Return on Capital Employed[5,8] (%)	10.16%	10.05%	16.45%	4.63%	4.71%
Adjusted Working Capital Days[6]	93	78	61	80	57
Total Borrowings to Equity Ratio[7] (in times)	1.34	1.25	0.85	1.46	1.07

Note:
1 Total Borrowings refers to the sum of Non-current Financial liabilities- Borrowings and Current Financial liabilities- Borrowings
2Adjusted EBITDA is the sum of Profit/ (loss) after tax plus Total tax expenses plus Depreciation and amortisation expenses plus Finance costs minus Other income minus Finance income minus Share of profit / (loss) of associates (net) plus Exceptional items (net)
3 Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Revenue from operations
4 Adjusted Return on Equity (%) is calculated as Profit/ (loss) after tax plus Exceptional items (net) divided by average of opening Total equity and closing Total equity
5 Adjusted Return on Capital Employed (%) is calculated as (Profit/ (loss) after tax plus Total tax expenses plus Finance Costs minus Share of profit / (loss) of associates (net) plus Exceptional items (net) divided by (Total equity plus Non-Current Financial liabilities - Borrowings plus Current Financial liabilities - Borrowings plus Deferred tax liabilities (net) minus Goodwill minus Goodwill on consolidation minus Other intangible assets minus Intangible assets under development
6 Adjusted Working Capital Days is calculated as (Total current assets minus Total current liabilities which is adjusted by plus Current Financial liabilities - Borrowings) multiplied by number of days divided by Revenue from operations
7 Total Borrowings to equity ratio (in times) is calculated as (Non-current Financial liabilities- Borrowings plus Current Financial liabilities -Borrowings)/Equity attributable to equity holders of the parent
8 Adjusted Return on Equity (%) and Adjusted Return on Capital Employed (%) for the six months period ended September 30, 2024 and six months period ended September 30, 2023 are not annualised

The following table sets forth certain information relating to financial performance metrics for the periods indicated:

(in ₹ million, unless otherwise indicated)

Particulars	For the nine months period ended December 31,	
	2023	2024
Revenue from operations	7,939.27	7,866.79
(Loss)/ profit before tax	126.13	(162.28)
Total Income	7,969.74	7,917.41
Adjusted EBITDA[1]	677.12	551.59
Adjusted EBITDA Margin (%)[2]	8.53%	7.01%
(Loss) / profit after tax	41.40	(234.52)

Note:
1Adjusted EBITDA is the sum of Profit/ (loss) after tax plus Total tax expenses plus Depreciation and amortisation expenses plus Finance costs minus Other income minus Finance income minus Share of profit / (loss) of associates (net) plus Exceptional items (net)
2 Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Revenue from operations

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control. However, there are some specific items that we believe have impacted our results of operations and, in some cases, will continue to impact our results. We believe that the following factors, amongst others, have, or could have, an impact on these results, the manner in which we generate income and incur the expenses associated with generating this income.

Expansion of manufacturing operations

As on the date of this Preliminary Placement Document, our Company operates two manufacturing facilities located in Bangalore, Karnataka, India. Over the years, we have continuously upgraded and expanded our existing manufacturing facilities.

We intend to follow an expansion strategy of continuous upgradation of our manufacturing technology and processes driven by demand and with a focus on incorporating new emerging technologies.

We believe our investment in infrastructure is dependent on our ability to efficiently manage our corresponding increase in expenditures and achieve timely completion and commissioning of the expanded operations. This will enable us to cater to the growing demand from our customers and enhance our product portfolio, which in turn is expected to result in an increase in our revenue and profits.
In addition, we must adapt to rapid changes in our industry due to technological advances. The cost of implementing new technologies, upgrading our manufacturing facilities and recruiting design staff could be significant and could adversely affect our profitability if commensurate revenue is not generated from the new design efforts.

Cost of material consumed and (increase) / decrease in inventories of work-in-progress and finished goods

We undertake procurement of materials from various sources with the suppliers selected on a purchase order basis. The cost of materials consumed by us in our operations was ₹ 4,060.78 million, ₹ 4,277.26 million, ₹ 3,065.02 million, ₹ 4,146.60 million and ₹ 5,446.42 million for the nine months period ended December 31, 2023, December 31, 2024 and Fiscals 2022, 2023 and 2024, respectively. Our (increase) / decrease in inventories of work-in-progress and finished goods was ₹ (317.38) million, ₹ (255.81) million, ₹ (45.44) million, ₹ 5.29 million and ₹ (191.51) million for the nine months period ended December 31, 2023, December 31, 2024 and Fiscals 2022, 2023 and 2024, respectively.

Our cost of materials consumed and (increase)/ decrease in inventories of work in progress and finished goods, together constituted 47.15%, 51.12%, 38.72%, 44.98% and 48.17% of our revenue from operations for the nine months period ended December 31, 2023, December 31, 2024 and Fiscals 2022, 2023 and 2024, respectively. Our suppliers' ability to provide raw materials to us at competitive prices is affected by global commodity prices, inflation and our ability to negotiate with our suppliers effectively. Any significant movement in global commodity prices and inflation beyond our expectations and budgets, could significantly increase our costs. Additionally, factors such as economic or political conditions of the countries where we procure supplies from, the military conflict between Russia and Ukraine, and in the Middle East, as well as the de-coupling of China and western economies, may result in increases in costs of raw materials, which could increase our production and delivery costs and reduce our margins.

There can be no assurance that any disruption that affect supply of our raw materials and consequently our ability to deliver products in a timely manner, will not occur in the future. If such disruptions occur, it may have an adverse impact on our financial position. Further, we may experience shortages in availability of raw material, resulting in delay in fulfilment of orders and delivery of our products and a consequent adverse impact on our business, operations, profits, financial condition, and cash flows.

Ability to effectively execute and expand our Order Book

For the purposes of calculating the Order Book value, our Company does not take into account any escalation or change in scope of work of our ongoing projects as of the relevant date, or the work conducted by us in relation to any such escalation of change in scope of work of such projects until such date. The manner in which we calculate and present our Order Book is therefore not comparable to the manner in which our revenue from operations is accounted, which takes into account revenue from work relating to escalation or changes in scope of work of our projects. The manner in which we calculate and present our Company's Order Book information may vary from the manner in which such information is calculated and presented by other companies, including our competitors. The Order Book information included in this Preliminary Placement Document does not necessarily indicate our future earnings.

As of February 21, 2025, our Order Book stands at ₹ 18,612.99 million. The breakup of our Order Book position based on our business verticals is as under:

Particulars / Verticals	Value of Order Book (As on February 21, 2025) (₹ in million)	Percentage of total Order Book
Engineering Research and Development Services	1,949.15	10.47%
Electronic Manufacturing Services	7,202.85	38.70%
Build to Specification	9,460.99	50.83%
Total	**18,612.99**	**100.00%**

For further details on our Order Book, see "*Our Business - Order Book*" on page 192.

Our Order Book and the new orders we received in the future will have an effect on the revenues we will earn in the future. In addition, our order completion schedule may vary due to various factors that may be beyond our control, including timely commencement of work. These depend on various factors such as the value of these projects, the timeline for completion and payments to be made as per the agreed timelines. For further discussion on various factors that may affect the execution of our projects and consequently the realization of our Order Book as of a particular date, see "*Risk Factors – Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations.*" on page 55. Accordingly, the realization of our Order Book and the effect on our results of operations may vary significantly from reporting period to reporting period. The value of the orders we receive and our ability to execute them in a timely manner therefore impacts our future performance. As we expand our Order Book, the modified terms of payments for orders may necessitate higher working capital requirements and therefore impact our financial performance. Any cancellation of orders, termination of projects by our customers or any cost escalation in the event we are unable to complete the orders on time may result in a reduction of our future revenue. Any delay in payments that are due and payable to us will affect our operations and have an impact on our cash flows. This may result in an increase in our working capital borrowings thereby affecting our business and results of operations.

Dependencies on key customers

We are dependent on our key customers for a substantial portion of our revenue. The table sets forth details of our Gross Billings on a consolidated basis from our top three Customers Group (excluding GoI Entities) and GoI Group:

Customer Concentration	Fiscal						For the nine months period ended December 31,			
	2022		2023		2024		2023		2024	
	Amount (₹ million)	Percentage of Gross billings	Amount (₹ million)	Percentage of Gross billings	Amount (₹ million)	Percentage of Gross billings	Amount (₹ million)	Percentage of Gross billings	Amount (₹ million)	Percentage of Gross billings
Top three customer group	2,831.75	36.23%	3,685.51	39.48%	4,655.01	41.87%	3,617.31	45.95%	3,906.64	49.93%
Top three GoI Group	1,475.41	18.87%	1,391.15	14.90%	1,189.84	10.70%	886.40	11.26%	758.60	9.70%

We derive a significant portion of our revenue from our key customers and GoI Entities, exposing us to risks associated with dependency on a limited customer base. A reduction in business from these customers, whether due to pricing, our inability to maintain quality and quantity standards, delays, adverse market conditions, changes in government policies, or competition offering superior or lower-cost alternatives, could adversely affect our business, results of operations, financial condition, and cash flows. Our supply arrangements with our customers also require us to meet certain standards and performance obligations and our failure to meet such specifications could result in a reduction of business from them, termination of contracts or additional costs and penalties, all of which may adversely impact our results of operations and financial condition.

Competition

As a company operating in Electronic System Design and Manufacturing in India and foreign jurisdiction, we compete with other Indian and international manufacturers and service provider in our business verticals. Several key factors drive competitiveness in India's Electronics Manufacturing Services (EMS) sector. Cost efficiency remains paramount, with companies optimising supply chains and manufacturing processes to offer competitive pricing. The Indian government's initiatives, such as the Production Linked Incentive (PLI) Scheme, have significantly bolstered the EMS landscape by providing financial incentives to manufacturers. (*Source: F&S Report*)

However, some of our competitors may have greater financial, marketing, personnel and other resources than we do and may be in a position to seek to grow their business more aggressively. Any increase in competition in our industry is likely to adversely impact our market share, margins and profitability.

Government spending on defence and space sector

The rise in India's acquisition budget is primarily driven by the procurement of advanced indigenous and imported military platforms. These include Nuclear-Powered Attack Submarines, Nilgiri-class frigates, Rafale and Tejas Mark 1A multirole aircraft, Prachand helicopters, and Zorawar main battle tanks, among others. This increase reflects India's focus on modernizing its armed forces to address evolving security challenges. Furthermore, the country's robust economic growth over the past decade has significantly enhanced its capacity to allocate greater resources toward defense expenditure. (*Source: F&S Report*) India's defense production has witnessed consistent growth, driven by contributions from both the public and private sectors. In Fiscal 2024, the total Value of Production (VoP) reached ₹ 1,268.87 billion, with the private sector contributing ₹ 268 billion (21.1%) and public sector undertakings (PSUs) contributing ₹ 1,004 billion (78.9%). Future estimates indicate continued expansion, with the private sector's contribution projected to reach ₹ 699 billion and PSUs expected to achieve ₹ 2,301 billion by Fiscal 2029E. This rapid growth underscores India's focus on indigenization, supported by reforms, enhanced ease of doing business, and the success of initiatives like 'Aatmanirbhar Bharat' and 'Make in India.' (*Source: F&S Report*)

India's space market is witnessing rapid expansion, with the number of space start-ups growing from just one in 2014 to 189 in 2023. The investment in Indian space start-ups reached USD 124.7 million in 2023, reflecting the increasing interest and potential in this sector. The Indian space economy, currently valued at around USD 8.4 billion (approximately 2-3% of the global space economy), is projected to reach USD 44 billion by 2033, driven largely by private sector participation. This growth is supported by the implementation of the Indian Space Policy 2023, which encourages private entities to take on end-to-end solutions in satellite manufacturing, launch vehicle production, satellite services, and ground systems. India's rapid advancements in space technology are fueling growth in commercial, military, and scientific exploration, driving its global competitiveness. The nation's share in the global space economy is projected to increase significantly from 2% in Fiscal 2024 to 8% by Fiscal 2033, highlighting its expanding role as a key player in the global space market. (*Source: F&S Report*)

We believe this represents a significant opportunity for growth as we expand our products portfolio and set up new manufacturing facilities thereby increasing our capacity, which in turn will enable us to establish new customer bases and penetrate new geographies.

Dependence on foreign exchange and exchange rate fluctuations

We have foreign currency trade payables and receivables and are accordingly, exposed to foreign currency exchange risk. Following is the geographical segment revenue as per Ind AS 108 – "Operating Segments" for the year ended March 31, 2024):

Geographical segment as per Ind AS 108 – "Operating Segments"	Percentage of revenue (%)
Aggregate of Europe and UK, North America and Rest of the world	71.40%
India	28.60%

Depreciation of INR (Rupee) versus USD, CAD and EUR will result in lower revenues in Rupee terms, which could adversely affect our profitability. As and when outflows are incurred, the required foreign exchange is bought from market at the then prevailing exchange rate.

We also avail foreign currency funding in the form of secured foreign currency term loan and unsecured foreign currency term loans. In Fiscals 2022, 2023 and 2024 and for the six months ended September 30, 2023 and September 30, 2024, the outstanding amounts of foreign currency terms loans was ₹ 791.11 million, ₹ 649.02 million, ₹ 469.54 million, ₹ 556.38 million and ₹ 385.60 million, respectively. The fluctuations in the foreign exchange rates may impact our profitability which could adversely affect our business, financial condition and results of operations.

General global and Indian economic conditions

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India, Europe and North America. We derive a significant portion our revenues from manufacturing of complex products and solutions for the defence, space, aerospace, industrial, energy, transportation, automotive and medical sectors. The level of demand for ESDM services depends primarily on conditions in these sectors in our target markets, which, in turn, depend to a large extent on general economic conditions in these markets. Stronger economic indicators tend to correlate with higher demand for products in the sectors where we are present, while weaker economic indicators tend to correlate with lower demand for such products. The cyclical nature of general economic conditions means that our results of operations can fluctuate substantially from time to time. We expect that these economic factors and conditions, particularly changes in consumer confidence, employment levels, fuel prices, urbanisation, changes in consumer preferences, government policies and interest rates, will continue to be the most important factors affecting our results of operations.

MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Group in the preparation of its latest annual consolidated Ind AS financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated Ind AS financial statements, unless otherwise indicated.

1. **Basis of Consolidation**

The consolidated Ind AS financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated Ind AS Financial Statement (CFS).

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

The functional and presentation currency of the Group is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Group operates and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

- Exposure, or rights, to variable returns from its involvement with the investee, and

- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.

- Rights arising from other contractual arrangements.

- The Group's voting rights and potential voting rights.

- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated Ind AS financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated Ind AS financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The Group has prepared the consolidated Ind AS financial statements on the basis that it will continue to operate as a going concern.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated Ind AS financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated Ind AS financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when
- Control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2. Summary of material accounting policies

a. Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method after making necessary adjustments to achieve uniformity in application of accounting policies. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c. Current versus non-current classification

The Group presents assets and liabilities in the consolidated Ind AS balance sheet based on current/ non-current classification. An asset is treated as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle,

(ii) Held primarily for the purpose of trading,

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle,

(ii) It is held primarily for the purpose of trading,

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

d. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated Ind AS financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments (including those carried at amortised cost)

e. Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products and services

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Fixed price contracts

These contracts which have a performance obligation either provide for the fixed price for the entire project or a price defined in a framework agreement for each type of service ordered by the customer as the project is performed. Revenues from fixed price contracts is recognised based on the stage of completion and the expected profit on completion. Depending on the contracts, the degrees of progress is determined according to the input method (notably according to the costs borne by the project and hours spent) or the output method (notably according to the deliverables made). In the event of an unexpected excess of total contract costs over total contract revenues, the expected losses on completion are provisioned.

Time and material contracts

These contracts, which are subject to best efforts clause, have a variable price determined according to the time spent and the seniority of the staff employed for these projects. Revenues generated by time and material contracts is recognised as the services are performed.

Scrip Sales

Export entitlements in the form of Merchandise Export from India (MEIS) are recognized in the consolidated Ind AS statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Management fees income

Income from management fees is recognised as per the terms of the agreement on the basis of services rendered.

Interest income

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Rental income

Rental income from lease of premises under operating lease is recognized in the income statement on a straight line basis over the term of the lease. Commission income Commission income is recognised at the time when services are rendered in accordance with the rates as per the agreements entered into with the parties.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer (which consist of unbilled revenue). If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (q) Financial instruments.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (q) Financial instruments.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

f. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

g. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Group's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the consolidated Ind AS financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h. Non-current assets held for sale / disposal

The Group classifies non-current assets as held for sale / disposal if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,
b) An active programme to locate a buyer and complete the plan has been initiated,
c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated Ind AS balance sheet.

i. Property, plant and equipment ('PPE')

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at March 31, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 1, 2016.

Capital work in progress includes cost of property, plant and equipment under installation / under development net of accumulated impairment loss, if any, as at the balance sheet date. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

For domestic entities, the depreciation on the Property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013 except in case of certain Plant and equipment (including the related intellectual property), which the Group, based on technical assessment made by the technical expert and management estimate, depreciates over estimated useful lives of 8 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

Land is carried at historical cost and is not depreciated. Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Machinery spares are depreciated on a systematic basis over the period of the remaining useful life of the fixed assets for which they are utilised.

For overseas subsidiaries and associate, the Group provides depreciation based on estimated useful lives of the property, plant and equipment as determined by the management of such subsidiaries and associate. In view of different sets of environment in which such foreign subsidiaries and associate operate in their respective countries, depreciation is provided based on local laws and management estimates. These entities follow straight line method of depreciation spread over the useful life of each individual asset.

The estimated useful lives of the assets considered by aforementioned entities is as follows:

Asset Category	**Years**	
	Minimum	**Maximum**
Plant & equipments	3	5
Electrical installation	5	10
Furniture & fixtures	5	10
Office equipments	3	8
Computer	3	5
Buildings	30	30

j. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

A summary of the policies applied to the Group's intangible assets is, as follows:

Intangible assets	**Useful lives**	**Amortisation method used**	**Internally generated or acquired**
Goodwill (including goodwill arising on consolidation)	Indefinite	No amortisation	Acquired
Customer relationship	Definite (8 years)	Straight-line basis	Acquired
Computer software	Definite (5 years)	Straight-line basis	Acquired
Intellectual property rights	Definite (3 to 8 years)	Straight-line basis	Acquired

k. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Leases

The Group has lease contracts for office spaces various items of plant and machinery, computers and other equipments. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m. Inventories

Inventories are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a) Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Cost of raw materials, stores and spares work-in- progress and finished goods is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n. Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, intangible assets, including goodwill and investments in associate to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and

ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net fair value less costs of disposal and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated Ind AS statement of profit and loss.

o. Provisions and contingent liabilities

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated Ind AS statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated Ind AS financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated Ind AS statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund and pension fund are defined contribution scheme. The Group has no obligation, other than the contribution payable. The Group recognizes contribution payable to provident fund and pension fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Group presents the leave as a current liability in the consolidated Ind AS balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated Ind AS balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

a) The date of the plan amendment or curtailment, and
b) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated Ind AS statement of profit and loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b) Net interest expense or income.

q. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated Ind AS statement of profit and loss.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section 2.3.(e) Revenue recognition.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. Investment in equity instruments issued by associate is measured at cost less impairment.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets excluding investment in associates

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The Group recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Financial Instruments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in consolidated Ind AS statement of profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the consolidated Ind AS statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

b) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated Ind AS statement of profit and loss.

Put Option Liability

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies to non-controlling interests are accounted for as financial liabilities when such options may only be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary. The financial liability for such put option is accounted for under IND AS 109.

The amount that may become payable under the option on exercise is initially recognised at fair value under other financial liabilities with a corresponding charge directly to equity. All subsequent changes in the carrying amount of the financial liability are recognised in other equity attributable to the parent. The entity recognises both the non-controlling interest and the financial liability under the NCI put. It continues to measure non-controlling interests at proportionate share of net assets.

If the put option is exercised, the entity accounts for an increase in its ownership interest. At the same time, the entity derecognises the financial liability and recognises an offsetting credit in the same component of equity reduced on initial recognition. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated Ind AS balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r. Derivative financial instruments

The Group uses derivative financial instruments, such as interest rate swaps to hedge its interest fluctuation risks, etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through consolidated Ind AS statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

s. Cash and cash equivalents

Cash and cash equivalent in the consolidated Ind AS balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

t. Share-based payments

Certain employees of the Group are entitled to share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit in statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

u. Cash dividend

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v. Foreign currencies

The Group's consolidated Ind AS financial statements are presented in INR, which is also the holding company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances:

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated Ind AS financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group Companies:

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated Ind AS statement of profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

w. Research and development expenditure

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale
ii. Its intention to complete the asset

iii. Its ability to use or sell the asset
iv. How the asset will generate future economic benefits
v. The availability of adequate resources to complete the development and to use or sell the asset
vi. The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset. The cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the consolidated Ind AS statement of profit and loss. During the period of development, the asset is tested for impairment annually.

x. Corporate social responsibility ('CSR') expenditure

The Group charges its CSR expenditure during the year to the consolidated Ind AS statement of profit and loss.

y. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the parent by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Standard notified but not yet effective

There are no standards that are notified and not yet effective as on the date.

Climate – related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the consolidated Ind AS financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprise (i) revenue from operations; (ii) other income; and (ii) finance income.

Revenue from Operations

Our revenue from operations comprise (i) sale of products and services; and (ii) other operating income which includes income from foreign subsidies, management fees and sales commission. We generate majority of our income through sale of products.

Other Income

Our other income includes (i) rental income; (ii) provisions / liabilities no longer required, written back; (iii) government grants; (iv) net gain on disposal of property, plant and equipment; (v) other non-operating income; (vi) fair value gain on financial instruments; and (vii) gain on account of foreign exchange fluctuations (net).

Finance Income

Our finance income includes (i) interest income on bank deposits; (ii) interest income on income tax refund; and (iii) interest income – others.

Expenses

Our expenses comprise (i) cost of materials consumed; (ii) (increase) / decrease in inventories of work in progress and finished goods; (iii) employee benefit expenses; (iv) finance costs; (v) depreciation and amortisation expenses; (vi) other expenses and (vii) exceptional items (net).

Cost of materials consumed

Cost of material consumed consists of (i) inventory at the beginning of the year; (ii) purchases; and (iii) inventory at the end of the year. Our primary raw materials are (i) electronic components such as integrated circuits, resistors, capacitors, diode, PCB and other seiconductors; (ii) hi-realisation electronic components such as FPGA, relays, memory devices, bare dies, etc.; (iii) photo diode, connectors, transistors, wound components or magnetic components, plastic parts, sheet metal parts, hermetic packages and lids and process consumables such as thick firm resistors, gold ribbon and bonding wire.

(Increase) / decrease in inventories of work in progress and finished goods

(Increase) / decrease in inventories of work in progress and finished goods consists of (i) inventories at the beginning of the year (work-in-progress / finished goods); less (ii) inventories at the end of the year (work-in-progress / finished goods).

Employee benefit expenses

Employee benefit expenses primarily comprises (i) salaries, wages and bonus; (ii) contribution to provident and other funds; (iii) employee share based compensation cost; (iv) gratuity expenses; and (v) staff welfare expenses.

Finance costs

Finance costs include (i) interest on debt and borrowings; (ii) interest on lease liabilities; (iii) other borrowing costs; (iv) exchange differences regarded as an adjustment to borrowing cost; (v) interest on income tax.

Depreciation and amortisation expenses

Depreciation and amortisation expenses comprise (i) depreciation of property, plant and equipment; (ii) amortization of other tangible assets; and (iii) depreciation of right-of-use assets.

Other expenses

Other expenses comprises (i) rent and lease hire charges; (ii) rates and taxes; (iii) power and fuel; (iv) repairs and maintenance; (v) insurance; (vi) legal and professional fees; (vii) travelling and conveyance; (viii) purchase of services; (ix) corporate social responsibility expenditure; (x) freight outwards; (xi) foreign exchange differences (net); (xii) provision for expected credit losses / bad debts written off/ doubtful advances; (xiii) impairment of non-current investments; (xiv) impairment allowance on contract assets; (xv) directors' sitting fees; (xvi) loss on sale/ discard of property, plant and equipment and (xvii) miscellaneous expenses.

CHANGES IN ACCOUNTING POLICIES

Except the changes in accounting policies on account of new standards and amendments which does not have any effect on the profits and the reserves of the Company, there have been no changes in our accounting policies during Fiscals 2024, 2023 and 2022 and the nine months period ended December 31, 2024.

NON-GAAP MEASURES

Profit after tax Margin (%), EBITDA, Adjusted EBITDA, EBITDA Margin (%), Adjusted EBITDA Margin (%), Adjusted Profit after tax, Average total equity, Return on Equity (%), Adjusted Return on Equity (%), EBIT, Adjusted EBIT, Total Capital Employed, Adjusted Total Capital Employed, Return on Capital Employed (%), Adjusted Return on Capital Employed (%), Total Borrowings to Equity Ratio (in times), Average Inventories, Inventory Turnover Ratio (in times), Total Capitalisation, Non-current borrowings/Total Equity (in times) and Total Borrowings / Total Equity (in times), Cash profit before Interest, Interest Coverage Ratio (in times), Working Capital, Adjusted Working Capital, Adjusted Working Capital Days, Average Trade receivables, Trade receivable turnover days, Inventory Turnover Days, Gross Purchases and Gross Billings (together, "**Non-GAAP Measures**"), presented in this Preliminary Placement Document are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or US GAAP.

In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting their usefulness as comparative measures. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For further details, see "*Risk Factors – We have in this Preliminary Placement Document included certain non-GAAP financial measures. These non-GAAP measures may vary from any standard methodology that is generally applicable across the industry, and therefore may not be comparable with financial or industry-related statistical information of similar nomenclature computed and presented by other companies*" on page 81.

Reconciliation of Profit After Tax Margin (%):

The table below provides reconciliation of our profit after tax margin (%):

(₹ in million, unless otherwise stated)

Particulars	For the year / period ended						
	March 31, 2022	**March 31, 2023**	**March 31, 2024**	**September 30, 2023**	**September 30, 2024**	**December 31, 2023**	**December 31, 2024**
Profit/ (loss) after tax (A)	(534.65)	66.94	(27.55)	(31.08)	(41.55)	41.40	(234.52)
Revenue from Operations (B)	7,799.40	9,229.69	10,908.20	4,957.32	5,053.34	7,939.27	7,866.79
Profit After Tax Margin (%) (C=A/B)	**(6.86)%**	**0.73%**	**(0.25)%**	(0.63)%	(0.82)%	**0.52%**	**(2.98)%**

Reconciliation from profit / (loss) after tax to EBITDA, EBITDA Margin (%), Adjusted EBITDA and Adjusted EBITDA Margin (%):

The table below provides reconciliation from profit / (loss) after tax to EBITDA, EBITDA Margin (%), Adjusted EBITDA and Adjusted EBITDA Margin (%):

(₹ in million, unless otherwise stated)

Particulars	For the year / period ended						
	March 31, 2022	**March 31, 2023**	**March 31, 2024**	**September 30, 2023**	**September 30, 2024**	**December 31, 2023**	**December 31, 2024**
Profit / (loss) after tax (A)	(534.65)	66.94	(27.55)	(31.08)	(41.55)	41.40	(234.52)
Total tax expenses (B)	12.63	54.42	106.33	49.98	40.26	84.73	72.24
Depreciation and amortisation expenses (C)	431.93	438.26	452.74	217.36	234.31	332.51	339.96
Finance costs (D)	263.48	273.44	346.31	171.73	152.60	248.95	231.48
EBITDA (E=A+B+C+D)	**173.39**	**833.06**	**877.83**	**407.99**	**385.62**	**707.59**	**409.16**
Other income (F)	47.05	37.25	45.91	8.82	14.32	14.12	30.94
Finance income (G)	33.19	21.28	22.23	10.94	13.54	16.35	19.68
Share of profit / (loss) of associates (net) (H)	(45.74)	12.44	-	-	-	-	-
Exceptional items (net) (I)	603.54	-	48.79	-	-	-	193.05
Adjusted EBITDA (J=E-F-G-H+I)	**742.43**	**762.09**	**858.48**	**388.23**	**357.76**	**677.12**	**551.59**
Revenue from operations (K)	7,799.40	9,229.69	10,908.20	4,957.32	5,053.34	7939.27	7866.79
EBITDA Margin (%) (L=E/K)	**2.22%**	**9.03%**	**8.05%**	**8.23%**	**7.63%**	**8.91%**	**5.20%**
Adjusted EBITDA Margin (%) (M=J/K)	**9.52%**	**8.26%**	**7.87%**	**7.83%**	**7.08%**	**8.53%**	**7.01%**

Reconciliation from profit / (loss) after tax to Adjusted Profit after tax, Return on Equity (%) and Adjusted Return on Equity (%)

The table below provides reconciliation from profit / (loss) after tax to Adjusted Profit after tax, Return on Equity (%) and Adjusted Return on Equity (%):

(₹ in million, unless otherwise stated)

Particulars	**As at and for the year / period ended**				
	March 31, 2022	**March 31, 2023**	**March 31, 2024**	**September 30, 2023**	**September 30, 2024**
Profit / (loss) after tax (A)	(534.65)	66.94	(27.55)	(31.08)	(41.55)
Exceptional items (net) (B)	603.54	-	48.79	-	-
Adjusted Profit after tax (C=A+B)	**68.89**	**66.94**	**21.24**	**(31.08)**	**(41.55)**
Closing total equity (D)	1,985.20	2,040.57	1,967.10	1,993.46	1,888.50
Opening total equity (E)	2,401.25	1,985.20	2,040.57	2,040.57	1,967.10
Average total equity [F=(D+E)/2]	**2,193.23**	**2,012.89**	**2,003.84**	**2,017.02**	**1,927.80**
Return on Equity (%)* (G=A/F)	**(24.38)%**	**3.33%**	**(1.37)%**	**(1.54)%**	**(2.16)%**
Adjusted Return on Equity (%)* (H=C/F)	**3.14%**	**3.33%**	**1.06%**	**(1.54)%**	**(2.16)%**

** Return on Equity (%) and Adjusted Return on Equity (%) for the six months period ended September 30, 2024 and six months period ended September 30, 2023 are not annualised*

Reconciliation of EBIT, Adjusted EBIT, Total Capital Employed, Adjusted Total Capital Employed, Return on Capital Employed (%) and Adjusted Return on Capital Employed (%)

The table below provides reconciliation of reconciliation of EBIT, Adjusted EBIT, Total Capital Employed, Adjusted Total Capital Employed, Return on Capital Employed (%) and Adjusted Return on Capital Employed (%):

(₹ in million, unless otherwise stated)

Particulars	**As at and for the year / period ended**				
	March 31, 2022	**March 31, 2023**	**March 31, 2024**	**September 30, 2023**	**September 30, 2024**
Profit/ (loss) after tax (A)	(534.65)	66.94	(27.55)	(31.08)	(41.55)
Total tax expenses (B)	12.63	54.42	106.33	49.98	40.26
Finance Costs (C)	263.48	273.44	346.31	171.73	152.60
Earnings before interest and tax (EBIT) (D=A+B+C)	**(258.54)**	**394.80**	**425.09**	**190.63**	**151.31**
Share of profit / (loss) of associates (net) (E)	(45.74)	12.44	-	-	-
Exceptional items (net) (F)	603.54	-	48.79	-	-
Adjusted EBIT (G=D-E+F)	**390.74**	**382.36**	**473.88**	**190.63**	**151.31**
Total equity (H)	1,985.20	2,040.57	1,967.10	1,993.46	1,888.50
Non-Current financial liabilities - Borrowings (I)	815.74	579.62	446.71	593.13	314.73
Current financial liabilities - Borrowings (J)	1,910.25	2,047.99	1,290.23	2,386.79	1,783.21
Non-Current financial liabilities - Lease liabilities (K)	355.54	361.58	407.81	419.30	371.17
Current financial liabilities - Lease liabilities (L)	120.03	91.79	117.96	112.60	114.10
Deferred tax liabilities (net) (M)	48.82	27.12	5.42	16.27	-
Goodwill (N)	-	412.58	412.58	-	412.58
Goodwill on consolidation (O)	376.23	-	-	376.23	-
Other intangible assets (P)	416.42	249.85	314.67	302.71	302.48

(₹ in million, unless otherwise stated)

Particulars	As at and for the year / period ended				
	March 31, 2022	**March 31, 2023**	**March 31, 2024**	**September 30, 2023**	**September 30, 2024**
Intangible assets under development (Q)	120.14	227.56	100.99	194.86	58.07
Total Capital Employed (R=H+I+J+K+L+M-N-O-P-Q)	**4,322.79**	**4,258.68**	**3,406.99**	**4,647.75**	**3,698.58**
Non-Current financial liabilities - Lease liabilities (K)	355.54	361.58	407.81	419.30	371.17
Current financial liabilities - Lease liabilities (L)	120.03	91.79	117.96	112.60	114.10
Adjusted Total Capital Employed (S=R-K-L)	**3,847.22**	**3,805.31**	**2,881.22**	**4,115.85**	**3,213.31**
Return on Capital Employed (%)* (T=D/R)	**(5.98)%**	**9.27%**	**12.48%**	**4.10%**	**4.09%**
Adjusted Return on Capital Employed (%)* (U=G/S)	**10.16%**	**10.05%**	**16.45%**	**4.63%**	**4.71%**

* *Return on Capital Employed (%) and Adjusted Return on Capital Employed (%) for the six months period ended September 30, 2024 and six months period ended September 30, 2023 are not annualised*

Reconciliation of Total Borrowings to Equity Ratio (in times)

The table below provides reconciliation of Total Borrowings to Equity Ratio (in times):

(₹ in million, unless otherwise stated)

Particulars	As at the year / period ended				
	March 31, 2022	**March 31, 2023**	**March 31, 2024**	**September 30, 2023**	**September 30, 2024**
Non-Current financial liabilities - Borrowings (A)	815.74	579.62	446.71	593.13	314.73
Current financial liabilities - Borrowings (B)	1,910.25	2,047.99	1,290.23	2,386.79	1,783.21
Total Borrowings (C=A+B)	**2,725.99**	**2,627.61**	**1,736.94**	**2,979.92**	**2,097.94**
Equity share capital (D)	128.85	128.85	128.88	128.85	128.97
Other equity (E)	1,910.83	1,978.32	1,903.84	1,910.62	1,833.71
Equity attributable to equity holders of the parent (F=D+E)	**2,039.68**	**2,107.17**	**2,032.72**	**2,039.47**	**1,962.68**
Total Borrowings to Equity Ratio (in times) (G=C/F)	**1.34**	**1.25**	**0.85**	**1.46**	**1.07**

Reconciliation of Interest Coverage Ratio (in times):

The table below provides reconciliation of our interest coverage ratio (in times):

(₹ in million, unless otherwise stated)

Particulars	For the year / period ended				
	March 31, 2022	**March 31, 2023**	**March 31, 2024**	**December 31, 2023**	**December 31, 2024**
Profit / (loss) after tax (A)	(534.65)	66.94	(27.55)	41.40	(234.52)
Depreciation and amortisation expenses (B)	431.93	438.26	452.74	332.51	339.96
Finance costs (C)	263.48	273.44	346.31	248.95	231.48
Cash profit before interest (D=A+B+C)	**160.76**	**778.64**	**771.50**	**622.86**	**336.92**
Interest Coverage Ratio (in times) (E=D/C)	**0.61**	**2.85**	**2.23**	**2.50**	**1.46**

Reconciliation of trade receivable turnover days

The table below provides reconciliation of trade receivable turnover days:

(₹ in million, unless otherwise stated)

Particulars	**As at and for the year / period ended**				
	March 31, 2022	**March 31, 2023**	**March 31, 2024**	**September 30, 2023**	**September 30, 2024**
Closing Trade receivables (A)	2,499.02	3,309.97	2,279.77	3,227.01	2,296.83
Opening Trade receivables (B)	2,161.21	2,499.02	3,309.97	3,309.97	2,279.77
Average trade receivables [C=(A+B)/2)]	**2,330.12**	**2,904.50**	**2,794.87**	**3,268.49**	**2,288.30**
Revenue from operations (D)	7,799.40	9,229.69	10,908.20	4,957.32	5,053.34
Number of days (E)	365	365	365	182	182
Trade receivables turnover days [F=(C*E)/D]	109	115	94	120	82

Reconciliation of Inventory Turnover Ratio (in times) and Inventory Turnover Days:

The table below provides reconciliation of Inventory Turnover Ratio (in times) and Inventory Turnover Days:

(₹ in million, unless otherwise stated)

Particulars	**As at and for the year / period ended**				
	March 31, 2022	**March 31, 2023**	**March 31, 2024**	**September 30, 2023**	**September 30, 2024**
Cost of materials consumed (A)	3,065.02	4,146.60	5,446.42	2,536.23	2,881.43
(Increase) / decrease in inventories of work-in-progress and finished goods (B)	(45.44)	5.29	(191.51)	(268.18)	(381.02)
Total (C=A+B)	**3,019.58**	**4,151.89**	**5,254.91**	**2,268.05**	**2,500.41**
Closing Inventories (D)	2,248.25	2,610.62	3,173.77	3,327.61	4,016.24
Opening Inventories (E)	1,941.88	2,248.25	2,610.62	2,610.62	3,173.77
Average Inventories [F=(D+E)/2]	**2,095.07**	**2,429.44**	**2,892.20**	**2,969.12**	**3,595.01**
Inventory Turnover Ratio (in times) (G=C/F)	**1.44**	**1.71**	**1.82**	**0.76**	**0.70**
Number of days (H)	**365**	**365**	**365**	**182**	**182**
Inventory Turnover Days (I=H/G)	**253**	**214**	**201**	**238**	**262**

Reconciliation of Working Capital to Adjusted Working Capital and Adjusted Working Capital Days:

The table below provides reconciliation of Working Capital to Adjusted Working Capital and Adjusted Working Capital Days:

(₹ in million, unless otherwise stated)

Particulars	**As at and for the year / period ended**				
	March 31, 2022	**March 31, 2023**	**March 31, 2024**	**September 30, 2023**	**September 30, 2024**
Total current assets (A)	5,873.40	7,367.01	7,600.26	7,989.92	8,452.18
Total current liabilities (B)	5,791.81	7,440.79	7,054.80	8,189.56	8,649.77
Working Capital (C=A-B)	81.59	(73.78)	545.46	(199.64)	(197.59)
Current financial liabilities – Borrowings (D)	1,910.25	2,047.99	1,290.23	2,386.79	1,783.21
Adjusted Working Capital (E=C+D)	**1,991.84**	**1,974.21**	**1,835.69**	**2,187.15**	**1,585.62**
Revenue from operations (F)	7,799.40	9,229.69	10,908.20	4,957.32	5,053.34
Number of days (G)	365	365	365	182	182
Adjusted Working Capital Days [H=(E*G)/F]	93	78	61	80	57

SUMMARY OF OUR RESULTS OF OPERATIONS

Nine months period ended December 31, 2024 and December 31, 2023

The following table set forth our selected financial data related to December Unaudited Consolidated Financial Results of profit and loss for the nine months period ended December 31, 2023 and December 31, 2024, the components of which are also expressed as a percentage of total income for such periods:

Particulars	**For the nine months period ended December 31**			
	2023		**2024**	
	(₹ in million)	**Percentage of Total Income**	**(₹ in million)**	**Percentage of Total Income**
Income:				
Revenue from operations				
- Sale of products and services	7,643.89	95.91%	7,651.69	96.64%
- Other operating income	295.38	3.71%	215.10	2.72%
Other income	14.12	0.18%	30.94	0.39%
Finance income	16.35	0.21%	19.68	0.25%
Total Income	**7,969.74**	**100.00%**	**7,917.41**	**100.00%**
Expenses:				
- Cost of materials consumed	4,060.78	50.95%	4,277.26	54.02%
- Decrease/(increase) in inventories of work-in-progress and finished goods	(317.38)	(3.98)%	(255.81)	(3.23)%
- Employee benefit expenses	2,719.62	34.12%	2,611.82	32.99%
- Depreciation and amortisation expenses	332.51	4.17%	339.96	4.29%
- Finance costs	248.95	3.12%	231.48	2.92%

Particulars	For the nine months period ended December 31			
	2023		2024	
	(₹ in million)	Percentage of Total Income	(₹ in million)	Percentage of Total Income
- Other expenses	799.13	10.03%	681.93	8.61%
Total Expenses	**7,843.61**	**98.42%**	**7,886.64**	**99.61%**
Share of profit / (loss) of associates	-	-	-	-
Profit / (loss) before exceptional items and tax expense	**126.13**	**1.58%**	**30.77**	**0.39%**
Exceptional items	-	-	(193.05)	(2.44)%
(Loss)/profit before tax	**126.13**	1.58%	**(162.28)**	(2.05)%
Tax expenses				
- Current tax (net)	122.29	1.53%	90.24	1.14%
- Adjustment of tax relating to earlier period	3.70	0.05%	-	-
- Deferred tax expense /(credit)	(41.26)	(0.52)%	(18.00)	(0.23)%
Total tax expenses	**84.73**	1.06%	**72.24**	0.91%
(Loss) / profit after tax	**41.40**	0.52%	**(234.52)**	(2.96)%
Other comprehensive income / (expenses) (net of tax)				
(a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
(i) Remeasurement gains / (losses) on defined benefit plans	5.73	0.07%	3.64	0.05%
(ii) Income tax effect on above	(1.44)	(0.02)%	(0.92)	(0.01)%
(b)Other comprehensive income to be reclassified to profit or loss in subsequent periods				
(i) Exchange differences on translating the financial statements of foreign operations	8.52	0.11%	17.63	0.22%
(ii) Income tax effect on above	-	-	-	-
(iii) Net movement on effective portion of cash flow hedge	-	-	-	-
(iv) Income tax effect on above	-	-	-	-
Total other comprehensive income / (expenses) (net of tax)	12.81	0.16%	20.35	0.26%
Total comprehensive income for the period, net of tax	54.21	0.68%	(214.17)	(2.71)%
Total comprehensive income attributable to:				
(a) Equity holders of the parent	86.50	1.09%	(181.50)	(2.29)%
(b) Non-controlling interest	(32.29)	(0.41)%	(32.67)	(0.41)%
Total comprehensive income for the period	54.21	0.68%	(214.17)	(2.71)%

NINE MONTHS PERIOD ENDED DECEMBER 31, 2023 COMPARED TO NINE MONTHS PERIOD ENDED DECEMBER 31, 2024

Income

Total income decreased by 0.66% from ₹ 7,969.74 million in the nine months period ended December 31, 2023 to ₹7,917.41 million in the nine months period ended December 31, 2024, primarily attributable to the following:

Revenue from operations

Revenue from operations decreased by 0.91% from ₹ 7,939.27million in the nine months period ended December 31, 2023 to ₹ 7,866.79 million in the nine months period ended December 31, 2024 on account of the following:

(a) Sale of products and services increased by 0.10% from ₹ 7,643.89 million in the nine months period ended December 31, 2023 to ₹7,651.69 million in the nine months period ended December 31, 2024. This was primarily due to an increase in service revenue from overseas subsidiaries.

(b) Other operating income decreased by 27.18% from ₹295.38 million in the nine months period ended December 31, 2023 to ₹215.10 million in the nine months period ended December 31, 2024 due to a decrease in management fees in the overseas subsidiaries.

Other income

Other income increased by 119.12% from ₹ 14.12 million in the nine months period ended December 31, 2023 to ₹30.94 million in the nine months period ended December 31, 2024. This was primarily due to an increase in provisions/liabilities no longer required, written back.

Finance income

Finance income increased by 20.37% from ₹16.35 million in the nine months period ended December 31, 2023 to ₹19.68 million in the nine months period ended December 31, 2024. This was primarily increase in income from interest on margin money deposits.

Expenses

Total expenses increased by 0.55% from ₹ 7,843.61 million in the nine months period ended December 31, 2023 to ₹ 7,886.64 million in the nine months period ended December 31, 2024.

Cost of materials consumed

Cost of materials consumed increased by 5.33% from ₹ 4,060.78 million in the nine months period ended December 31, 2023 to ₹ 4,277.26 million in the nine months period ended December 31, 2024. Such increase was primarily due to change in product mix.

(Increase)/decrease in inventories of work in progress and finished goods

(Increase)/decrease in inventories of work in progress and finished goods increased by 19.40% from ₹(317.38) million in the nine months period ended December 31, 2023 to ₹(255.81) million in the nine months period ended December 31, 2024. Such increase was primarily due to decrease in inventories of work in progress and finished goods.

Employee benefit expenses

Employee benefit expenses decreased by 3.96% from ₹ 2,719.62 million in the nine months period ended December 31, 2023 to ₹ 2,611.82 million in the nine months period ended December 31, 2024.Such decrease was primarily due to the reduction of head count in the foreign subsidiaries.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by 2.24% from ₹ 332.51 million in the nine months period ended December 31, 2023 to ₹ 339.96 million in the nine months period ended December 31, 2024. Such increase was primarily due to an increase in amortisation of intangible assets in foreign subsidiaries due to capitalization.

Finance costs

Finance costs decreased by 7.02% from ₹ 248.95 million in the nine months period ended December 31, 2023 to ₹ 231.48 million in the nine months period ended December 31, 2024. Such decrease was primarily due to reduction in other borrowing cost.

Other expenses

Other expenses decreased by 14.67% from ₹ 799.13 million in the nine months period ended December 31, 2023, to ₹681.93 million in the nine months period ended December 31, 2024. Such decrease was primarily due to reduction in foreign exchange loss, travel expenses, rates and taxes, recruitment and training expenses , legal and professional fees and purchase of services.

Exceptional items

Exceptional items increased by 100% from Nil in the nine months period ended December 31, 2023, to ₹193.05 million in the nine months period ended December 31, 2024. Such increase was primarily due to provision of the carrying value of the Group’s investment in bonds and trade receivables in an associate.

(Loss)/profit before tax

For the reasons discussed above, (loss)/profit before tax was ₹ (162.28) million in the nine months period ended December 31, 2024, as compared to ₹ 126.13 million in the nine months period ended December 31, 2023.

Tax expenses

Current tax (net) was ₹ 90.24 million in the nine months period ended December 31, 2024, as compared to ₹122.29 million in the nine months period ended December 31, 2023; Deferred tax expense / (credit) stood at ₹ (18.00) million in the nine months period ended December 31, 2024, as compared to ₹ (41.26) million in the nine months period ended December 31, 2023; and adjustment of tax relating to earlier period was Nil in the nine months period ended December 31, 2024, as compared to ₹ 3.70 million in the nine months period ended December 31, 2023. Our total tax expenses decreased to ₹ 72.24 million for the nine months period ended December 31, 2024 as compared to ₹ 84.73 million for the nine months period ended December 31, 2023. The decrease is due to reduction in the profits of the Company, for the nine months period ended December 31, 2024.

(Loss) / profit after tax

As a result of the foregoing factors, our (loss) / profit after tax for the period decreased to ₹ (234.52) million for the nine months period ended December 31, 2024 as compared to ₹ 41.40 million for the nine months period ended December 31, 2023.

Total comprehensive income for the period (net of tax)

As a result of the foregoing factors, total comprehensive income for the period (net of tax) (comprising (loss) / profit after tax and other comprehensive income/(expenses) (net of tax)) decreased to ₹ (214.17) million for the nine months period ended December 31, 2024 as compared to ₹ 54.21 million for the nine months period ended December 31, 2023.

FISCALS 2024, 2023 AND 2022

The following table set forth our selected financial data related to our consolidated financial statements of profit and loss for the Fiscals 2022, 2023 and 2024, the components of which are also expressed as a percentage of total income for such years:

Particulars	Fiscal					
	2022		2023		2024	
	(₹ in million)	Percentage of Total Income	(₹ in million)	Percentage of Total Income	(₹ in million)	Percentage of Total Income
Income:						
Revenue from operations	7,799.40	98.98	9,229.69	99.37	10,908.20	99.38
Other income	47.05	0.60	37.25	0.40	45.91	0.42
Finance income	33.19	0.42	21.28	0.23	22.23	0.20
Total income	**7,879.64**	**100.00**	**9,288.22**	**100.00**	**10,976.34**	**100.00**
Expenses:						
- Cost of materials consumed	3,065.02	38.90	4,146.60	44.64	5,446.42	49.62
- (Increase) / decrease in inventories of work-in-progress and finished goods	(45.44)	(0.58)	5.29	0.06	(191.51)	(1.74)
- Employee benefit expenses	3,199.02	40.60	3,327.22	35.82	3,671.16	33.45
- Finance costs	263.48	3.34	273.44	2.94	346.31	3.16
- Depreciation and amortisation expenses	431.93	5.48	438.26	4.72	452.74	4.12
- Other expenses	838.37	10.64	988.49	10.64	1,123.65	10.24
Total expenses	**7,752.38**	**98.38**	**9,179.30**	**98.83**	**10,848.77**	**98.84**
Share of profit / (loss) of associates (net)	(45.74)	(0.58)	12.44	0.13	-	-
Profit / (loss) before exceptional items and tax	81.52	1.03	121.36	1.31	127.57	1.16
Exceptional items (net)	(603.54)	(7.66)	-	-	(48.79)	(0.44)
Profit / (loss) before tax	(522.02)	(6.62)	121.36	1.31	78.78	0.72
Tax expenses:						
- Current tax	57.49	0.73	126.51	1.36	158.21	1.44
- Adjustment of tax relating to earlier period	(11.05)	(0.14)	(10.32)	(0.11)	3.70	0.03
- Deferred tax (credit) / expense	(33.81)	(0.43)	(61.77)	(0.67)	(55.58)	(0.51)
Total tax expenses	**12.63**	0.16	**54.42**	0.59	**106.33**	0.97
Profit / (loss) for the year	(534.65)	(6.79)	66.94	0.72	(27.55)	(0.25)
Other comprehensive income:						
- Other comprehensive income to be reclassified to profit or loss in						

Particulars	Fiscal					
	2022		2023		2024	
	(₹ in million)	**Percentage of Total Income**	**(₹ in million)**	**Percentage of Total Income**	**(₹ in million)**	**Percentage of Total Income**
subsequent periods:						
(i)(a) Exchange differences on translating the financial statements of foreign operations	16.85	0.21	1.24	0.01	19.37	0.18
(b) Income tax effect on above	-	-	-	-	-	-
(ii)(a)Net movement on effective portion of cash flow hedge	-	-	0.02	0.00	(0.22)	0.00
(b) Income tax effect on above	-	-	(0.01)	0.00	0.06	0.00
- Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
(i)(a) Remeasurement gains / (losses) on defined benefit plans	10.00	0.13	7.77	0.08	4.28	0.04
(b) Income tax effect on above	(2.63)	(0.03)	(1.96)	(0.02)	(1.14)	(0.01)
Other comprehensive income for the year, net of tax	**24.22**	0.31	**7.06**	0.08	**22.35**	0.20
(Loss) / profit for the year	(534.65)	(6.79)	66.94	0.72	(27.55)	(0.25)
Attributable to						
Equity holders of the parent	(305.43)	(3.88)	98.16	1.06	17.75	0.16
Non-controlling interests	(229.22)	(2.91)	(31.22)	(0.34)	(45.30)	(0.41)
Other comprehensive income for the year	**24.22**	**0.31**	**7.06**	0.08	**22.35**	0.20
Attributable to						
Equity holders of the parent	19.89	0.25	8.44	0.09	23.23	0.21
Non-controlling interests	4.33	0.05	(1.38)	(0.01)	(0.88)	(0.01)
Total comprehensive income for the year	**(510.43)**	**(6.48)**	**74.00**	0.80	**(5.20)**	(0.05)
Attributable to						
Equity holders of the parent	(285.54)	(3.62)	106.60	1.15	40.98	0.37
Non-controlling interests	(224.89)	(2.85)	(32.60)	(0.35)	(46.18)	(0.42)

FISCAL 2024 COMPARED TO FISCAL 2023

Income

Total income increased by 18.17% from ₹ 9,288.22 million in Fiscal 2023 to ₹ 10,976.34 million in Fiscal 2024, primarily attributable to the following:

Revenue from operations

Revenue from operations increased by 18.19% from ₹ 9,229.69 million in Fiscal 2023 to ₹ 10,908.20 million in Fiscal 2024 on account of the following:

(a) Sale of products increased by 27.47% from ₹ 6,064.74 million in Fiscal 2023 to ₹ 7,730.75 million in Fiscal 2024. This was primarily due to an increase in sales of Electronic Manufacturing Services vertical of the Group.

(b) Sale of services decreased by 0.92% from ₹ 2,777.22 million in Fiscal 2023 to ₹ 2,751.71 million in Fiscal 2024. This was primarily due to a decrease in revenue from overseas Subsidiaries.

(c) Other operating revenues increased by 9.80% from ₹ 387.73 million in Fiscal 2023 to ₹ 425.74 million in Fiscal 2024. This was primarily due to an increase in income from management fees.

Other income

Other income increased by 23.25% from ₹ 37.25 million in Fiscal 2023 to ₹ 45.91 million in Fiscal 2024. This was primarily due to an increase in reversal of liability no longer required.

Finance income

Finance income increased by 4.46% from ₹ 21.28 million in Fiscal 2023 to ₹ 22.23 million in Fiscal 2024. This was primarily due to an increase in interest rate.

Expenses

Total expenses increased by 18.19% from ₹ 9,179.30 million in the Fiscal 2023 to ₹ 10,848.77 million in Fiscal 2024.

Cost of materials consumed

Cost of materials consumed increased by 31.35% from ₹ 4,146.60 million in the Fiscal 2023 to ₹ 5,446.42 million in the Fiscal 2024. Such increase was primarily due to increase in revenue from operations.

(Increase) / decrease in inventories of work in progress and finished goods

(Increase) / decrease in inventories of work-in-progress and finished goods decreased by 3,720.23% from ₹ 5.29 million in Fiscal 2023 to ₹ (191.51) million in Fiscal 2024. Such decrease was primarily due to increase in inventory of work in progress and finished goods.

Employee benefit expenses

Employee benefit expenses increased by 10.34% from ₹ 3,327.22 million in Fiscal 2023 to ₹ 3,671.16 million in Fiscal 2024. Such increase was primarily due to increase in headcount of employees of the Group.

Finance costs

Finance costs increased by 26.65% from ₹ 273.44 million in Fiscal 2023 to ₹ 346.31 million in Fiscal 2024. Such increase was primarily due to increase in interest rates.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by 3.30% from ₹ 438.26 million in Fiscal 2023 to ₹ 452.74 million in Fiscal 2024. Such increase was primarily due to significant capitalization for property, plant and equipment and other intangible assets during the Fiscal 2024.

Other expenses

Other expenses increased by 13.67% from ₹ 988.49 million in Fiscal 2023 to ₹ 1,123.65 million in Fiscal 2024. Such increase was primarily due to increase in purchase of services, travelling and conveyance and impairment allowance on contract assets.

Share of profit / (loss) of associates (net)

Share of profit / (loss) of associates (net) decreased by 100% from ₹ 12.44 million in Fiscal 2023 to nil in Fiscal 2024. Such decrease was due to the fact that the management has not accounted for the loss incurred by associate as the value of the investment is nil and the group is not obliged to contribute for negative assets.

Profit / (loss) before exceptional items and tax

For the reasons discussed above, profit / (loss) before exceptional items and tax was ₹ 127.57 million in Fiscal 2024, as compared to ₹ 121.36 million in Fiscal 2023.

Tax expenses

Current tax (net) was ₹ 158.21 million in Fiscal 2024, as compared to ₹ 126.51 million in Fiscal 2023; Deferred tax (credit) / expense stood at ₹ (55.58) million in Fiscal 2024, as compared to ₹ (61.77) million in Fiscal 2023; and adjustment of tax relating to earlier period was ₹ 3.70 million in Fiscal 2024, as compared to ₹ (10.32) million in Fiscal 2023. Our total tax expenses increased to ₹ 106.33 million for Fiscal 2024 as compared to ₹ 54.42 million for Fiscal 2023. The increase is due to increase in profit of the Company.

Profit / (loss) for the year

As a result of the foregoing factors, our profit/ (loss) for the year decreased to ₹ (27.55) million for Fiscal 2024 as compared to ₹ 66.94 million for Fiscal 2023. The is primarily due to increase in losses in the overseas subsidiaries.

Total comprehensive income for the year, net of tax

As a result of the foregoing factors, total comprehensive income for the year, net of tax decreased to ₹ (5.20) million for Fiscal 2024 as compared to ₹ 74.00 million for Fiscal 2023.

FISCAL 2023 COMPARED TO FISCAL 2022

Income

Total income increased by 17.88% from ₹ 7,879.64 million in Fiscal 2022 to ₹ 9,288.22 million in Fiscal 2023, primarily attributable to the following:

Revenue from operations

Revenue from operations increased by 18.34% from ₹ 7,799.40 million in Fiscal 2022 to ₹ 9,229.69 million in Fiscal 2023 on account of the following:

(a) Sale of products increased by 32.65% from ₹ 4,571.95 million in Fiscal 2022 to ₹ 6,064.74 million in Fiscal 2023. This was primarily due to an increase in sales of Electronic Manufacturing Services vertical of the Group.

(b) Sale of services increased by 0.56% from ₹ 2,761.81 million in Fiscal 2022 to ₹ 2,777.22 million in Fiscal 2023. This was primarily due to an increase in revenue from overseas Subsidiaries.

(c) Other operating revenues decreased by 16.73% from ₹ 465.64 million in Fiscal 2022 to ₹ 387.73 million in Fiscal 2023. This was primarily due to a decrease in income from foreign subsidies and management fees.

Other income

Other income decreased by 20.83% from ₹ 47.05 million in Fiscal 2022 to ₹ 37.25 million in Fiscal 2023. This was primarily due to reduction in income from provisions / liabilities no longer required, written back.

Finance income

Finance income decreased by 35.88% from ₹ 33.19 million in Fiscal 2022 to ₹ 21.28 million in Fiscal 2023. This was primarily due to interest income on income tax refund received in Fiscal 2022.

Expenses

Total expenses increased by 18.41% from ₹ 7,752.38 million in the Fiscal 2022 to ₹ 9,179.30 million in Fiscal 2023.

Cost of materials consumed

Cost of materials consumed increased by 35.29% from ₹ 3,065.02 million in the Fiscal 2022 to ₹ 4,146.60 million in the Fiscal 2023. Such an increase was primarily due to an increase in revenue from operations.

(Increase) / decrease in inventories of work-in-progress and finished goods

(Increase) / decrease in inventories of work-in-progress and finished goods increased by 111.64% from ₹ (45.44) million in Fiscal 2022 to ₹ 5.29 million in Fiscal 2023. Such an increase was primarily due to decrease in inventories of work in progress and finished goods.

Employee benefit expenses

Employee benefit expenses increased by 4.01% from ₹ 3,199.02 million in Fiscal 2022 to ₹ 3,327.22 million in Fiscal 2023. Such an increase was primarily due to annual increment and an increase in head count.

Finance costs

Finance costs increased by 3.78% from ₹ 263.48 million in Fiscal 2022 to ₹ 273.44 million in Fiscal 2023. Such an increase was primarily due to borrowing mix.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by 1.47% from ₹ 431.93 million in Fiscal 2022 to ₹ 438.26 million in Fiscal 2023. Such an increase was primarily due to an increase in amortization in the foreign subsidiaries.

Other expenses

Other expenses increased by 17.91% from ₹ 838.37 million in Fiscal 2022 to ₹ 988.49 million in Fiscal 2023. Such an increase was primarily due to an increase in foreign exchange differences (net), repairs and maintenance expenses, power and fuel expenses and freight outward expenses.

Share of profit / (loss) of associates (net)

Share of profit / (loss) of associates (net) increased by 127.20% from ₹ (45.74) million in Fiscal 2022 to ₹ 12.44 million in Fiscal 2023. Such an increase was primarily due to profit in the Associate in Fiscal 2023.

Profit / (loss) before exceptional items and tax

For the reasons discussed above, profit / (loss) before exceptional items and tax was ₹ 121.36 million in Fiscal

2023, as compared to ₹ 81.52 million in Fiscal 2022.

Tax expenses

Current tax (net) was ₹ 126.51 million in Fiscal 2023, as compared to ₹ 57.49 million in Fiscal 2022; Deferred tax (credit) / expense stood at ₹ (61.77) million in Fiscal 2023, as compared to ₹ (33.81) million in Fiscal 2022; and adjustment of tax relating to earlier period was ₹ (10.32) million in Fiscal 2023, as compared to ₹ (11.05) million in Fiscal 2022. Our total tax expenses increased to ₹ 54.42 million for Fiscal 2023 as compared to ₹ 12.63 million for Fiscal 2022. The increase is due to due to increase in the profit of our Company.

Profit / (loss) for the year

As a result of the foregoing factors, our profit/ (loss) for the year increased to ₹ 66.94 million for Fiscal 2023 as compared to ₹ (534.65) million for Fiscal 2022.

Total comprehensive income for the year, net of tax

As a result of the foregoing factors, total comprehensive income for the year, net of tax increased to ₹ 74.00 million for Fiscal 2023 as compared to ₹ (510.43) million for Fiscal 2022.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through debt financing and funds generated from our operations. From time to time, we may obtain loan facilities to finance our short term working capital requirements.

CASH FLOWS

(₹ in million)

Particulars	FISCAL			Six months period ended September 30, 2023	Six months period ended September 30, 2024
	2022	2023	2024		
Net cash flow from / (used in) operating activities (A)	1,034.87	709.32	2,135.67	324.48	52.17
Net cash flow (used in)/ from investing activities (B)	(149.32)	(112.49)	(440.16)	(277.35)	(59.07)
Net cash flow (used in)/ from financing activities (C)	(811.79)	(880.54)	(1,447.53)	(152.30)	(136.40)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	73.76	(283.71)	247.98	(105.17)	(143.30)
Cash and cash equivalents at the beginning of the year/ period	411.48	480.44	211.78	352.71	461.11
Effect of exchange differences on cash and cash equivalents held in foreign currency	(4.79)	15.05	1.35	(2.37)	7.79
Cash and cash equivalents at the end of the year/ period	480.44	211.78	461.11	245.17	325.60

For further details, see "*Financial Information*" beginning on page 267.

Net cash flow from / (used in) from operating activities

Six months period ended September 30, 2024

During the six months period ended September 30, 2024, net cash flow from/ (used in) operating activities was ₹ 52.17 million. (Loss)/ profit before tax stood at ₹ (1.29) million for the six months period ended September 30, 2024.

Operating profit/ (loss) before working capital changes was at ₹ 419.34 million in the six months period ended September 30, 2024. Primary adjustments included (increase)/ decrease in inventories of ₹ (863.83) million, an (increase)/ decrease in trade receivables/non-current/current financial assets and other assets of ₹ (65.82) million and increase/ (decrease) in trade payables, non-current / current provisions, financial liabilities and other liabilities of ₹ 638.76 million. Cash generated from/ (used in) operations during six months period ended September 30, 2024 was ₹ 128.45 million.

Six months period ended September 30, 2023

During the six months period ended September 30, 2023, net cash flow from/ (used in) operating activities was ₹ 324.48 million. (Loss)/ profit before tax stood at ₹ 18.90 million for the six months period ended September 30, 2023.

Operating profit/ (loss) before working capital changes was at ₹ 416.96 million in the six months period ended September 30, 2023. Primary adjustments included (increase)/ decrease in inventories of ₹ (721.49) million, (increase)/ decrease in trade receivables/non-current/current financial assets and other assets of ₹ 126.22 million and increase/ (decrease) in trade payables, non-current / current provisions, financial liabilities and other liabilities of ₹ 628.08 million. Cash generated from/ (used in) operations during six months period ended September 30, 2023 was ₹ 449.77 million.

Fiscal 2024

During Fiscal 2024, net cash flow from/ (used in) operating activities was ₹ 2,135.67 million. Profit/ (loss) before tax stood at ₹ 78.78 million for the year ended March 31, 2024.

Operating profit/ (loss) before working capital changes was at ₹ 935.71 million during the Fiscal 2024. Primary adjustments included (increase)/ decrease in inventories of ₹ (571.29) million, decrease/ (increase) in trade receivables/non-current/current financial assets and other assets of ₹ 915.31 million and increase/ (decrease) in trade payables, non-current / current provisions, financial liabilities and other liabilities of ₹ 1,098.91 million. Cash generated from/ (used in) operations during year 2024 was ₹ 2,378.64 million.

Fiscal 2023

During Fiscal 2023, net cash flow from/ (used in) operating activities was ₹ 709.32 million. Profit/ (loss) before tax stood at ₹ 121.36 million for the Fiscal ended March 31, 2023.

Operating profit/ (loss) before working capital changes was at ₹ 933.23 million during the Fiscal 2023. Primary adjustments included (increase)/ decrease in inventories of ₹ (443.21) million, decrease/ (increase) in trade receivables/non-current/current financial assets and other assets of ₹ (1,216.31) million and increase/ (decrease) in trade payables, non-current / current provisions, financial liabilities and other liabilities of ₹ 1,435.05 million. Cash generated from/ (used in) operations during year 2023 was ₹ 708.76 million.

Fiscal 2022

During Fiscal 2022, net cash flow from/ (used in) operating activities was ₹ 1,034.87 million. (Loss)/ profit before tax stood at ₹ (522.02) million for the Fiscal ended March 31, 2022.

Operating profit/ (loss) before working capital changes was at ₹ 750.77 million during the Fiscal 2022. Primary adjustments included (increase)/ decrease in inventories of ₹ (310.80) million, (increase)/ decrease in trade receivables/non-current/current financial assets and other assets of ₹ 184.48 million and increase/ (decrease) in trade payables, non-current / current provisions, financial liabilities and other liabilities of ₹ 514.39 million. Cash generated from/ (used in) operations during Fiscal 2022 was ₹ 1,138.84 million.

Net cash flow (used in) / from investing activities

Six months period ended September 30, 2024

Net cash (used in)/ from investing activities stood at ₹ (59.07) million as at the end of six months period ended September 30, 2024, primarily on account of purchase of property, plant and equipment including capital work in progress, intangible assets and capital advances amounting to ₹ (91.53) million, redemption/ (investment) in bank deposit (having original maturity of more than three months) and other bank balances of ₹ 28.65 million and interest income received amounting to ₹ 3.81 million.

Six months period ended September 30, 2023

Net cash (used in)/ from investing activities stood at ₹ (277.35) million as at the end of six months period ended September 30, 2023, primarily on account of purchase of property, plant and equipment including capital work in progress, intangible assets and capital advances amounting to ₹ (244.09) million, proceeds from sale of property, plant and equipment amount to ₹ 1.65 million, redemption/ (investment) in bank deposit (having original maturity of more than three months) and other bank balances of ₹ (37.67) million and interest income received amounting to ₹ 2.76 million.

Fiscal 2024

Net cash (used in)/ from investing activities stood at ₹ (440.16) million as at the end of Fiscal 2024, primarily on account of purchase of property, plant and equipment including other intangible assets and capital advances amounting to ₹ (330.42) million, proceeds from sale of property, plant and equipment amounting to ₹ 1.65 million, investment in bank deposits (having original maturity of more than three months) and other bank balances of ₹ (119.48) million and interest income received amounting to ₹ 8.09 million.

Fiscal 2023

Net cash (used in)/ from investing activities stood at ₹ (112.49) million as at the end of Fiscal 2023, primarily on account of purchase of property, plant and equipment including other intangible assets and capital advances amounting to ₹ (217.56) million, proceeds from sale of property, plant and equipment amounting to ₹ 0.63 million, investment in bank deposits (having original maturity of more than three months) and other bank balances of ₹ 72.18 million, interest income received amounting to ₹ 23.61 million and government grant received amounting to ₹ 8.65 million.

Fiscal 2022

Net cash (used in)/ from investing activities stood at ₹ (149.32) million as at the end of Fiscal 2022, primarily on account of purchase of property, plant and equipment including other intangible assets and capital advances amounting to ₹ (187.53) million, proceeds from sale of property, plant and equipment amounting to ₹ 3.56 million, proceeds from sale of non-current investments amounting to ₹ 9.31 million, investment in bank deposits (having original maturity of more than three months) and other bank balances of ₹ 6.28 million and interest income received amounting to ₹ 19.06 million.

Net cash flow (used in) / from financing activities

Six months period ended September 30, 2024

Net cash flow (used in)/ from financing activities in six months period ended September 30, 2024 was ₹ (136.40) million. This was primarily due to repayment of long term borrowings amounting to ₹ (150.31) million, proceeds/ (repayment) of short term borrowings (net) amounting to ₹ 258.21 million, payment of principal portion of lease liabilities amounting to ₹ (57.60) million, payment of interest portion of lease liabilities amounting to ₹ (6.15) million, issue of shares amounting to ₹ 0.60 million, finance costs paid amounting to ₹ (142.32) million and dividend paid (including amount transferred to Investor Education and Protection Fund) amounting to ₹ (38.83) million.

Six months period ended September 30, 2023

Net cash flow (used in)/ from financing activities in six months period ended September 30, 2023 was ₹ (152.30) million. This was primarily due to acquisition of non-controlling interest amounting to ₹ (143.89) million, proceeds from long term borrowings amounting to ₹ 154.34 million, repayment of long term borrowings amounting to ₹ (93.51) million, proceeds/ (repayment) of short term borrowings (net) amounting to ₹ 210.14 million, payment of principal portion of lease liabilities amounting to ₹ (52.83) million, payment of interest portion of lease liabilities amounting to ₹ (5.91) million, finance costs paid amounting to ₹ (168.77) million and dividend paid (including amount transferred to Investor Education and Protection Fund) amounting to ₹ (51.87) million.

Fiscal 2024

Net cash flow (used in)/ from financing activities in Fiscal 2024 was ₹ (1,447.53) million. This was primarily due to acquisition of non-controlling interests amounting to ₹ (143.89) million, proceeds from long term borrowings amounting to ₹ 158.93 million, repayment of long term borrowings amounting to ₹ (230.10) million, (repayment)/ proceeds of short term borrowings (net) amounting to ₹ (702.38) million, payment of principal portion of lease liabilities amounting to ₹ (103.64) million, payment of interest portion of lease liabilities amounting to ₹ (11.78) million, finance costs paid amounting to ₹ (324.00) million and dividend paid (including amount transferred to Investor Education and Protection Fund) amounting to ₹ (90.67) million.

Fiscal 2023

Net cash flow (used in)/ from financing activities in Fiscal 2023 was ₹ (880.54) million. This was primarily due to acquisition of non-controlling interests amounting to ₹ (135.13) million, repayment of long term borrowings amounting to ₹ (298.77) million, (repayment)/ proceeds of short term borrowings (net) amounting to ₹ (45.86) million, payment of principal portion of lease liabilities amounting to ₹ (135.14) million, payment of interest portion of lease liabilities amounting to ₹ (9.86) million, finance costs paid amounting to ₹ (223.29) million and dividend paid (including amount transferred to Investor Education and Protection Fund) amounting to ₹ (32.49) million.

Fiscal 2022

Net cash flow (used in)/ from financing activities in Fiscal 2022 was ₹ (811.79) million. This was primarily due to repayment of long term borrowings amounting to ₹ (219.53) million, (repayment)/ proceeds of short term borrowings (net) amounting to ₹ (204.97) million, payment of principal portion of lease liabilities amounting to ₹ (130.75) million, payment of interest portion of lease liabilities amounting to ₹ (13.14) million, finance costs paid amounting to ₹ (217.87) million and dividend paid (including amount transferred to Investor Education and Protection Fund) amounting to ₹ (25.53) million.

INDEBTEDNESS

The following table sets forth certain information relating to our outstanding indebtedness as at September 30, 2024. For further details on our indebtedness, see "*Financial Information*" on page 267.

Particulars	Amount outstanding as on September 30, 2024 (₹ in million)
Non-current Financial liabilities: Borrowings	
Term Loans	
From banks	
-Foreign currency term loan (unsecured)	189.36
-Indian rupee term loan (secured)	74.42
Interest free loan from Government (unsecured)	50.95
Non-Current Borrowings (A)	**314.73**
Current Financial liabilities: Borrowings	
From banks	
Cash credit and overdraft from banks (secured)	170.63
Packing credit loan from banks (secured)	1,089.02
Current maturities of long term borrowings	386.24
Interest payable	22.45
Supply chain financing arrangement	114.88
Current Borrowings (B)	**1,783.21**
Total (A+B)	**2,097.94**

Our Company has obtained the necessary consents required under the relevant financing documentation for undertaking the activities in relation to the Issue, including, *inter alia*, effecting a change in our capital structure and shareholding pattern.

CAPITAL EXPENDITURE

Our cash outflow in capital expenditure towards purchase of property, plant and equipment, including other intangible assets and capital advances for the financial years ended March 31, 2022, March 31, 2023, March 31, 2024 and six months period ended September 30, 2023 and September 30, 2024 were ₹ 187.53 million, ₹ 217.56 million,₹ 330.42 million, ₹ 244.09 million and ₹ 91.53 million, respectively.

CONTINGENT LIABILITIES

The following are our contingent liabilities, as per Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets:

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2023	As at March 31, 2024	As at September 30, 2023	As at September 30, 2024
(i) Guarantees					
Corporate Guarantees	331.31	43.91	-	-	-
Bank Guarantees (excluding performance bank guarantees given to	29.19	29.21	29.60	29.23	29.54

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2023	As at March 31, 2024	As at September 30, 2023	As at September 30, 2024
various customers)					
(ii) Disputes					
Matters relating to income tax under dispute	46.44	46.44	46.44	46.44	46.44
Matters relating to indirect taxes under dispute	143.34	143.34	136.85	143.34	136.85
Others –					
Stamp duty levy	16.28	-	-	-	-
Property tax	5.89	10.86	-	-	-
Other claims against the Group not acknowledged as debts	11.75	9.78	9.91	9.91	26.76

Note: The aforementioned amount under disputes are as per the demand from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

CAPITAL COMMITMENTS

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2023	As at March 31, 2024	As at September 30, 2023	As at September 30, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	7.96	100.54	3.32	17.34	6.96

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements except as mentioned under contingent liabilities.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business and may continue to do so in future. These transactions principally include sale of products, interest income received from related parties, remuneration, commission and benefits paid to the Directors and KMPs, exercise of share options by the KMPs.

For further details, see "*Related Party Transactions*" on page 49.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

For details of significant dependence on few customers, see "*Risk Factors – A substantial portion of our revenue is dependent on our key customers in India and foreign jurisdictions involved in space, aerospace and defence, including government entities including defence public sector undertakings and government organizations involved in space industry. The loss of one or more customers or a decline or reprioritisation of the Indian defence or space budget, reduction in orders, termination of existing contracts, delay of existing or anticipated contracts or programmes could adversely affect our business, results of operations, financial conditions and cash flows*" on page 52.

SEGMENT REPORTING

Our Company along with its Subsidiaries and an Associate are an integrated business unit which addresses the Electronic System Design and Manufacturing and accordingly there is only one reportable segment, namely, Electronic System Design and Manufacturing.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Our activities expose us to market risk, interest risk, foreign currency risk, credit risk and liquidity risk. Our board of directors has overall responsibility for the establishment and oversight of our risk management framework.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, investments, cash and cash equivalents.

Customer credit risk is managed by each business unit based on the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major aged receivables. The Company does not hold collateral as security.

With respect to trade receivables, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital limits from various banks. The Company invests its surplus funds in bank fixed deposit, which carry no or low market risk.

The Company monitors its risk of shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, etc. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be medium.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Preliminary Placement Document, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*– Significant Factors Affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 112 and 50, respectively.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*– Significant Factors Affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 112 and 50, respectively. To our knowledge, except as discussed in this Preliminary Placement Document, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*" and "*Our Business*" on pages 50 and 177, and this section respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS VERTICALS

Except as set out in this Preliminary Placement Document, we have not announced and do not expect to announce in the near future any new business verticals.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our business is not subject to seasonality or cyclicality. For further information, see "*Risk Factors –While our business is not seasonal, however, our business prospects and future financial performance depend on the demand for our products. Any decrease in demand for such products could adversely affect our business, results of operations and cash flows*", "*Industry Overview*" and "*Our Business*" on pages 79, 161 and 177, respectively.

SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

To our knowledge no circumstances have arisen since December 31, 2024, that could materially and adversely affect or are likely to affect, our operations, trading or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this Preliminary Placement Document and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.

Except as disclosed below, there are no reservations, qualifications, or adverse remarks of the Statutory Auditor or previous statutory auditors, as applicable, in their report on audited consolidated financial statements for last five Fiscals preceding the date of this Preliminary Placement Document.

Fiscal (Consolidated financial information)	Details of matter of emphasis or other observations or modifications	Details of impact on financial statements and corrective steps taken by the Company	Corrective steps taken and/or proposed to be taken by the Company
2022	The Statutory Auditors have drawn attention to a note to the consolidated financial statements for the year ended March 31, 2022 which describes the uncertainties and management assessment of the financial impact of the outbreak of Corona virus (COVID-19) on the business operations, liquidity position 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. The opinion of the Statutory Auditors is not modified in respect of this matter.	NIL	NA
2021	The Statutory Auditors have drawn attention to a note to the consolidated financial statements for the year ended March 31, 2021 which describes the uncertainties and management assessment of the financial impact of the outbreak of Corona virus (COVID-19) on the business operations, financial position, liquidity position and recoverability of assets of the Company and its subsidiaries. In view of the highly uncertain economic environment, a definitive assessment of	NIL	NA

Fiscal (Consolidated financial information)	Details of matter of emphasis or other observations or modifications	Details of impact on financial statements and corrective steps taken by the Company	Corrective steps taken and/or proposed to be taken by the Company
	the aforesaid impact on the subsequent periods is dependent upon circumstances as they evolve. The opinion of the Statutory Auditors is not modified in respect of this matter.		
2020	The Statutory Auditors have drawn attention to a note to the consolidated financial statements for the year ended March 31, 2020 which describes the uncertainties and management assessment of the financial impact of the outbreak of Corona virus (COVID-19) on the business operations and financial position of the Company. 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. The opinion of the Statutory Auditors is not modified in respect of this matter.	NIL	NA

Further, the audit report dated May 22, 2024 issued by our Company's statutory auditors for our annual consolidated financial statements as of and for the Fiscal 2024 including modifications to the auditors report under paragraph 'legal and statutory information' which indicates that:

(i) Audit trail feature is not enabled in certain accounting software for maintaining books of accounts of our Company and our domestic subsidiary for certain changes made, if any, to data using privileged/ administrative access rights in so far it relates to the aforesaid applications.

Further, our Statutory Auditors have included certain qualifications or adverse remark in the Companies (Auditor's Report) Order, 2020 for Fiscals 2022, 2023 and 2024 as indicated below:

Fiscal	Details of matter of qualifications/reservations	Details of impact on financial statements and corrective steps taken by the Company	Corrective steps taken and/or proposed to be taken by the Company
2024	Delays in remittance of certain statutory dues by the Company	Nil	NA
2023	Delays in payment of provident fund and property tax in few cases which were outstanding as at year end for a period of more than six months by the Company	Nil	NA
2022	Delays in payment of provident fund and property tax in few cases which were outstanding as at year end for a period of more than six months by the Company	Nil	NA

INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Report on Global & Indian EMS, ER&D, & BTS Market (With Focus on Defence and Space)" dated January 29, *2025 (the "**F&S Report**") prepared and released by Frost & Sullivan (India) Private Limited, appointed by us, and exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, exclusively in connection with the Issue. A copy of the F&S Report is available on the website of our Company at https://www.centumelectronics.com/investor-relations/. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Also see, "Industry and Market Data" on page* 13. *Frost & Sullivan (India) Private Limited is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management, our Promoters or the Book Running Lead Manager. For details regarding the disclaimers issued by Frost & Sullivan (India) Private Limited in respect of the F&S Report, see "Industry and Market Data" on page* 13*. Further, see "Risk Factors -This Preliminary Placement Document contains information from an industry report which was prepared by Frost & Sullivan (India) Private Limited, which is paid and commissioned by the Company, pursuant to an engagement with our Company" on page* 76*. References to various segments in the F & S Report and information derived therefrom are references to industry segments and in accordance with the presentation, analysis and categorisation in the F & S Report . Our segment reporting in our financial statements is based on the criteria set out in Ind AS 108, Operating Segments and we do not present such industry segments as operating segments.*

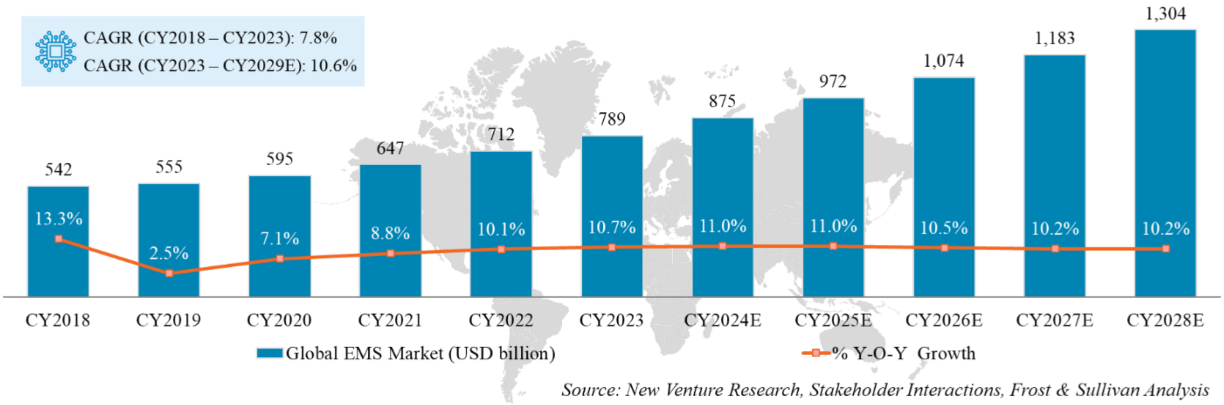
1. CHAPTER 1 – GLOBAL AND INDIAN EMS MARKET

1.1 Overview of global Electronics Manufacturing Services (EMS) market

1.1.1 Size of global EMS market

Due to attractive value propositions such as increased production efficiency, reduced costs, faster product launch and reduction in non-core activities, the global EMS market witnessed a period of `steady growth till CY2018, riding on the wave of increased outsourcing activities from brand manufacturers and increasing electronics content. In CY2019, however, the opportunities started stagnating due to a multitude of factors such as decline in global automotive sales and saturation of consumer electronic sales. Besides, supply chain restrictions due to heightened trade tensions between US and China, followed by the pandemic in the end of 2019 affected the global EMS market significantly during this period – the supply chain glut eased subsequently however continued till the beginning of CY2023. The market is now on a steady growth path and valued at USD 789 billion in CY2023 and expected to reach to USD 1,304 billion in CY2028E, growing at a CAGR of 10.6%.

Exhibit 1.1: Global EMS market, value in USD billion, growth in %, CY2018 – CY2028E

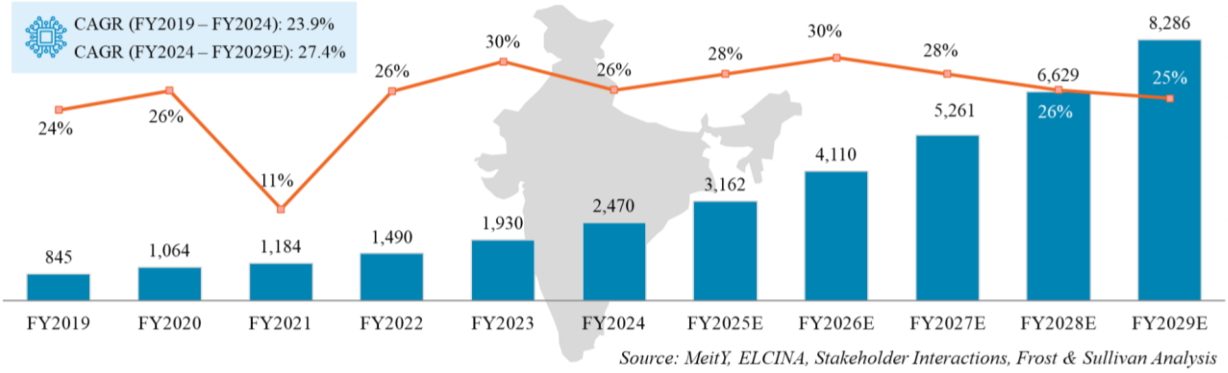


1.2 Overview of the Indian Electronics Manufacturing Services (EMS) market

1.2.1 Size of the Indian EMS market

The Indian EMS market is valued at INR 2,470 billion in FY2024 and is projected to grow at a CAGR of 27.4%, reaching INR 8,286 billion by FY2029.

Exhibit 1.2: Indian EMS market, value in INR billion, growth in %, FY2019 – FY2029E



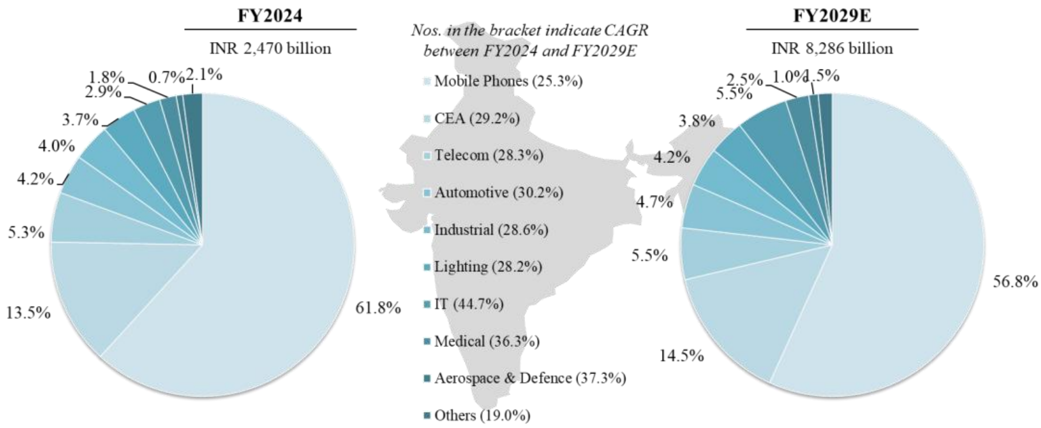
Source: MeitY, ELCINA, Stakeholder Interactions, Frost & Sullivan Analysis

This growth underscores the EMS sector's crucial role in India's electronics ecosystem, driven primarily by mobile phones, consumer electronics, industrial electronics, and automotive electronics segments.

1.2.2 Indian EMS market segmentation by key end-use industries

Indian EMS industry caters to multiple end user segments such as Mobile Phones, Consumer Electronics and Appliances (CEA), Telecom, Automotive, Industrial, Lighting, IT products, Medical, and Strategic electronics. Among these industries, Mobiles Phones and CEA account for approx. 75% share in FY2024 – while Mobile Phones is expected to lose share in the coming years as EMS activities are penetrating into other segments, cumulative share of these segments would still be around 71% in FY2029. Share of CEA is expected to grow from 13.5% in FY2024 to 14.5% by FY2029, indicating a CAGR of 29.2% over the next 5 years. While EMS market across all the segments are expected to grow at 20%+ CAGR during this period, segments such as IT, Medical, and Automotive would lead the bandwagon with more than 30.0% CAGR over the next 5 years period.

Exhibit 1.3: Indian EMS market split by end-user segments, FY2024 – FY2029E



CEA includes products such as RAC, Washing Machine, Refrigerator, Air Cooler, Television, Air Cooler, Water Dispensers, Kitchen Appliances, etc.
Others: Strategic Electronics, Energy, etc.

Source: ELCINA, Stakeholder Interactions, Frost & Sullivan Analysis

1.2.3 Key competition factors

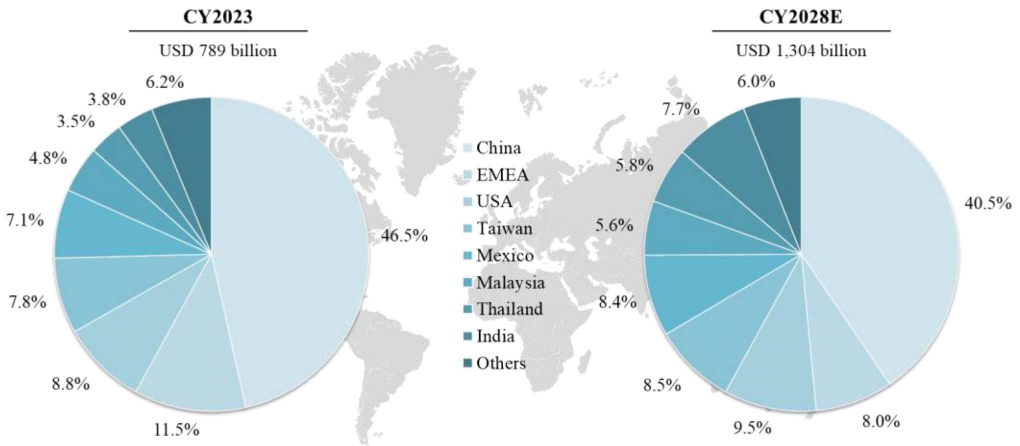
Several key factors drive competitiveness in India's Electronics Manufacturing Services (EMS) sector. Cost efficiency remains paramount, with companies optimising supply chains and manufacturing processes to offer competitive pricing. The Indian government's initiatives, such as the Production Linked Incentive (PLI) Scheme, have significantly bolstered the EMS landscape by providing financial incentives to manufacturers.

Additionally, the shift from traditional contract manufacturing to Original Design Manufacturing (ODM) allows EMS providers to offer comprehensive services, including product design and development, catering to the evolving needs of Original Equipment Manufacturers (OEMs). The availability of a skilled workforce further enhances India's appeal as a manufacturing hub, enabling companies to maintain high-quality standards and innovate effectively. Collectively, these factors position India's EMS industry for substantial growth and increased global competitiveness.

1.2.4 Geographic dispersion of global EMS market

China dominates the global EMS market with 46.5% share in CY2023. However, post COVID-19, many

Exhibit 1.4: Global EMS market split by countries



Source: New Venture Research, Stakeholder Interactions, Frost & Sullivan Analysis

global OEMs are resorting to China + 1 strategy, thereby looking for alternative low-cost manufacturing locations for regional manufacturing and exports. With the Indian government's focus on making India a globally competitive electronics manufacturing hub through various policy support, the country's share in the global EMS market is expected to rise from 3.8% in CY2023 to 7.7% by CY2028.

1.2.5 Make In India for domestic demand & global demand

The "Make in India" initiative, launched in 2014, aims to transform India into a global manufacturing hub and boost economic growth through domestic production. This initiative is particularly pivotal for the Electronics Manufacturing Services (EMS) sector, which plays a critical role in supplying electronic components and devices for various industries. As the demand for electronics surges both domestically and internationally, the initiative seeks to enhance India's manufacturing capabilities, attract foreign investments, and foster innovation. By empowering the EMS sector, "Make in India" not only addresses local needs but also positions India as a competitive player in the global supply chain.

Exhibit 1.5: Budgetary Allocation for Key Electronics Manufacturing Schemes

Scheme Name	Brief Description	Total Outlay (approx.)
Production Linked Incentive (PLI) for Large Scale Electronics Manufacturing	Incentives on incremental sales to boost domestic manufacturing of mobile phones and specified electronic components.	₹40,951 crore (US$5.5 billion)
PLI 2.0 for IT Hardware	Extends PLI scheme to IT hardware like laptops, tablets, servers, etc., to make India a manufacturing hub.	₹17,000 crore (US$2 billion)
Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)	Provides financial incentives on capital expenditure for manufacturing electronic components and semiconductors.	₹3,860 crore (US$550 million)
Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme	Supports development of world-class infrastructure for electronics manufacturing clusters.	₹3,762 crore (US$500 million)
Design Linked Incentive (DLI) Scheme	Incentives to promote indigenous design of integrated circuits (ICs), chipsets, System on Chips (SoCs), and other semiconductor devices.	₹1,500 crore (US$200 million)

1.2.6 Key growth drivers for the industry

- **Strong push towards Make in India:** India is experiencing a strong push from the government to boost domestic electronics manufacturing, especially in mobile phones, consumer electronics, IT, medical, and strategic electronics. Through the "Aatmanirbhar Bharat Abhiyaan" (Self-Reliant India campaign), the government offers a growing range of incentives to attract and localize production, encouraging both manufacturing and exports across various industries.

- **Influx of new electronic applications going forward:** New emerging opportunities like Electric Vehicles, IoT, and Electronic Security system (Cameras or Storage) are opening up new electronic market for India and these industries will also be driven by the Make in India thrust.
- **Growing Domestic Demand:** Increased government spending on infrastructure and modernization initiatives across key sectors like industrial, defense, mobility, and healthcare is driving significant demand for electronic components and devices. This creates a strong domestic market pull for the electronics manufacturing industry.
- **Pro-Manufacturing Government Policies:** A range of government schemes, including Production-Linked Incentives (PLI) and Design-Linked Incentives (DLI), provide direct financial incentives and policy support to boost domestic production and attract investments in the electronics sector. These initiatives foster an investment-friendly environment.
- **Cost-Competitive Workforce:** India offers a large pool of skilled and cost-effective labor, providing a significant competitive advantage for electronics manufacturers. Competitive labor costs enhance overall manufacturing competitiveness and attract global companies.
- **Changing geopolitical situation post-COVID:** Post-COVID, there is a far greater resistance to rely on China as the key manufacturing source for many global corporations. India is seen as one of the possible diversification areas along with Vietnam and other Southeast Asian nations.
- **Increasing financing options and no-cost EMI schemes:** In recent years, the availability of low-cost financing and no-cost EMI options has made consumer electronics more affordable for Indian consumers. Financial institutions are now reaching rural and semi-urban areas to meet financing needs. Additionally, brands are partnering with financing companies, which benefits consumers and increases brand visibility in smaller markets.

2. CHAPTER 2 – GLOBAL AND INDIAN ER&D MARKET

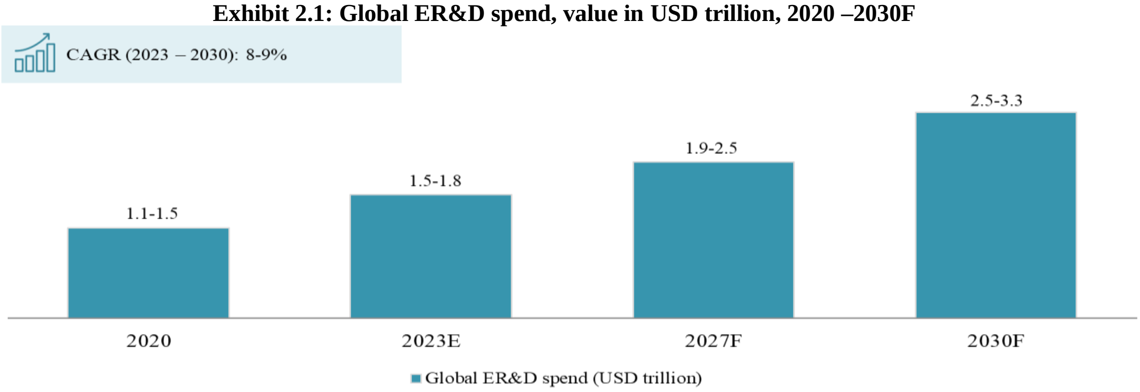
2.1 Overview of global Engineering Research & Development (ER&D) market

2.1.1 Size of global ER&D spend

Global ER&D spend (corporate) bounced back from a slow-down during the pandemic to grow at a CAGR between 7% and 8% over 2020-2023. ER&D spend stood at USD 1.1-1.5 trillion in 2020 and grew to USD 1.5-1.8 trillion in 2023, driven by accelerating investments to meet pent-up demand and to bridge the gap between evolving market demand and existing offerings. Emerging technologies, especially AI/ML, are playing a key role in shaping innovative solutions and fast-tracking the digitization trend across industries.

Increasing penetration of software, AI augmentation, Ind 4.0, demand for hyper-personalized products, sustainability, increased automation to improve efficiencies and the need to deeper analytics & insights for data-driven decision making will continue to drive this market over the next few years. As a result, by 2030, ER&D spend is likely to grow ~1.7X over 2023 to reach USD 2.5-3.3 trillion, a CAGR of 8-9%.

Exhibit 2.1: Global ER&D spend, value in USD trillion, 2020 –2030F



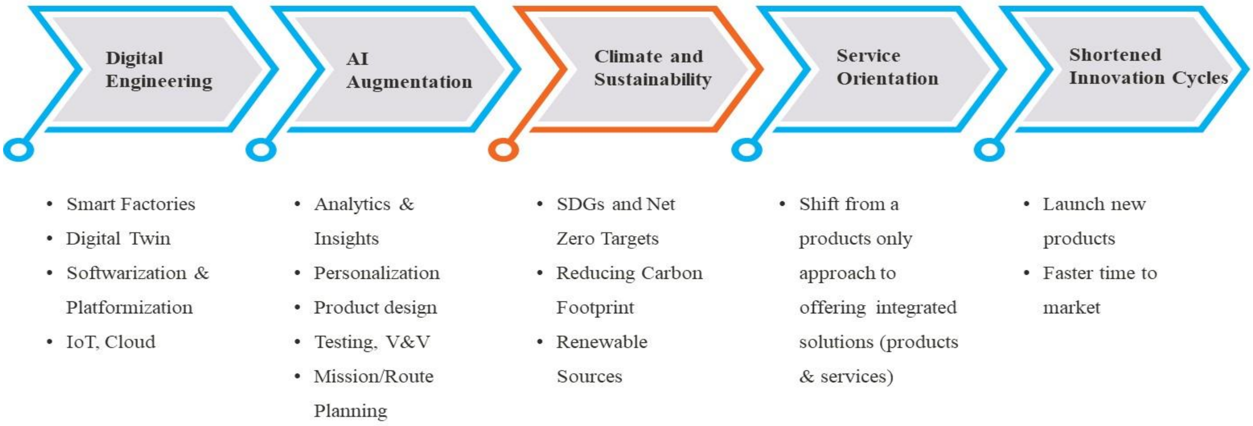
Source: Nasscom-BCG-Seizing the ER&D Advantage-Frontiers for 2030

2.1.2 Global ER&D market – Key Growth Drivers

India's strengths in terms of a growing skilled talent pool (80,000-85,000 digitally skilled graduates, an annual average of 2 million STEM talent) and cost advantage (at the overall industry level, India is, on average, 4X cheaper than other outsourcing locations) continues to be a key driver for the ER&D market. The rapid digital transformation of operations, from shop floor to top floor and the growing pressures to reduce the impact of climate change and limit the carbon footprint is driving ER&D firms towards building sustainable products and solutions. Additionally, the rapidly evolving consumer demands are leading to shorter product lifespans and shrinking innovation cycles, leading to deeper collaboration with Indian ER&D providers.

Apart from these trends, there are five specific key themes that are expected to drive the growth of ER&D spend over 2023-2030:

Exhibit 2.2: Global ER&D market, key growth drivers



Source: Frost & Sullivan Analysis, Nasscom-BCG-Seizing the ER&D Advantage-Frontiers for 2030

- Digital Engineering, leveraging IoT, AI and data analytics to drive insights and decision-making; cloud will enable as-a-service models
- AI Augmentation: ER&D efforts will be increasingly powered by AI, leading to faster product development, reduced development time, lowering costs
- Climate and Sustainability: ER&D firms are investing in building sustainable products, transform supply chain, leverage renewable sources, electrification, etc.
- Service Orientation: The ER&D business model is shifting from a products-only approach to a more integrated products and services model, thereby ensuring engagement with the customer from purchase to end-of-life of the products
- Shortened Innovation Cycles: The need to quickly bring innovative products to market is driving increased investment in ER&D to accelerate development timelines.

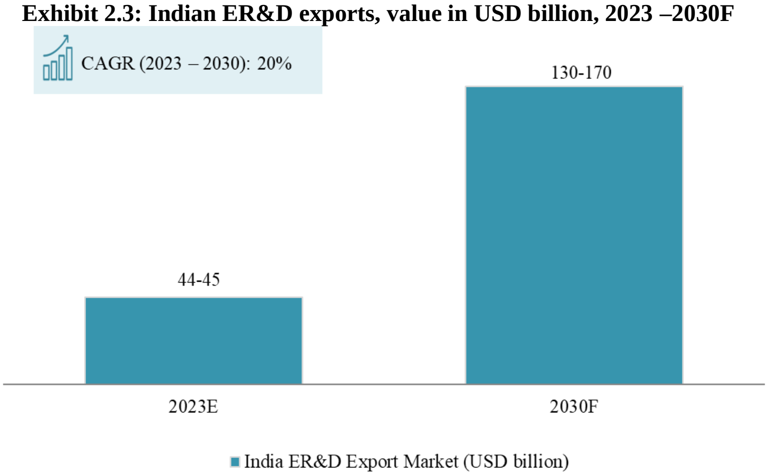
2.2 Overview of the Indian Engineering Research & Development (ER&D) market

2.2.1 Size of the Indian ER&D exports market

The Indian ER&D exports market was estimated at USD 44-45 billion in 2023 and is expected to see a CAGR of 20 per cent to reach USD 130-170 billion by 2030. This would lead to an increase in India's share of global ER&D sourcing market from 17% currently to 22% by 2030, a ~1.3X growth.

Within India's technology market, ER&D segment was the fastest growing at over 7% Y-O-Y as compared to an average 2% Y-O-Y growth for other segments (IT services, BPM and Software Products). The player landscape is a mix of GCCs and Indian & MNC Engineering Service Providers (ESPs). In terms of exports revenue, on average, GCCs account for ~55% share, while ESPs (Indian + MNCs) account for the balance.

Exhibit 2.3: Indian ER&D exports, value in USD billion, 2023 –2030F

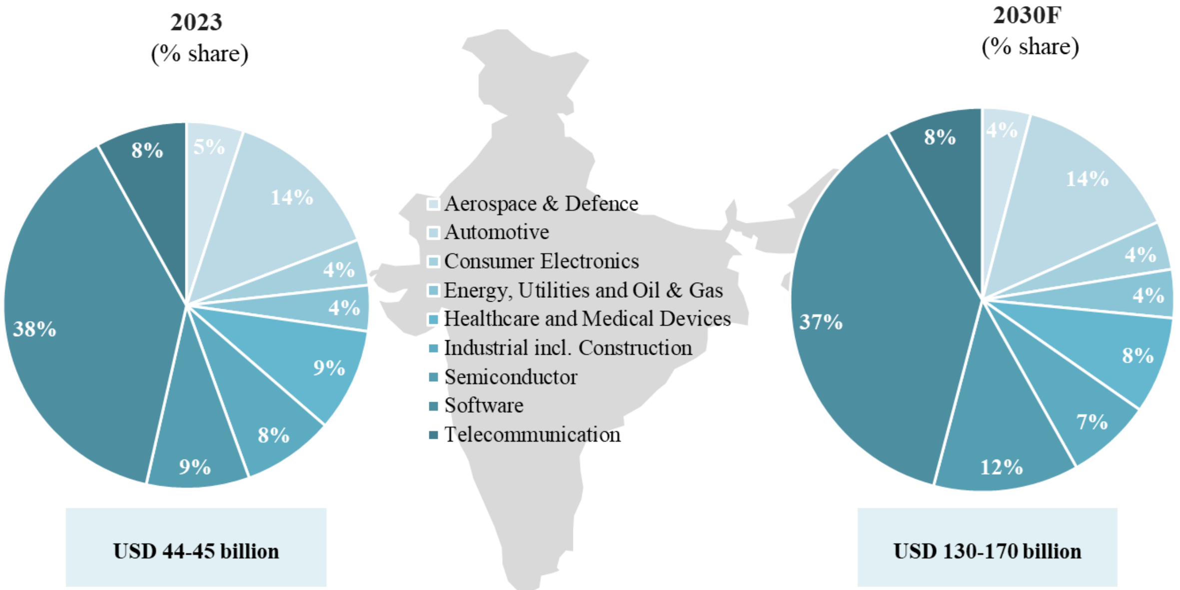


Source: Nasscom-BCG-Seizing the ER&D Advantage-Frontiers for 2030

2.2.2 Indian ER&D market segmentation by key end-use industries

Key focus areas vary significantly across industries, reflecting their unique challenges and innovation drivers. In automotive, the spotlight is on software-defined vehicles, connected cars, autonomous vehicles, advanced driver-assistance systems (ADAS), and electric powertrains. The aerospace and defence sector is prioritizing fuel efficiency, alternative fuels, additive manufacturing, and revolutionary urban air mobility concepts like air taxis.

Exhibit 2.4: Indian ER&D market segmentation by key end-use industries, 2023 & 2030F



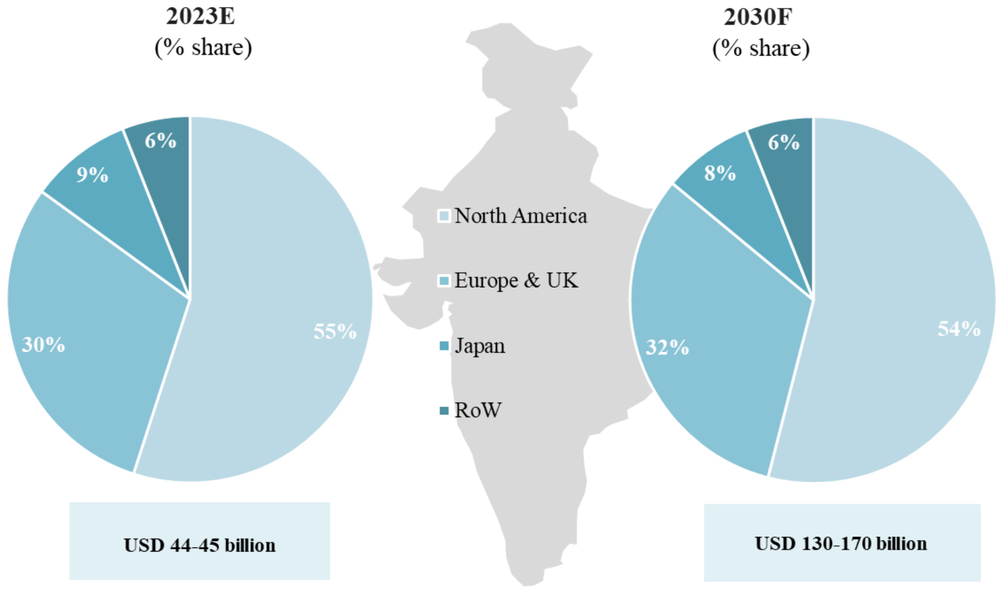
Source: Nasscom-BCG-Seizing the ER&D Advantage-Frontiers for 2030

For semiconductors, advancements include AI-driven chipsets, sophisticated packaging and stacking techniques, and customized chips for specific applications. Industrial sectors, including construction, are transforming through robotics, automation, smart factories, digital twin technologies, Industry 4.0, and AI-powered analytics. In healthcare and medical devices, the focus is on telemedicine, remote patient monitoring, IoT-enabled devices, digital health solutions such as wearables, and precision medicine. The energy, utilities, and oil & gas industries are committed to the net-zero transition, exploring Carbon Capture, Usage, and Storage (CCUS), renewable energy sources, digitalization of oil and gas operations, as well as smart grids and energy management. Meanwhile, telecommunications is driving forward with the deployment of 5G and 6G networks, virtualization technologies, and enhanced cybersecurity solutions.

2.2.3 Indian ER&D market segmentation by geography

ER&D outsourcing to India is expected to grow on the back of the growing adoption of asset-light model leading to accessing specific capabilities from non-HQ teams. Increasing demand for inter-disciplinary and cross-functional capabilities (domain + software + hardware) and the need to do more with less (cost efficiencies) are other factors to push ER&D outsourcing to India. With annual graduate STEM talent pool of over 2 Million, a mature technology ecosystem including 1,700+ GCCs (overall for India) and ~37K Tech startups, India is drawing enterprises to outsource end-to-end product/platform development.

Exhibit 2.5: Indian ER&D market split by geography



Source: Frost & Sullivan Analysis

2.3 Indian Engineering Research & Development (ER&D) market: Key Policy Interventions

2.3.1 India: Emerging as a Manufacturing Powerhouse

- **Make in India Campaign**: Launched in 2014, the Make in India initiative aims to boost manufacturing by attracting FDI, simplifying regulations, and developing infrastructure.
- **Production-Linked Incentive (PLI) Scheme**: To accelerate manufacturing, the Indian government introduced PLI schemes across sectors such as electronics, pharmaceuticals, and automobiles. The scheme provides financial incentives based on the production output of companies, leading to an influx of new factories and plant expansions.

2.3.2 India as a R&D hub

- **Recognition of in-house R&D Units (RDI)**: The Department of Scientific & Industrial Research (DSIR) has a scheme to grant recognition & registration to in-house R&D units established by corporate industry. These units are expected to be engaged in innovative R&D activities related to the line of business of the firm, such as, development of new technologies, design & engineering, process/product/design improvements, etc. Units recognized by DSIR are also eligible for receiving funds for R&D from other government departments and agencies.
- **Vigyan Dhara and BioE3 Initiatives**: Announced in August 2024, these schemes are set to enhance India's capabilities in scientific research, biomanufacturing, and sustainable practices.
    - **Vigyan Dhara:** Promote India's capacity building in science and technology (S&T), advance research, innovation, and technology development.
    - **BioE3 Policy**: Foster high-performance biomanufacturing - facilitate a shift from chemical-based industries to sustainable bio-based models. Key initiatives include Establishing cutting-edge biomanufacturing facilities, bio-foundry clusters, and bio-AI hubs

2.3.3 Growing Supply Chain Diversification (China+1)

- With global companies looking to diversify their supply chains post-pandemic and amid geopolitical tensions, India is emerging as an alternative to China. The shift from a China-centric supply chain to a more distributed global manufacturing ecosystem has led companies to invest in India as a viable production base.
- The government is also promoting investment in semiconductor fabrication to make India a part of the global chip manufacturing supply chain.

2.3.4 Industrial Clusters and Special Economic Zones (SEZs)

- India has developed industrial clusters and SEZs to promote manufacturing. For example, the Delhi-Mumbai Industrial Corridor (DMIC) and Chennai-Bengaluru Industrial Corridor (CBIC) are major initiatives that are expected to create millions of jobs and boost manufacturing capacities.
- New investments are being made in these zones by multinational corporations, providing modern infrastructure and logistics support to facilitate efficient manufacturing operations.

2.3.5 Industry-specific policies

- Pharma: National Policy on Research Linked Incentives in Pharma (incl. medical devices) – With a budget of Rs. 5,000 crores, the Department of Pharmaceuticals (DoP) will establish 7 CoEs at National Institutes of Pharmaceutical Education and Research (NIPERs) and encourage research in six priority areas including New Chemical Entities, medical devices, and Anti-microbial resistance.
- Automotive: E-Vehicle policy to promote India as a manufacturing destination for EVs - Minimum investment of Rs 4,150 Crores (~USD 500 Mn); 3 years for setting up manufacturing facilities in India, and to start commercial production, and reach 50% domestic value addition (DVA) within 5 years at the maximum.

  The electronics content in vehicles is increasing substantially driven by the increasing demand for safety features, Advanced Driver Assistance Systems, Connectivity Solutions and Electric Vehicles. The global market for automotive electronics is poised to grow at a CAGR of 8–10 per cent to reach USD 540–650 billion in 2032 from USD 250 billion in 2022. Further, the Electric Mobility Promotion Scheme 2024 (EMPS 2024) notified by the Ministry of Heavy Industries, Government of India, is now in a ramp-up stage. The scheme is introduced for faster adoption of electric two-wheeler (e-2W) and electric three-wheeler (e-3W - including registered e-rickshaws & e-carts and L5) to provide further impetus to the green mobility and development of electric vehicle (EV) manufacturing eco-system in the country.
- Aerospace: Defence Testing Infrastructure Scheme – The Ministry of Defence (MoD) has launched this scheme with an outlay of Rs 400 Crores for creating 6-8 state-of-the-art Greenfield Defence Testing Infrastructure facilities in partnership with the private industry.

  The aerospace sector has rebounded from the pandemic-induced slowdown, driven by increased air travel demand and technological advancements in sustainable aviation. The demand for aircraft currently outpaces production capacity, resulting in an order backlog equivalent to 11 years of production.
- Energy, Utilities, Oil & Gas: The National Framework for Promoting Energy Storage Systems lays the foundation by defining energy storage assets, extending key benefits to BESS, and setting ambitious procurement targets - allocated Rs 9,400 Crores ($1.12 billion) Viability Gap Fund (VGF) for large-scale BESS projects, supported by subsidies and market development initiatives. In 2023, the Indian government announced USD 455.2 million as an incentive to companies for installing battery energy storage projects of 400 MWh.

  This sector is undergoing significant transformation due to technological advancements and evolving market demands. The Indian industrial market is expected to grow significantly, driven by investments in smart manufacturing and infrastructure development. The Indian government’s focus on electrification and renewable energy projects is fueling demand for sophisticated electronic components and systems.
- Manufacturing: The Department of Science & Technology is implementing the 'National Mission on Interdisciplinary Cyber-Physical Systems', emphasizing the integration of AI in manufacturing processes through smart factories to enhance efficiency and innovation.

- Telecom: The BharatNet project aims to connect over 250,000 Gram Panchayats with high-speed internet. India's National Frequency Allocation Plan aims to optimize spectrum usage and support rollout of advanced telecom services, incl. 5G networks.

2.4 Indian Engineering Research & Development (ER&D) market: Competitive factors

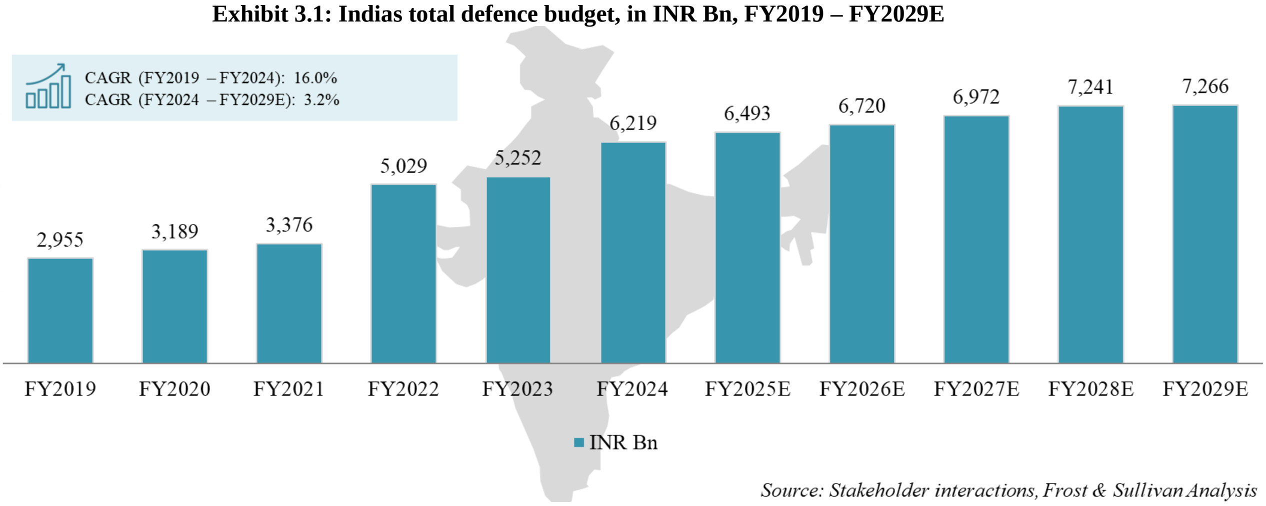
- Fundamental R&D: Ability to drive innovation through in-house core R&D and to solve industry-level problems at scale are critical success factors that can help adapt existing products and services to new sectors and use cases
- Talent: Ability to attract and retain top-level engineering (mechanical, electrical & electronics) combined with software talent esp. in AI, IoT, Cybersecurity, Cloud and Analytics
- Geographic presence: Global presence, esp. in key customer markets, is necessary to be in close proximity to customers
- Client relationships: Building deep and long-standing relationships with global customers
- Vertica diversification: ER&D services growth can be impacted by volatility in end-customer markets; therefore, vertical diversification can be a key competitive advantage

3. CHAPTER 3 – INDIA BUILT TO SPEC (DEFENCE AND SPACE)

3.1 India defence budget

The rise in India's acquisition budget is primarily driven by the procurement of advanced indigenous and imported military platforms. These include Nuclear-Powered Attack Submarines, Nilgiri-class frigates, Rafale and Tejas Mark 1A multirole aircraft, Prachand helicopters, and Zorawar main battle tanks, among others. This increase reflects India's focus on modernizing its armed forces to address evolving security challenges. Furthermore, the country's robust economic growth over the past decade has significantly enhanced its capacity to allocate greater resources toward defense expenditure

Exhibit 3.1: Indias total defence budget, in INR Bn, FY2019 – FY2029E

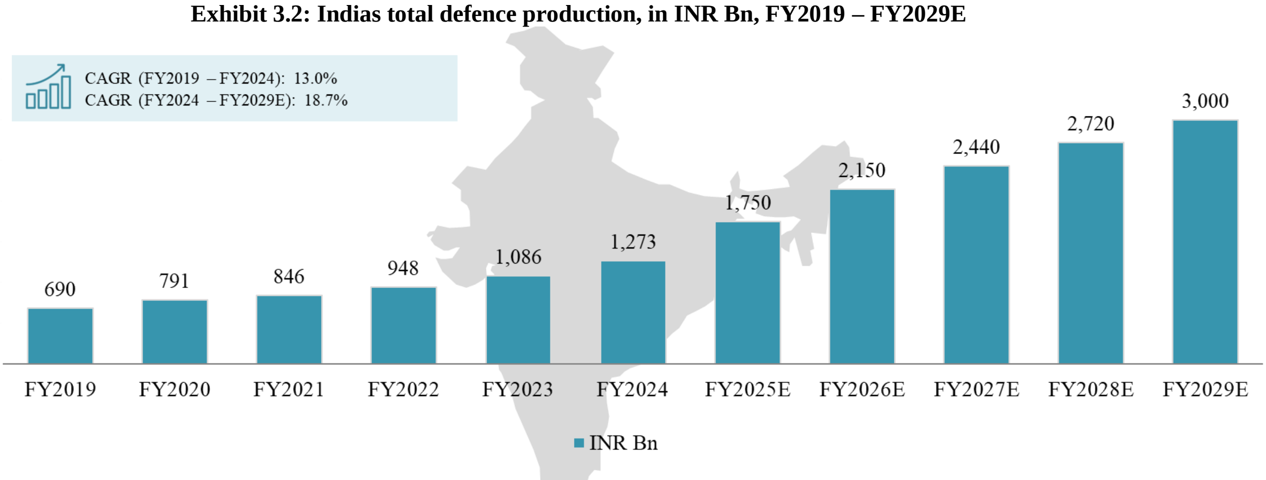


Source: Stakeholder interactions, Frost & Sullivan Analysis

3.2 India defence production

India has achieved unprecedented growth in its indigenous defense production during FY 2023-24, reflecting the Government's focused efforts on achieving self-reliance under the 'Aatmanirbhar Bharat' initiative. The Ministry of Defence reported a record-high Value of Production (VoP) of INR 1,273 crore in DY2024, marking a significant increase from the INR 1,086 crore achieved in FY 2023. This milestone underscores the successful implementation of various policy reforms and initiatives aimed at bolstering the domestic defense manufacturing ecosystem.

Exhibit 3.2: Indias total defence production, in INR Bn, FY2019 – FY2029E

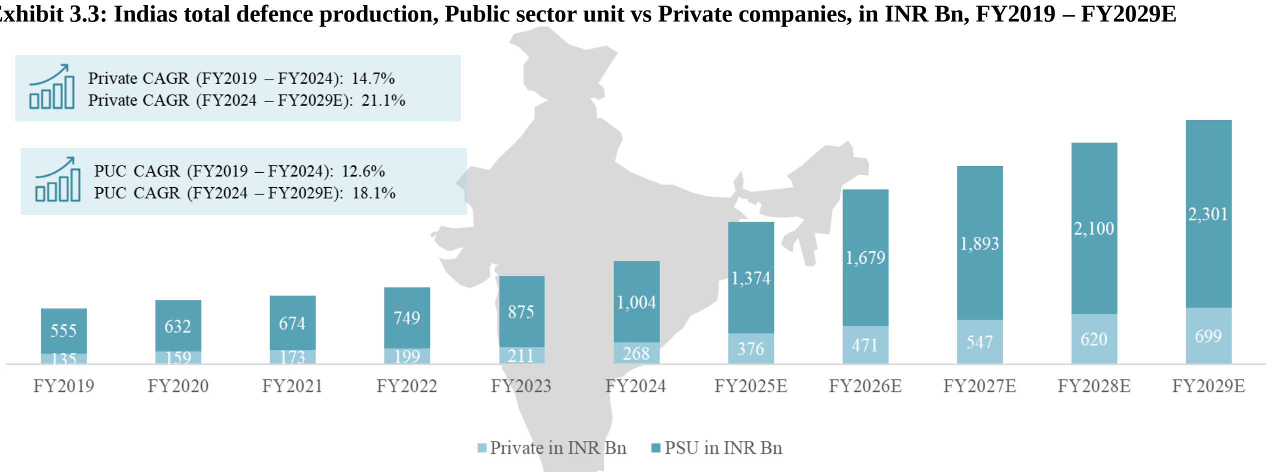


Source: PIB, Stakeholder interactions, Frost & Sullivan Analysis

3.3 India's Defence production split between PSU and Private Companies

India's defense production has witnessed consistent growth, driven by contributions from both the public and private sectors. In FY2024, the total Value of Production (VoP) reached INR 1,268.87 billion, with the private sector contributing INR 268 billion (21.1%) and public sector undertakings (PSUs) contributing INR 1,004 billion (78.9%). Future estimates indicate continued expansion, with the private sector's contribution projected to reach INR 699 billion and PSUs expected to achieve INR 2,301 billion by FY 2029E. This rapid growth underscores India's focus on indigenization, supported by reforms, enhanced ease of doing business, and the success of initiatives like 'Aatmanirbhar Bharat' and 'Make in India.'

Exhibit 3.3: Indias total defence production, Public sector unit vs Private companies, in INR Bn, FY2019 – FY2029E



Source: PIB, Stakeholder interactions, Frost & Sullivan Analysis

3.4 Key competition factor

In the Built-to-Spec (BTS) electronics manufacturing space in India, key competition factors include:

9. **Customization and Design Capability**: Competitors' ability to provide highly specialized and tailored solutions is crucial in BTS manufacturing. Companies with strong design and engineering capabilities can attract more clients by offering unique, client-specific products.
10. **Supply Chain Efficiency**: A competitive supply chain is critical in the BTS vertical. Manufacturers that have robust sourcing, production, and distribution networks are better positioned to meet tight timelines and quality standards for customized products.
11. **Cost Efficiency and Pricing**: Competitive pricing is essential, particularly for custom electronics. Companies that can achieve cost efficiencies through economies of scale or strategic outsourcing will have an advantage in winning contracts, especially for large-scale custom projects.

12. **Quality Control and Compliance**: Consistent product quality and adherence to industry-specific standards (like ISO, RoHS) are key differentiators in the BTS market. Companies that can demonstrate superior quality control systems are likely to outperform their competitors.
13. **Technology and Innovation**: The use of advanced technologies like automation, AI, IoT, and cloud-based solutions for better production efficiency and product innovation is becoming a significant competitive factor. Manufacturers that invest in R&D and continuously upgrade their technology have an edge in providing the best solutions.
14. **Production Flexibility**: Competitors that offer quick turnaround times and flexibility in production volumes—adapting to changes in client requirements or unforeseen demand fluctuations—are better positioned in the BTS vertical.
15. **Customer Relationships and After-Sales Support**: Strong relationships with clients and the ability to offer comprehensive after-sales services, including product upgrades and maintenance, provide a competitive edge. Offering ongoing support can help companies secure long-term contracts.
16. **Regulatory Knowledge and Adherence**: Navigating regulatory requirements specific to different industries (like automotive, healthcare, consumer electronics) is a crucial factor. Competitors who stay ahead of regulations and can ensure compliance are more likely to gain customer trust.

3.5 India defence production: Growth drivers

Growth in India's Defense Manufacturing and Modernization

- The Indian government aims to achieve a defence production target of US$ 25 billion by 2025, creating significant opportunities for domestic manufacturers.
- Increased spending is focused on modernization and equipment acquisition, including advanced weaponry, aircraft, naval vessels, and enhanced cyber capabilities.
- Key opportunities in the defence segment include the development of multifunction radar subsystems for VLSRSAM, satellite constellations for ISR applications, avionics, radar, and EW system upgrades for fighter aircraft and helicopters, T-90 tank upgrades, and drone-based payloads and electronics for communication and ISR.

Policy Reforms and Government Initiatives

- **'Aatmanirbhar Bharat' (Self-Reliant India):** Focuses on reducing dependence on imports by promoting indigenous production.
- **'Make in India' Programme:** Aims to enhance manufacturing capabilities and attract investments in defense.
- **Strategic Partnership Policy:** Enables partnerships between Indian private firms and global Original Equipment Manufacturers (OEMs) for technology transfer and joint production.

Modernization of Armed Forces

- Increasing demand for advanced weaponry and systems to address evolving security challenges.
- Acquisition of platforms such as submarines, fighter jets (e.g., Rafale and Tejas), main battle tanks, and helicopters, boosting domestic manufacturing.

Rising Defense Exports

- Exports of defense equipment surged to ₹210.83 billion in FY 2023-24, highlighting the global acceptance of Indian products.
- Simplified export regulations and growing participation in international defense expos have bolstered India's presence in global markets.

Focus on modernization and technology

- The Indian defense sector is undergoing significant modernization, driven by a rising defense budget that prioritizes advanced technology systems and next-generation capabilities. This focus on technological advancement creates substantial opportunities for the electronics manufacturing industry, particularly in areas such as avionics, communication systems, and electronic warfare.

Focus on domestic production and exports

- Government policies, including the prioritization of domestic procurement in the Defence Acquisition Procedure (DAP) and initiatives to foster defense exports, are transforming India into a global defense supplier. This push for self-reliance and export promotion is driving demand for domestically manufactured electronic components and systems, further stimulating the growth of the electronics manufacturing sector.

Public and Private Sector Collaboration

- Defense PSUs and private players are jointly contributing to production growth, with PSUs focusing on large-scale manufacturing and private firms bringing agility and innovation.
- Increasing share of private players, projected to reach ₹699 billion by FY 2029, reflects the sector's growing capacity.

Technology Transfer and Innovation

- Focus on Research & Development (R&D) and innovation under schemes like the Innovations for Defence Excellence (iDEX).
- Collaboration with global OEMs ensures the transfer of cutting-edge technologies to domestic manufacturers.

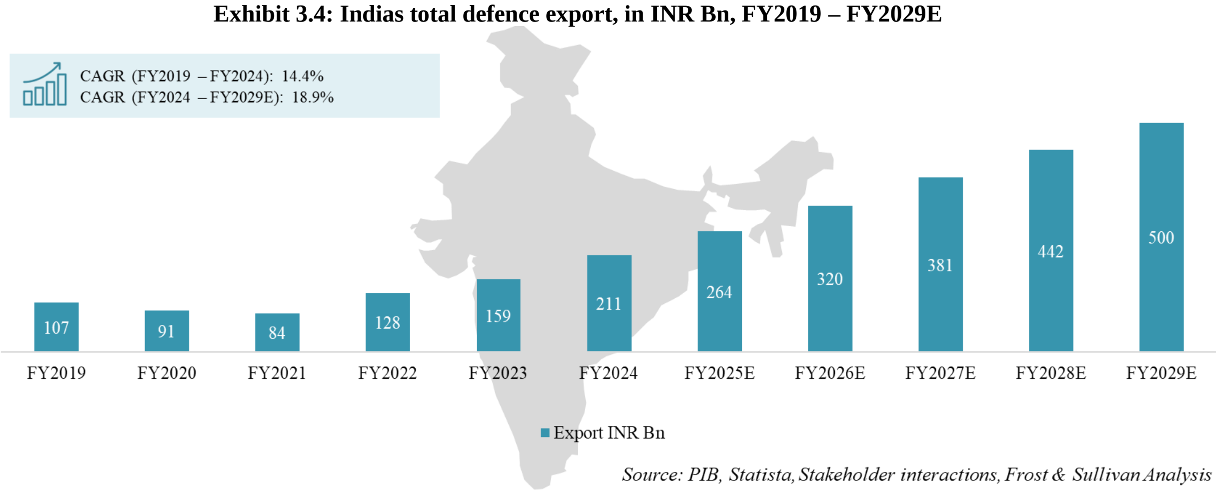
Ease of Doing Business

- Simplified defense procurement procedures and reduction in licensing requirements.
- Introduction of Defense Industrial Corridors in Uttar Pradesh and Tamil Nadu to support infrastructure development and regional manufacturing hubs.

3.6 India's Defence exports

India's defence exports have demonstrated significant growth, increasing from INR 107 billion in FY2019

Exhibit 3.4: Indias total defence export, in INR Bn, FY2019 – FY2029E



Source: PIB, Statista, Stakeholder interactions, Frost & Sullivan Analysis

to INR 211 billion in FY 2024, reflecting a consistent rise due to enhanced domestic production capabilities and supportive government policies. Projections indicate continued expansion, with exports expected to reach INR 500 billion by FY2029E. This surge underscores the success of initiatives like 'Aatmanirbhar Bharat' and streamlined export processes, positioning India as a reliable defence supplier in the global market.

3.7 India's Defence exports: Growth Drivers

India's defense exports have grown substantially due to several key drivers, reflecting the country's strategic focus on becoming a global defense manufacturing hub. These growth drivers include:

Government Policies and Initiatives

- The ‘Aatmanirbhar Bharat’ initiative and ‘Make in India’ program have prioritized indigenization and exports, reducing dependence on imports and positioning Indian defense products globally.
- Simplified export authorization procedures under the Directorate General of Foreign Trade (DGFT) and an Export Promotion Cell specifically for defense have made exports more accessible.

Strategic Indigenization

- Development of advanced indigenous platforms like the Tejas Light Combat Aircraft, BrahMos missile systems, and Advanced Towed Artillery Gun System (ATAGS) has showcased India’s defense manufacturing capabilities to international buyers.
- The release of multiple Positive Indigenization Lists mandates domestic sourcing, creating surplus production capacity for exports.

Growing Global Demand for Cost-Effective Solutions

- Indian defense products are competitive in terms of cost and quality, making them attractive for developing nations in Asia, Africa, and Latin America.
- Platforms like drones, naval systems, and artillery are sought after for their affordability and reliability.

Collaborations and Technology Transfers

- Joint ventures with global Original Equipment Manufacturers (OEMs) have resulted in co-developed systems, such as BrahMos with Russia, which are also exportable.
- Initiatives like offset obligations have encouraged foreign companies to establish production lines in India, boosting exports.

Defense Industrial Corridors

- Establishment of two Defense Industrial Corridors in Uttar Pradesh and Tamil Nadu has enhanced the infrastructure for manufacturing and exporting defense equipment.

Enhanced International Relations

- India’s growing role as a strategic partner for nations like the U.S., Australia, Southeast Asia, and African countries has increased defense cooperation, opening new export opportunities.
- Participation in international defense expos like DefExpo and Aero India helps showcase Indian products to global buyers.

3.8 Key government policies: Defence & space

India’s government has introduced several key policies in defense and space sectors aimed at boosting indigenous capabilities, fostering self-reliance, and enhancing global competitiveness. Below are the primary policies:

1. Defence Acquisition Procedure (DAP)

The Defence Acquisition Procedure (DAP) 2020 emphasizes enhancing indigenous content in defense procurements, aiming to boost self-reliance in defense manufacturing. While it doesn't specify exact numeric targets, it introduces procurement categories that prioritize domestic production. For instance, the 'Buy (Indian-IDDM)' category mandates the highest preference for indigenously designed, developed, and manufactured products with a minimum of 50% indigenous content. Additionally, the 'Buy (Indian)' category requires at least 40% indigenous content. These provisions are designed to increase the share of domestic procurement in India's defense sector, which has risen from 54% in FY19 to 75% in FY24. The DAP 2020 also introduces measures to streamline 'Make in India' in defense manufacturing. While specific numeric targets are not detailed, the procedure outlines a framework to achieve higher indigenous content in defense acquisitions.

2. Positive Indigenisation List

The Positive Indigenisation List (PIL) identifies defense items that are to be procured solely from domestic sources, thereby promoting indigenous manufacturing and reducing dependence on foreign suppliers. This list is updated regularly and includes platforms such as:

- Fighter aircraft
- Submarines
- Missiles and radars
- Critical components for defense systems

By setting these procurement limits, the Indian government encourages local manufacturers and start-ups to engage in defense production. the **associated benefits** and goals mentioned in the broader context include:

- An estimated **₹1,048 crore worth of import substitution** through the Indigenisation of these items.
- A timeline for effective implementation, with all items on the list to be indigenized by **December 2025**.

3. Defense Procurement Procedure (DPP)

The Defense Procurement Procedure (DPP) was established to streamline and standardize procurement, ensuring greater transparency and reducing delays in defense purchases. The DPP guides defense contracts, covering the entire lifecycle from design to delivery, and includes:

- **Project Management:** Standardized processes for managing procurement projects and timelines.
- **Offset Clause:** Mandates foreign suppliers to invest in India by setting up local production lines or contributing technology.

4. Defence Production Policy (DPP)

India's Defence Production Policy outlines objectives for indigenous defense production, including:

- **Self-Reliance in Defence:** A focus on domestic capabilities to ensure India is not reliant on foreign defense suppliers.
- **Fostering Private Sector Participation:** Promoting private industry involvement, including MSMEs and startups, in defense manufacturing.
- **Target:** India's defense production reached INR 1.27 lakh crore in FY 2024, with a target of INR 1.75 lakh crore for the current fiscal year. The Ministry of Defence aims to achieve INR 3 lakh crore in defense production by FY2029. India's Space Vision 2047 also outlines an ambitious roadmap for the nation's space endeavors, including the establishment of the Bharatiya Antariksh Station (BAS) by 2035, landing an Indian astronaut on the moon by 2040, and completing the first robotic phase of a space station by 2028. These milestones reflect India's commitment to advancing its space exploration capabilities and cementing its position as a global leader in space technology.

5. Space Policy and Initiatives

India's Space Policy focuses on enhancing its space capabilities, particularly through initiatives such as:

- **Indian Space Research Organisation (ISRO):** Strengthening ISRO's capabilities in launching satellites, space exploration, and satellite-based communications.
- **Private Sector Participation:** The government has opened up space for private players to support satellite production, launch services, and R&D in the space sector, in line with the "Atmanirbhar Bharat" initiative.
- **Target:** Indian government has set an ambitious target of becoming a USD 44 billion space economy by 2033, capturing 8% of the global market, and exporting USD 11 billion in space products.

6. Space Activities Bill

The Space Activities Bill, introduced in 2020, aims to regulate private participation in the space sector, ensuring safety, security, and adherence to international norms. This bill is a major step towards facilitating the private sector's entry into the space industry and encouraging innovation in space technology.

7. Strategic Partnership Model

The Strategic Partnership Model aims to foster long-term partnerships between Indian defense firms and global Original Equipment Manufacturers (OEMs). This initiative helps facilitate the transfer of technology and joint production for key defense items, ensuring better utilization of India’s defense manufacturing potential.

8. Innovation for Defence Excellence (iDEX)

The iDEX initiative supports innovation by collaborating with defense startups and fostering research in cutting-edge defense technologies. Through iDEX, India aims to harness private-sector innovation to develop advanced systems, equipment, and technologies for the armed forces.

3.9 India's Space Market Growth: Expanding Horizons for Start-Ups and Private Sector Involvement

India's space market is witnessing rapid expansion, with the number of space start-ups growing from just one in 2014 to 189 in 2023. The investment in Indian space start-ups reached USD 124.7 million in 2023, reflecting the increasing interest and potential in this sector. 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. The Indian space economy, currently valued at around $8.4 billion (approximately 2-3% of the global space economy), is projected to reach USD 44 billion by 2033, driven largely by private sector participation. This growth is supported by the implementation of the Indian Space Policy 2023, which encourages private entities to take on end-to-end solutions in satellite manufacturing, launch vehicle production, satellite services, and ground systems. India's rapid advancements in space technology are fueling growth in commercial, military, and scientific exploration, driving its global competitiveness. The nation's share in the global space economy is projected to increase significantly from 2% in FY2024 to 8% by FY2033, highlighting its expanding role as a key player in the global space market.

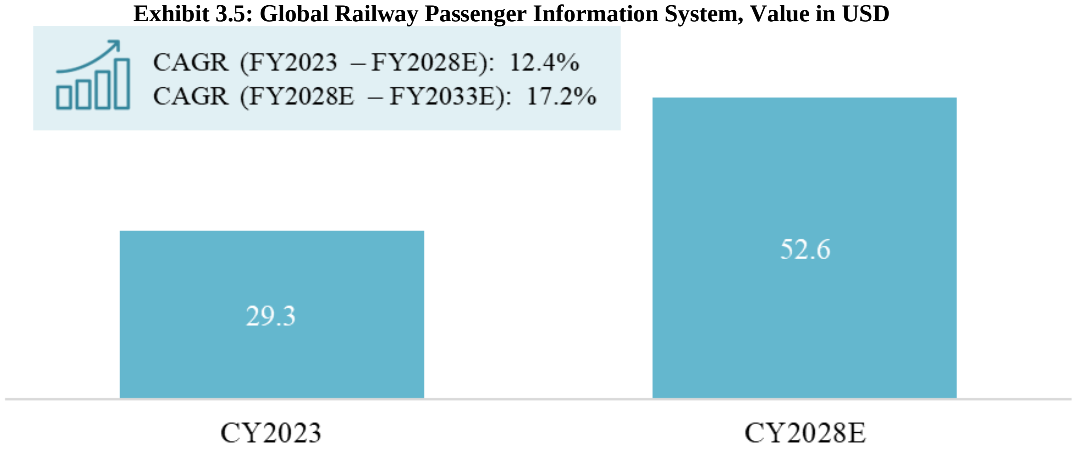
In a major policy shift, the Indian government has enabled private players to participate actively in all domains of space activities. Initiatives such as the establishment of a private launchpad and mission control center by a non-government entity (NGE) within the ISRO campus exemplify this shift. Additionally, private companies are exploring satellite-based communication solutions and are increasingly involved in space-based applications, including agriculture, disaster management, and environmental monitoring.

3.10 Global railway passenger information system market

The rail mobility market remains stable, with governments investing in infrastructure to enhance mobility management in cities and towns. The Indian metro rail market is poised for significant growth, driven by urbanization and the increasing demand for efficient public transportation. A major growth factor is the rising need for metro and rail projects in Tier-II cities across India, with plans to establish metro train systems in 100 cities, presenting substantial opportunities in the transportation and infrastructure sectors. A key focus of the sector is digitalization, aimed at creating a more dynamic, responsive, and functional railway experience for passengers in the digital age. The digital railway market encompasses areas such as rail operations management, passenger information systems, asset management, and other applications. Among these, passenger information systems play a crucial role as a communication channel between transportation companies and passengers

The global Passenger Information System (PIS) market reached a value of USD 29.3 billion in 2023 and is projected to grow to USD 52.6 billion by 2028, reflecting a compound annual growth rate (CAGR) of 12.4% from 2024 to 2028. This rapid growth is driven by several key factors, including rising passenger expectations for improved travel experiences, advancements in technologies like artificial intelligence (AI) and the Internet of Things (IoT), and the growing adoption of cloud-based solutions.

Exhibit 3.5: Global Railway Passenger Information System, Value in USD



Source: Desk Research,, Frost & Sullivan Analysis

Increasing urbanization and reliance on public transport are driving the demand for efficient information systems. Government initiatives promoting smart transportation infrastructure are further boosting sector growth. As these trends align, PIS systems will play a key role in enhancing operational efficiency and improving passenger experiences.

About Centum Electronics Limited

Centum Electronics Limited was founded in 1994 in Bengaluru, India. Since then, the Company has rapidly grown into a diversified electronics Company with operations in North America, UK, EMEA and Asia.

Centum is one of India's leading end-to-end integrated electronics solutions providers, as of September 30, 2024, offering a comprehensive suite of services that spans the entire electronics system design and manufacturing spectrum to high-growth sectors with high entry barriers such as aerospace, defense, space, medical, and mobility. Centum Electronics Limited is present in high growth markets-ER&D, EMS and BTS. Also the company has not identified any direct peers within the specified verticals.

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 14 for a discussion of the risks and uncertainties related to those statements and also the sections titled "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 50, 267 *and* 108*, respectively, for a discussion of certain factors that may affect our business, financial conditions, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

We have included various operational and financial performance indicators in this Preliminary Placement Document, many of which may not be derived from our consolidated financial statements. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of our consolidated financial statements and financial results and other information relating to our business and operations included in this Preliminary Placement Document. See "Risk Factors –We have in this Preliminary Placement Document included certain non-GAAP financial measures. These non-GAAP measures may vary from any standard methodology that is generally applicable across the industry, and therefore may not be comparable with financial or industry-related statistical information of similar nomenclature computed and presented by other companies." on page 81.

Unless otherwise indicated, industry and market related data used in this section has been derived from the report titled "Industry Report on Global & Indian EMS, ER&D, & BTS Market (With Focus on Defence and Space)", January 29*, 2025 (the "**F&S Report**"), prepared and released by Frost & Sullivan (India) Private Limited, which has been exclusively commissioned and paid for by our Company pursuant to an engagement letter dated October 25, 2024, for the purpose of confirming our understanding of the industry we operate in, in connection with the Issue. In addition, references to various segments in the F & S Report and information derived therefrom are references to industry segments and in accordance with the presentation, analysis and categorisation in the F & S Report. Our segment reporting in our financial statements is based on the criteria set out in Ind AS 108, Operating Segments and we do not present such industry segments as operating segments. See "Presentation of Financial and Other Information", "Industry and Market Data" and "Risk Factors — This Preliminary Placement Document contains information from an industry report which was prepared by Frost & Sullivan (India) Private Limited, which is paid and commissioned by the Company, pursuant to an engagement with our Company" on pages 10, 13 and 76, respectively. We publish our financial statements in Indian Rupees. Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, all financial data in this Preliminary Placement Document as at and for the year ended March 31, 2024 is derived from the Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2023 is derived from the comparative financial information included in Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2022 is derived from the comparative financial information included in Fiscal 2023 Audited Consolidated Financial Statements; and financial information for the nine months period ended December 31, 2024 is derived from December Unaudited Consolidated Financial Results for the nine months periods ended December 31, 2024; and financial information for the nine months period ended December 31, 2023 is derived from the comparative financial information included in the December Unaudited Consolidated Financial Results for the nine months periods ended December 31, 2024 and financial information for the six months period ended September 30, 2024 is derived from September Unaudited Consolidated Financial Results as at and for the six months periods ended September 30, 2024; and financial information for the six months period ended September 30, 2023 is derived from the comparative financial information included in the September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2024 except for the statement of assets and liabilities which has been derived from the September Unaudited Consolidated Financial Results as at and for the six months period ended September 30, 2023. For further information, see "Financial Information" on page* 267*. The Unaudited Consolidated Financial Results of our Company are not indicative of our Company's annual performance and are not comparable with the Audited Consolidated Financial Statements. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to the Company together with its subsidiaries and associate, on a consolidated basis.*

Overview

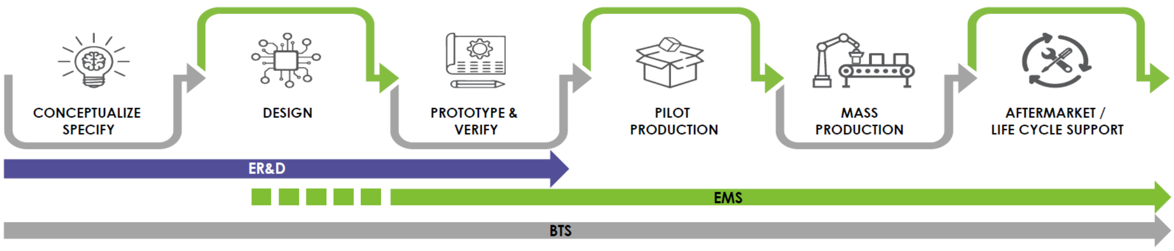
We are one of India's leading end-to-end integrated electronics solutions provider, as of September 30, 2024, offering a comprehensive suite of services that spans the entire electronics system design and manufacturing spectrum (*Source: F&S Report*). From conceptualizing product designs to delivering full-scale production, our capabilities enable us to create critical solutions for key industries such as defense, space, aerospace, industrial, energy, automotive and medical sectors. Further, our notable contributions to India's space missions, including Chandrayaan-3, Gaganyaan, PSLV-C57/Aditya L-1 and XPoSat missions, demonstrate our involvement in providing essential modules and systems to support the nation's technological advancements.

We bring over thirty years of experience, having commenced operations in 1994 as a manufacturer, designer, and exporter of electronic components. As market demands evolved, we strategically diversified into high-growth sectors with high entry barriers such as aerospace, defense, space, medical, and automotive—industries that required comprehensive solutions and long-term partnerships. To support this diversification, we expanded our manufacturing capabilities which allowed us to move up the value chain, offering integrated modules, printed circuit board assemblies and box builds, and establish a dedicated build-to-specification vertical.

Our strategic initiatives also included key acquisitions and collaborations. Solectron Corporation, USA, a company involved in the EMS business, acquired C-MAC Industries Inc, our ultimate holding company, in 2001. This partnership with Solectron enabled us to establish a separate EMS division, significantly improving our procurement and manufacturing capabilities and enhancing our ability to serve global EMS customers. Additionally, we acquired the Adetel Group SA, France in 2016 to set up a dedicated ER&D vertical, expand our technical design expertise and global footprint and cater to a broader range of industries.

This progression, from component manufacturing to offering comprehensive, integrated solutions, has enabled us to establish ourselves as a one-stop-shop provider. Our flexible engagement models are tailored to meet the project needs of our customers, ensuring we remain well-positioned to capitalize on future growth opportunities and deliver sustainable, long-term value.

Currently, our business is organized based on the stages of services we provide to our customers. We operate under the following business verticals:



1) *Engineering R&D Services (ER&D)*: Our services encompass the conceptualization, design, and certification of various products. As of December 31, 2024, our global design strength consists of 588 engineers located across Europe, North America, and India, enabling us to work closely with our international customers. To cater to diverse project needs, we provide flexible engagement models, including consulting and fixed price engagements, allowing our customers to choose the most suitable approach for their specific requirements.

2) *Electronic Manufacturing Services (EMS)*: Our EMS services include manufacturing complex products ranging from printed circuit board assemblies to complex box builds. We adopt a client-centric approach to meet every requirement and help our customers achieve their goals of lower Total Cost of Ownership (TCO) and reduced time-to-market. By leveraging dedicated, customer-focused teams and adapting streamlined processes and systems, we are able to meet specific product and customer needs, ensuring efficient and timely delivery of challenging products.

3) *Build to Specification (BTS):* Our BTS services take projects from conceptualization to mass production. By offering a single point of contact for design/engineering and manufacturing, we believe that we streamline project interfaces, reduce time-to-market, and implement a design-to-cost approach that

minimizes total cost of ownership. Further, as an indigenous company providing design and conceptualization services, we enable our customers to maximize their Intellectual Property (IP) value enabling us to deliver innovative solutions that foster long-term partnerships, enhance customer value, and generate sustainable business growth.

The table below shows our Gross Billings across various business verticals for the periods/years indicated:

Business Vertical	For the nine months period ended December 31				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ million)	Percentage of Gross Billings	Amount (₹ million)	Percentage of Gross Billings	Amount (₹ million)	Percentage of Gross Billings	Amount (₹ million)	Percentage of Gross Billings	Amount (₹ million)	Percentage of Gross Billings
Engineering R&D Services	1,645.67	21.03%	1,848.28	23.48%	2,582.11	23.88%	2,154.06	23.85%	2,407.38	31.64%
Electronic Manufacturing Services	3,839.12	49.07%	3,458.35	43.93%	4,719.06	43.64%	3,488.83	38.62%	1,795.84	23.60%
Build to Specification (BTS)	2,338.96	29.90%	2,565.93	32.59%	3,512.15	32.48%	3,390.28	37.53%	3,406.05	44.76%
Total Gross Billings	**7,823.75**	**100.00%**	**7,872.56**	**100.00%**	**10,813.32**	**100.00%**	**9,033.17**	**100.00%**	**7,609.27**	**100.00%**

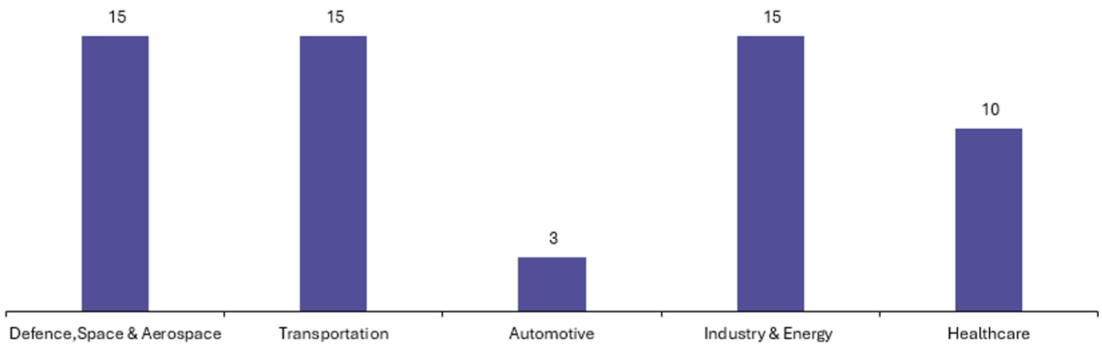
We operate two manufacturing facilities located in Karnataka, India as well as seven design centres strategically located facilities worldwide, including in India, France, Belgium and Canada. Some of our manufacturing facilities are approved under the Electronics Hardware Technology Park Scheme of the Software Technology Park of India in Bangalore.

Our extensive global presence enhances our ability to identify and capitalize on business opportunities across diverse markets. This global footprint enables us to deliver value and foster long-term partnerships with our customers worldwide. Additionally, to streamline operations, we maintain a diversified procurement network of 630 suppliers as of December 31, 2024, supported by advanced IT-enabled supply chain management solutions and strategic sourcing initiatives to enhance efficiency and reliability.

We have built a large and diversified customer base, spanning multiple verticals and geographies, including clients such as a leading national space agency, prominent national defense research organization, a French defence company, an European aircraft manufacturer, and, an European OEM, a US OEM, Global OEMs for Industrial & Power grid automation, and global rail OEMs.

We collaborate with our customers throughout the entire product life cycle, offering services that include concept creation, product development, prototyping, testing, mass manufacturing, after-sales support, and end-of-life solutions. This collaboration enables our customers to shorten their product development timelines and time-to-market cycles. Our customer-centric strategy allows us to expand the range of products we manufacture, increase shipment volumes for existing products, and extend our engagement into new areas requiring similar solutions.

This has enabled us to develop long-term relationships with our customers. The table below provides an overview of our average business relationship with the top three Customer Groups (in years) in the verticals shown below.



In addition, as of February 21, 2025, we have an Order Book of ₹18,612.99 million.

Over the years, we have integrated and continue to enhance our environmental, social, and governance (ESG) practices, adopting a sustainable and responsible approach to our operations. Our processes comply with global standards, and we are certified under ISO 9001, 14001, and 18001 by BVCI. Additionally, we hold industry-specific certifications, including AS/EN 9100 for defense and aerospace, IRIS Rev 2 for railway signaling, IATF 16949 for automotive, and ISO 13485 for medical systems, underscoring our commitment to quality and compliance across diverse sectors. Our company is led by a highly experienced team of promoters with extensive expertise in the Electronics System Design and Manufacturing (ESDM) industry. Our Promoter and Managing Director, Mallavarapu Venkata Apparao, founded Centum Electronics in 1993. Under his leadership, we have grown into a global electronics design and manufacturing company with operations in India, France, Belgium, and Canada. Mr. Mallavarapu has received several accolades, including the 'Order of Rio Branco' from the Brazilian government, the 'Champion of Innovation Award' from the Prime Minister of New Zealand, and the 'Officier de l'Ordre National du Mérite' from the President of France. Our Promoter and Executive Director, Nikhil Mallavarapu, has been with the company since 2012, holding various leadership roles, including business unit management and corporate strategy development. Under their leadership, we have expanded our operations and established a significant presence in India. Our senior management team, with their expertise, has demonstrated the ability to anticipate market trends, drive growth, and foster strong customer relationships.

The following table sets forth certain information relating to financial performance metrics as at the dates and for the periods/years indicated:

(in ₹ million, unless otherwise indicated)

Particulars	As at/for the financial year ended March 31,			As at/for the six months period ended September 30,	
	2022	2023	2024	2023	2024
Revenue from operations	7,799.40	9,229.69	10,908.20	4,957.32	5,053.34
Total Borrowings[1]	2,725.99	2,627.61	1,736.94	2,979.92	2,097.94
Total Equity	1,985.20	2,040.57	1,967.10	1,993.46	1,888.50
Cash and cash equivalents	480.44	352.71	481.21	357.76	417.16
Profit/(loss) before tax	(522.02)	121.36	78.78	18.90	(1.29)
Total income	7,879.64	9,288.22	10,976.34	4,977.08	5,081.20
Total assets	9,229.61	10,726.98	10,638.04	11,421.12	11,511.00
Inventories	2,248.25	2,610.62	3,173.77	3,327.61	4,016.24
Current assets	5,873.40	7,367.01	7,600.26	7,989.92	8,452.18
Current liabilities	5,791.81	7,440.79	7,054.80	8,189.56	8,649.77
Current Financial liabilities-Borrowings	1,910.25	2,047.99	1,290.23	2,386.79	1,783.21
Adjusted EBITDA[2]	742.43	762.09	858.48	388.23	357.76
Adjusted EBITDA Margin (%)[3]	9.52%	8.26%	7.87%	7.83%	7.08%
Profit/ (loss) after tax	(534.65)	66.94	(27.55)	(31.08)	(41.55)
Adjusted Return on Equity[4,8] (%)	3.14%	3.33%	1.06%	(1.54)%	(2.16)%
Adjusted Return on Capital Employed[5,8] (%)	10.16%	10.05%	16.45%	4.63%	4.71%
Adjusted Working Capital Days[6]	93	78	61	80	57
Total Borrowings to Equity Ratio[7] (in times)	1.34	1.25	0.85	1.46	1.07

Note:

1 Total Borrowings refers to the sum of Non-current Financial liabilities- Borrowings and Current Financial liabilities- Borrowings

2Adjusted EBITDA is the sum of Profit/ (loss) after tax plus Total tax expenses plus Depreciation and amortisation expenses plus Finance costs minus Other income minus Finance income minus Share of profit / (loss) of associates (net) plus Exceptional items (net)

3 Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Revenue from operations

4 Adjusted Return on Equity (%) is calculated as Profit/ (loss) after tax plus Exceptional items (net) divided by average of opening Total equity and closing Total equity

5 Adjusted Return on Capital Employed (%) is calculated as (Profit/ (loss) after tax plus Total tax expenses plus Finance Costs minus Share of profit / (loss) of associates (net) plus Exceptional items (net) divided by (Total equity plus Non-Current Financial liabilities - Borrowings plus Current Financial liabilities - Borrowings plus Deferred tax liabilities (net) minus Goodwill minus Goodwill on consolidation minus Other intangible assets minus Intangible assets under development

6 Adjusted Working Capital Days is calculated as (Total current assets minus Total current liabilities which is adjusted by plus Current Financial liabilities - Borrowings) multiplied by number of days divided by Revenue from operations

7 Total Borrowings to equity ratio (in times) is calculated as (Non-current Financial liabilities- Borrowings plus Current Financial liabilities -Borrowings)/Equity attributable to equity holders of the parent

8 Adjusted Return on Equity (%) and Adjusted Return on Capital Employed (%) for the six months period ended September 30, 2024 and six months period ended September 30, 2023 are not annualised

The following table sets forth certain information relating to financial performance metrics for the period indicated:

(in ₹ million, unless otherwise indicated)

Particulars	For the nine months period ended December 31,	
	2023	2024
Revenue from operations	7,939.27	7,866.79
(Loss)/ profit before tax	126.13	(162.28)
Total Income	7,969.74	7,917.41
Adjusted EBITDA[1]	677.12	551.59
Adjusted EBITDA Margin (%)[2]	8.53%	7.01%
(Loss) / profit after tax	41.40	(234.52)

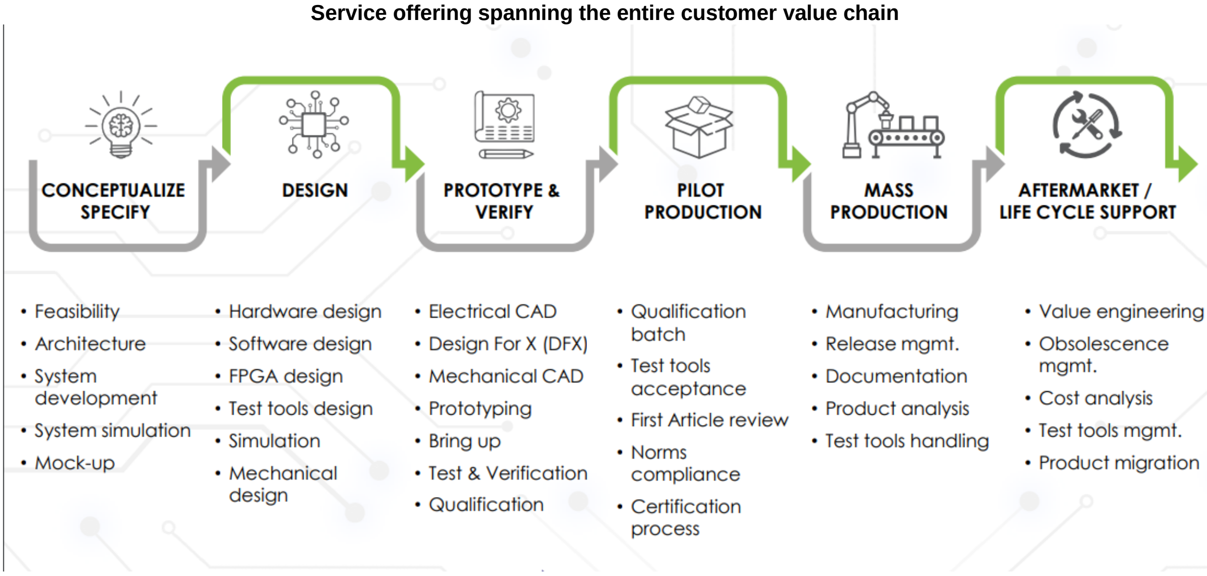
Note:
1Adjusted EBITDA is the sum of Profit/ (loss) after tax plus Total tax expenses plus Depreciation and amortisation expenses plus Finance costs minus Other income minus Finance income minus Share of profit / (loss) of associates (net) plus Exceptional items (net)
2 Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Revenue from operations

Our Competitive Strengths

1. ***Integrated electronics manufacturing player with end-to-end solutions across the Electronics System Design and Manufacturing value chain***

We are one of India's leading end-to-end integrated electronics solutions provider, as of September 30, 2024, offering a comprehensive suite of services that spans the entire electronics system design and manufacturing spectrum (*Source: F&S Report*). We are engaged in concept co-creation with our customers followed by product realization and life-cycle support.

Service offering spanning the entire customer value chain



Being an integrated Electronics System Design and Manufacturing (ESDM) player has provided us with the following strategic and operational advantages which have enabled us to become a trusted destination for innovative and reliable electronics solutions.

- **Faster Time-to-Market**: Coordination between our design and manufacturing teams reduces delays and accelerates the product development cycle.
- **Cost efficiency**: Our design-to-cost approach helps optimize design costs during the product phase, ensuring affordability without compromising quality. Our streamlined processes and efficient supply chain management lower operational and long-term costs.

- **Enhanced Quality and Reliability:** Vertical integration ensures strict quality controls at every stage of production which enables expertise in high-reliability sectors like aerospace, defense, and medical, where precision and durability are non-negotiable.
- **Greater Customization and Flexibility:** We have the ability to adapt solutions to specific customer requirements, offering flexible engagement models and scale production based on customer demands and market conditions.

We also provide various value-added services, depending on the requirements of specific customers, such as obsolescence management and last time buy services that include purchase of electronic components that are either being discontinued or have been discontinued in larger quantities than immediately required.

2. Diversified presence across multiple high growth verticals ensuring stability and long-term growth

We have strategically diversified into high growth verticals such as ER&D, EMS and BTS (*Source: F&S Report)*.

The Indian ER&D exports market was estimated at USD 44-45 billion in 2023 and is expected to see a CAGR of 20 per cent to reach USD 130-170 billion by 2030. This would lead to an increase in India's share of global ER&D sourcing market from 17% currently to 22% by 2030, a ~1.3X growth. India's strengths in terms of a growing skilled talent pool (80,000-85,000 digitally skilled graduates, an annual average of 2 million STEM talent) and cost advantage (at the overall industry level, India is, on average, 4X cheaper than other outsourcing locations) continues to be a key driver for the ER&D market. The rapid digital transformation of operations, from shop floor to top floor and the growing pressures to reduce the impact of climate change and limit the carbon footprint is driving ER&D firms towards building sustainable products and solutions. Additionally, the rapidly evolving consumer demands are leading to shorter product lifespans and shrinking innovation cycles, leading to deeper collaboration with Indian ER&D providers. (*Source: F&S Report)*

The EMS market is also on a steady growth path and valued at USD 789 billion in CY2023 and expected to reach to USD 1,304 billion in CY2028E, growing at a CAGR of 10.6%. The Indian EMS market is valued at INR 2,470 billion in FY2024 and is projected to grow at a CAGR of 27.4%, reaching INR 8,286 billion by FY2029. Several key factors drive competitiveness in India's Electronics Manufacturing Services (EMS) sector. Cost efficiency remains paramount, with companies optimising supply chains and manufacturing processes to offer competitive pricing. The Indian government's initiatives, such as the Production Linked Incentive (PLI) Scheme, have significantly bolstered the EMS landscape by providing financial incentives to manufacturers. (*Source: F&S Report)*. Additionally, the shift from traditional contract manufacturing to Original Design Manufacturing (ODM) allows EMS providers to offer comprehensive services, including product design and development, catering to the evolving needs of Original Equipment Manufacturers (OEMs). The availability of a skilled workforce further enhances India's appeal as a manufacturing hub, enabling companies to maintain high-quality standards and innovate effectively. Collectively, these factors position India's EMS industry for substantial growth and increased global competitiveness. (*Source: F&S Report)*.

By being present across these high-growth verticals, we gain scalability, cross-sector synergies, and strategic collaborations with OEMs, technology providers, and government bodies. Additionally, our presence, through these verticals, in high-reliability end-user industry segments—where product complexity, extended life cycles, and stringent qualification processes create significant entry barriers—reinforces our market positioning and competitive advantage.

We have a broad and diverse product portfolio that enables us to serve the end-industry segments in each of these verticals. This diversified portfolio reduces exposure to market downturns in any single vertical, ensuring consistent revenue streams and business stability. Furthermore, it provides valuable market insights, enabling us to anticipate industry trends, align with evolving customer needs, and make data-driven business decisions. Our ability to identify and capitalize on emerging opportunities continues to enhance our competitive edge and long-term growth potential.

3. Multiple manufacturing facilities and design centres strategically located across the globe with advanced infrastructure

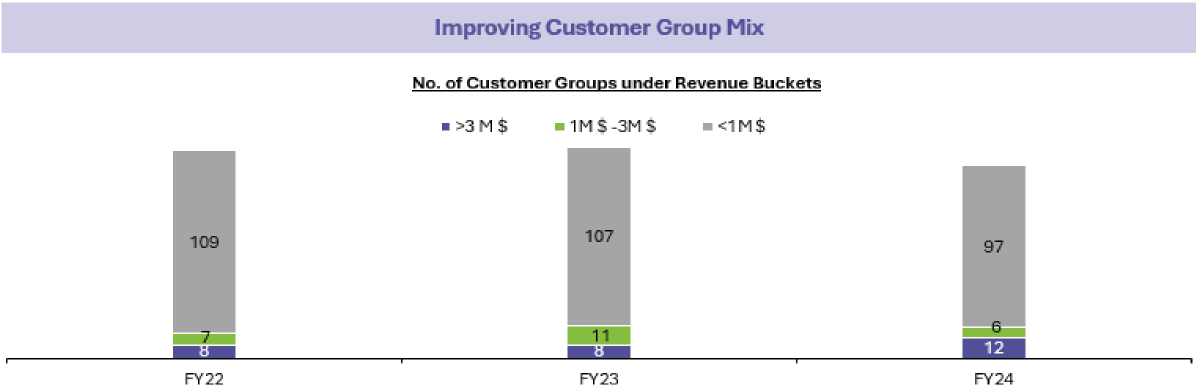
As of the date of this Preliminary Placement Document, we operate a comprehensive network of facilities, including two manufacturing units located in Karnataka, India and seven design centers located across India, France, Belgium and Canada. Our facilities in Bangalore are approved under the Electronics Hardware Technology Park Scheme of the Software Technology Park of India, offering benefits akin to those available in special economic zones.

As of December 31, 2024, our manufacturing infrastructure spans approximately 350,000 square feet, featuring six dedicated Surface Mount Technology (SMT) production lines that facilitate high-speed, high-precision assembly of electronic components. Our capabilities include unique microelectronics production, such as high-frequency RF/microwave for complex applications. We leverage advanced IT tools, including the latest ERP and MES systems, AI-enabled analytics, and fully digitalized processes, ensuring operational efficiency and precision. Our facilities also include Class 1,000 and 10,000 cleanrooms and a MIL/Space-certified testing lab in Bangalore.

We have a multidisciplinary team of 588 design engineers as of December 31, 2024. Additionally, we maintain a global supply chain network with 630 suppliers, providing seamless sourcing and manufacturing support across geographies, positioning us to effectively meet customer needs and drive growth across diverse markets.

4. *Long-standing relationships with a marquee and well-diversified customer base*

Through our business operations, we have established long-term relationships with well-known customers across the industries we serve. Our customer base is diversified across multiple sectors, including defense, automotive, healthcare, and industrial, reducing dependency on any single industry and enhancing our revenue stability. The chart below presents our Customer Group mix for the last three fiscal years, while the accompanying table provides selected information on Gross Billings from various Customer Groups across different industry verticals for the periods/years indicated.



<table>
<tr><th rowspan="3">Particulars</th><th colspan="4">For the nine months period ended December 31</th><th colspan="6">For the year ended March 31</th></tr>
<tr><th colspan="2">2024</th><th colspan="2">2023</th><th colspan="2">2024</th><th colspan="2">2023</th><th colspan="2">2022</th></tr>
<tr><th>Amount (₹ million)</th><th>Percentage of Gross Billings</th><th>Amount (₹ million)</th><th>Percentage of Gross Billings</th><th>Amount (₹ million)</th><th>Percentage of Gross Billings</th><th>Amount (₹ million)</th><th>Percentage of Gross Billings</th><th>Amount (₹ million)</th><th>Percentage of Gross Billings</th></tr>
<tr><td>Defence, Space &Aerospace</td><td>4,239.53</td><td>54.19%</td><td>3,571.81</td><td>45.37%</td><td>4,959.16</td><td>45.86%</td><td>3,126.44</td><td>34.61%</td><td>2,739.07</td><td>36.00%</td></tr>
<tr><td>Transportation & Automotive</td><td>1,552.71</td><td>19.85%</td><td>1,743.72</td><td>22.15%</td><td>2,505.64</td><td>23.17%</td><td>2,193.02</td><td>24.28%</td><td>2,391.88</td><td>31.43%</td></tr>
<tr><td>Industry & Energy</td><td>1,299.64</td><td>16.61%</td><td>2,021.03</td><td>25.67%</td><td>2,615.39</td><td>24.19%</td><td>2,830.71</td><td>31.34%</td><td>1,873.40</td><td>24.62%</td></tr>
<tr><td>Healthcare</td><td>731.87</td><td>9.35%</td><td>536.00</td><td>6.81%</td><td>733.13</td><td>6.78%</td><td>883.00</td><td>9.77%</td><td>604.92</td><td>7.95%</td></tr>
<tr><td>Total Gross Billings</td><td>7,823.75</td><td>100.00%</td><td>7,872.56</td><td>100.00%</td><td>10,813.32</td><td>100.00%</td><td>9,033.17</td><td>100.00%</td><td>7,609.27</td><td>100.00%</td></tr>
</table>

Notes: Certain customers are present across multiple verticals.

As of December 31, 2024, we serve customers in 23 countries, reflecting our global business footprint. Our presence in diverse geographies allows us to mitigate region-specific risks and expand our market reach. Our manufacturing capabilities, supported by our Engineering Research & Development (ER&D) expertise, enable us to develop customer-specific designs, enhancing customization and value addition. Our facilities adhere to internationally recognized quality certifications, including ISO 9001:2015, IATF 16949 and other relevant certifications, ensuring compliance with global standards.

We believe our ability to offer high-quality, customized solutions, backed by sound manufacturing and R&D capabilities, has been instrumental in customer retention and business growth.

5. *Experienced and committed promoters and management team*

We have an experienced leadership team across our various business verticals. Our Promoter and Managing Director, Mallavarapu Venkata Apparao, founded Centum Electronics in 1993. Under his leadership, we have grown into a global Electronics Design and Manufacturing company, with operations in India, France, Belgium and Canada. He has been honoured with the prestigious 'Order of Rio Branco' by the Brazilian government and the 'Champion of Innovation Award' by the Prime Minister of New Zealand. Mallavarapu Venkata Apparao was also appointed as a Honorary Consul of Brazil by The Embassy of Federative Republic of Brazil and d as the Officier de l'Ordre National du Mérite by the President of French Republic.

Nikhil Mallavarapu, who has been with the company since 2012, has held various leadership roles, including overseeing business unit management and spearheading corporate and strategy development at the group level. Prior to joining our Company, he worked at the multinational semiconductor company- Analog Devices. He holds a master's and bachelor's degree of science in Electrical and Computer Engineering from Carnegie Mellon University and a master's in business administration from the INSEAD Business School in France. He was selected by the France-India Foundation for its Young Leaders Program by virtue of his exemplary contribution and remarkable achievements in the field of business

Under their leadership we have been able to expand our operations and have established a significant presence in India. We also have a qualified and experienced senior management team that has demonstrated its ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. For further details, please see "*Board of Directors and Senior Management*" on page 199.

Our Strategies

1. ***Focus on expansion across each vertical to capitalize on industry opportunity***

We intend to undertake vertical-focused expansion, to expand our business using different strategies for our different business verticals.

Defence: The Indian government aims to achieve a defence production target of US$ 25 billion by 2025, creating significant opportunities for domestic manufacturers. Increased spending is focused on modernization and equipment acquisition, including advanced weaponry, aircraft, naval vessels, and enhanced cyber capabilities. Key opportunities in the defence segment include the development of multifunction radar subsystems for VLSRSAM, satellite constellations for ISR applications, avionics, radar, and EW system upgrades for fighter aircraft and helicopters, T-90 tank upgrades, and drone-based payloads and electronics for communication and ISR (*Source: F&S Report*). By capitalising on these trends, we now intend to move up the value chain by delivering complete systems to the armed services. We are actively working on large system-level opportunities in collaboration with our technology partners. While timelines for RFQ (Request for Quotation) and the tendering process can be unpredictable, we continue to engage with end users on key opportunities.

Further we believe that our recent expansion in the Middle East, with new customers ramping up for missile programs, enables us to achieve sustained growth, as we continue to leverage our expertise to meet the evolving needs of our global clientele.

Aerospace: We play a key role in the global aerospace supply chain delivering critical electronics for cockpit computers, Air Traffic Management and next-generation flight controls.

The aerospace sector has rebounded from the pandemic-induced slowdown, driven by increased air travel demand and technological advancements in sustainable aviation. The demand for aircraft currently outpaces production capacity, resulting in an order backlog equivalent to 11 years of production (*Source: F&S Report*). In order to capitalize on these growth opportunities, we are developing new design capabilities in power electronics and establishing advanced manufacturing and test infrastructure. Additionally, we have obtained new quality certifications to meet the evolving demands of the aerospace industry. We have also recently secured a major in-flight entertainment program with an existing Aerospace customer.

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 (*Source: F&S Report*). With the increasing number of ISRO missions and the rapid progression of commercial space applications, we plan to invest in advanced manufacturing capabilities to ensure high-quality, reliable, and scalable production. Further, keeping in mind the growing number of missions of ISRO, we intend to make significant investments to ensure that we continue to deliver products with the right quality, technology and in required quantities to be a trusted partner.

Electric Mobility: The electronics content in vehicles is increasing substantially driven by the increasing demand for safety features, Advanced Driver Assistance Systems, Connectivity Solutions and Electric Vehicles. The global market for automotive electronics is poised to grow at a CAGR of 8–10 per cent to reach USD 540–650 billion in 2032 from USD 250 billion in 2022. Further, the Electric Mobility Promotion Scheme 2024 (EMPS 2024) notified by the Ministry of Heavy Industries, Government of India is now in a ramp-up stage. The scheme is introduced for faster adoption of electric two-wheeler (e-2W) and electric three-wheeler (e-3W - including registered e-rickshaws & e-carts and L5) to provide further impetus to the green mobility and development of electric vehicle (EV) manufacturing eco-system in the country (*Source: F&S Report*). To capitalise on this, we are focusing on delivering advanced solutions for Electric Vehicles (EVs), particularly in powertrain electronics, which are critical for improving efficiency and reliability.

Rail: The rail mobility market remains stable, with governments investing in infrastructure to enhance mobility management in cities and towns. The Indian metro rail market is poised for significant growth, driven by urbanization and the increasing demand for efficient public transportation. A major growth factor is the rising need for metro and rail projects in Tier-II cities across India, with plans to establish metro train systems in 100 cities, presenting substantial opportunities in the transportation and infrastructure sectors. A key focus of the sector is digitalization, aimed at creating a more dynamic, responsive, and functional railway experience for passengers in the digital age. The digital railway market encompasses areas such as rail operations management, passenger information systems, asset management, and other applications. Among these, passenger information systems play a crucial role as a communication channel between transportation companies and passengers (*Source: F&S Report*).

The global Passenger Information System (PIS) market reached a value of USD 29.3 billion in 2023 and is projected to grow to USD 52.6 billion by 2028, reflecting a compound annual growth rate (CAGR) of 12.4% from 2024 to 2028 (*Source: F&S Report*). This rapid growth is driven by several key factors, including rising passenger expectations for improved travel experiences, advancements in technologies like artificial intelligence (AI) and the Internet of Things (IoT), and the growing adoption of cloud-based solutions (*Source: F&S Report*).

We intend to develop advanced passenger information systems providing real-time information and improving commuter safety and convenience.

Industrial & Energy: This sector is undergoing significant transformation due to technological advancements and evolving market demands. The Indian industrial market is expected to grow significantly, driven by investments in smart manufacturing and infrastructure development. The Indian government's focus on electrification and renewable energy projects is fueling demand for sophisticated electronic components and systems. (*Source: F&S Report*) We intend to leverage our manufacturing capabilities and technologies to develop solutions that align with global trend of automation and energy efficiency. We have onboarded customers engaged in the manufacturing of semiconductor equipment and biometric devices. We have also recently obtained a customer headquartered in Germany.

Medical: The global medical devices industry is experiencing robust growth, driven by technological advancements, an aging population, and increased healthcare expenditure. In the medical sector, we are focused on diagnostics and imaging technologies to support advancements in healthcare. We intend to further scale up portable scanning and point of care devices manufacturing to capitalize on the industry growth.

2. ***Expansion of our customer portfolio***

Over the last three Fiscals and in the six months ended December 31, 2024, we have been able to consistently maintain our customer base and improve the wallet share. In Fiscal 2022, 2023 and 2024, and in the nine months ended December 31, 2023, and December 31, 2024, we served 124, 126, 115, 110 and 115 Customer Groups, respectively, across our different business verticals. We have also recently acquired new customers engaged in the manufacturing of semiconductor equipment and biometric devices. With the growing customer demand for our products, we intend to capitalize on this strong industry tailwind by continuing to grow our customer base.

Our expansion of customer base is generally four-pronged. We intend to acquire customers that can provide higher value business, to increase the wallet share with our existing customers through a combined means of marketing strategies and capacity enhancement of our manufacturing facilities to improve our services to our customers, attract customers who can provide to us higher margins and expand our operations both domestically and internationally by strengthening our sales and business development teams in key geographies.

3. Retain and strengthen our technological practices

We are a technology driven company focused on delivering cost-effective and innovative technologies tailored to varying customer needs.

We intend to digitalize our operations by investing in automation and robotics to streamline repetitive tasks, integrating information technology (IT) and ERP systems with shop floor operations to improve machine productivity and optimise workflows by having the right analysis of downtime or reasons for loss of productivity, expanding our engineering and manufacturing capabilities through advanced tool design, process improvements, and lean manufacturing techniques and hiring and developing a robust knowledge base by recruiting key talent and providing extensive training programs. These initiatives are expected to reduce transaction turnaround times, enhance supply chain visibility, and support the delivery of zero-defect products.

4. *Optimizing operational efficiency and margins through our Engineering R&D vertical*

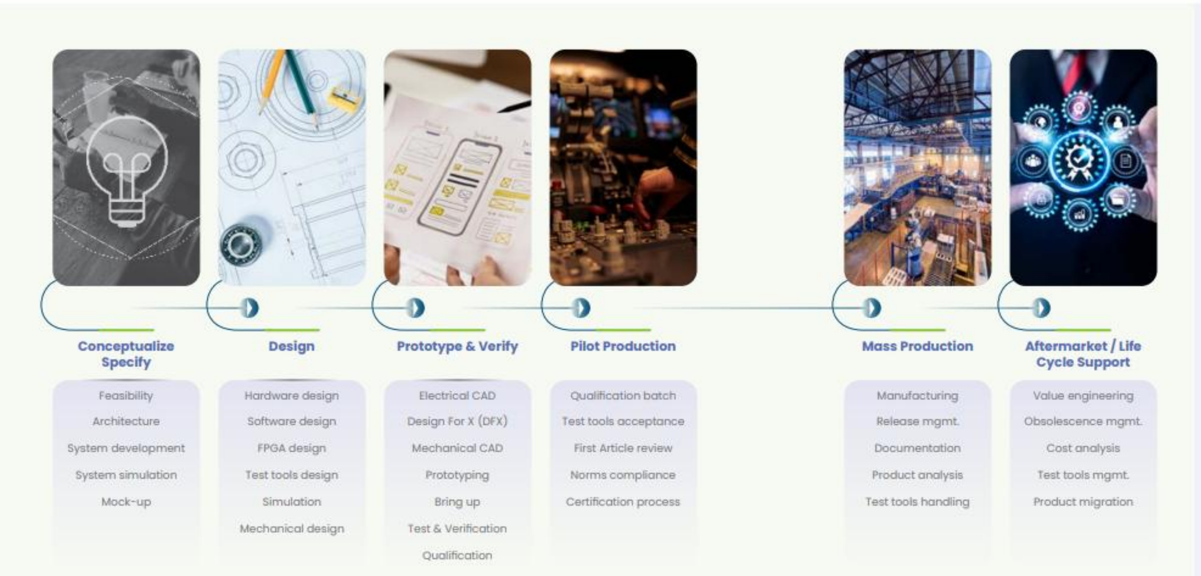
We are focused on improving improving margins and delivering value through our ER&D vertical by several targeted initiatives aimed at optimizing operational efficiency and driving growth:

1. **Utilization Improvement**: By prioritizing growth within key accounts, we intend to optimize resource allocation, increase operational efficiency, and maximize financial returns, ensuring that our key customers continue to receive optimal service.
2. **Cost Reduction**: As part of our ongoing cost-efficiency efforts, we have significantly reduced headcount at our Canada subsidiary while expanding delivery capabilities at our India engineering center. We have also implemented a restructuring plan to reduce the head count and general overheads in the France subsidiary This shift has substantially lowered operating costs and positioned us to better serve our clients with a more cost-effective, scalable model.
3. **Gross Margin Improvement**: Our focus on achieving higher average day rates for our services, combined with an optimized onshore-offshore delivery mix for critical programs, enhances profitability while ensuring high-quality, cost-effective service delivery.

In addition to these efforts, we are actively exploring opportunities to expand our involvement in high-value programs, further driving operational efficiencies and improving financial outcomes. This strategy positions our ER&D unit as a competitive and reliable partner for global clients, committed to delivering innovative solutions with optimized costs and enhanced margins.

Business Operations

We are an integrated electronics manufacturing player, having capabilities across the spectrum of ESDM services. We engage along the entire product development lifecycle for our customers as summarized below:



Engineering Research & Development Services

Engineering Services encompass the conceptualization, design, and certification of various products.

1) Conceptualisation and specification:

We begin by understanding client needs and conceptualizing solutions, ensuring feasibility and alignment with project objectives. Our team conducts thorough feasibility analyses to assess the practicality and potential success of proposed solutions, identifying any technical or economic constraints early in the process. We then develop system architectures that serve as the blueprint for subsequent development stages, ensuring scalability, efficiency, and integration capabilities. Before implementation, we perform detailed system simulations to validate performance, reliability, and functionality under various conditions, reducing risks and enhancing product quality.

2) Design:

Our design services include:

- Hardware Design: We specialize in creating efficient electronic hardware, tailored to meet the specific needs of mission-critical applications across various industries. Some of the core functionalities in equipment we have designed are motor control, optics, sensor, actuators, communication system, energy conversion, and storage.

- Software Design: Our software design services encompass the development of embedded software solutions, ensuring integration with hardware for optimal performance.

- FPGA Design: We offer Field-Programmable Gate Array (FPGA) design, enabling customizable and high-performance solutions for complex electronic systems. FPGA (Field-Programmable Gate Array) design is an essential capability for developing products in the technology industry segments in which we operate. FPGAs offer flexibility, enabling the evolution of product functionality over time. For low-volume applications, FPGAs are often more cost-effective than ASICs (Application-Specific Integrated Circuits) while maintaining performance reliability. This allows our engineers to provide solutions tailored to customer requirements.

- Test Tools Design: We develop test tools to validate and verify product functionality, ensuring reliability and compliance with industry standards.

- Mechanical Design: We provide mechanical design services to complement our electronic and software offerings, ensuring that all aspects of the product are crafted for durability and functionality. Our team of mechanical engineers is engaged right from the beginning of every design project to ensure that the appropriate materials are chosen and the product is resistant to the environmental conditions specific to the application such as extreme temperatures, humidity, vibrations and shocks. In addition, our engineers work closely with the electronic designers and carry out analysis such as thermal management, signal and wire handling taking into account high current, voltage, frequency, acoustics etc, to ensure that the performance of the product is not degraded as a result of the packaging.

3) Prototype and verification services:

We offer a comprehensive range of prototype and verification services to support the development of high-quality, reliable products tailored to customer needs.

- Prototyping: We offer rapid prototyping services to produce functional models of designs, allowing for early testing and validation of concepts.

- Bring-up: Our bring-up services involve initial testing of prototypes to identify and rectify any issues, ensuring that the design meets performance expectations before full-scale production.

- Test & Verification: We conduct thorough test and verification processes to validate the functionality, performance, and compliance of the product with industry standards and customer requirements.

4) Pilot production:

Our pilot production facilities are designed to bridge the gap between product development and full-scale manufacturing, ensuring that products are ready for mass production with optimal quality and efficiency. Key aspects of our pilot production services include:

- Qualification Batch: We produce a limited qualification batch to validate the manufacturing process, ensuring that the product meets all design specifications and performance criteria before scaling up production.

- Test Tools Acceptance: Our pilot facilities include rigorous test tools acceptance procedures, verifying that all testing equipment and protocols are fully operational and capable of accurately assessing product performance.

- First Article Review: We conduct comprehensive first article reviews to evaluate the initial production output, identifying any discrepancies or improvements needed to ensure consistency and compliance with the design requirements.

- Norms Compliance: Our pilot production process ensures that all products adhere to relevant industry norms and standards, maintaining regulatory compliance and market readiness.

- Certification Process: We manage the certification process to ensure that products meet all necessary safety, quality, and performance certifications, facilitating a smooth transition to mass production and market launch.

Electronic Manufacturing Services (EMS)

Our EMS services include manufacturing high reliability, high complexity products in the high technology vertical ranging from printed circuit board assemblies to complex box builds, Line Replaceable Units (LRU) and full system integration. Our services include:

- Manufacturing: We manage the entire manufacturing process to ensure timely production while maintaining the requisite standards of quality and compliance. Our facilities are equipped with Fuji-Nxt multiple Surface Mount Technology (SMT) lines ,which we believe offer high precision and flexibility in assembly. Further, by leveraging advanced IT tools and technologies, we ensure complete shop floor management and product traceability at every stage of the manufacturing process.

- Release Management: We oversee the release management process to ensure smooth transitions from development to production. This includes detailed planning, scheduling, and resource management to ensure that products are delivered on time and meet all necessary specifications.

- Product Analysis: Our team conducts detailed product analysis to evaluate performance, assess potential improvements, and ensure that products meet customer specifications, as well as industry and regulatory requirements.

- Test Tools Handling: We deploy specialized test tools to ensure rigorous product testing and validation. This ensures that products meet the required performance, safety, and quality standards before they are released to the market.

- Aftermarket/ Lifecycle support: We offer comprehensive aftermarket and lifecycle support services designed to maximize the longevity and performance of products. Our approach includes value engineering, where we focus on optimizing product design for cost-effectiveness and performance throughout its lifecycle. We also provide obsolescence management, ensuring the continued availability of components and technologies even as product components reach end-of-life.

Build-to-specification Services

We work with our customers to offer complete "Build to Specifications" services of complex Box Builds, subsystems and products in the defence and aerospace, transportation, automotive and healthcare verticals. Our BTS services involve taking a project from conceptualization to mass production quickly and efficiently.

Our customers choose turn-key build to spec offering due to the convenience of a single Point of contact for design/engineering and manufacturing which reduces the need for multiple interfaces at each stage of the project and also fastens the products time-to-market, facilitating a design-to-cost approach and reducing the total cost of ownership. Furthermore, our global locations in Europe, North America and India enable us to work closely with our international customers.

We are also able to manage our product lifecycle better by proactively and effectively managing issues such as obsolescence, performance upgrades, market-specific localization and cost reduction.

Manufacturing Process

Manufacturing

Our manufacturing activities primarily comprise of *inter-alia* the SMT process and module assembly process.

SMT Process

SMT process is an automated process with specific machines performing the job as per pre-set programs. The different sub processes in SMT are performed serially in process specific machines. The unit under assembly are moved from one machine to another through an automated conveyor.

Screen Printing: A bare PCB is passed through the machine and the solder paste (a combination of lead, tin and in certain cases silver powder suspended in thick flux) is deposited on the board through a stencil. The stencil is specific to the product and will have openings corresponding to the solder-able pads on the bare PCB. The machine operation parameters like squeegee movement speed and pressure are set in the machine through different programs.

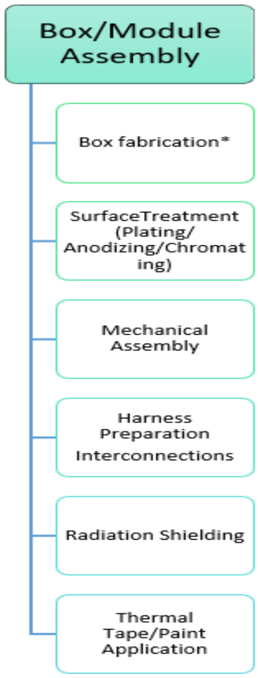
Component Placement: After solder paste printing is brought into the machine through conveyor and the components to be placed on the PCB are loaded in bulk packages through different feeders. The feeder and the location where the component is to be placed on the board are defined in a program.

Reflow Oven: During re-flow process, the PCB with components placed on solder paste deposits is moved through a conveyor. There are multiple heating zones in the oven. The temperature of each of the zone is set based on the temperature profile measured on the PCB during the movement of the PCB through the oven. The speed of the movement also is fixed based on the temperature profile measured on the board. By the time the PCB comes out of the oven, the solder paste get converted from paste form to solid form and the electrical connection from components to the pad on the board is established.

Auto-optical inspection (AOI): Soldered boards from the reflow oven are inspected by way of 3D AOI processes for the solder defects, correctness and polarity of the placed components.

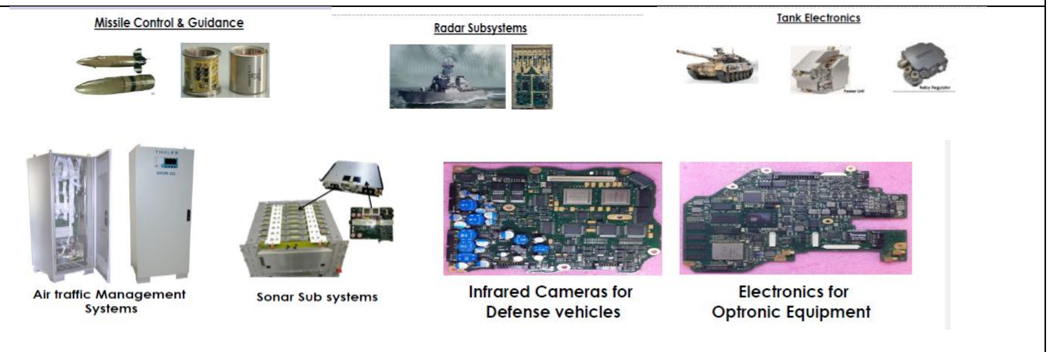
Module Assembly Process

This process is also known as the box build process or final assembly process. In this process, all the sub-assemblies are assembled together to get a final product which is then tested and packaged for shipment. This stage may include some assembly processes, some testing processes, and final testing and quality control processes. At this stage all quality documentation and production documentation that is required for shipment is collated.The sequence of operations in the module assembly process are as per the manufacturing process flow chart below:

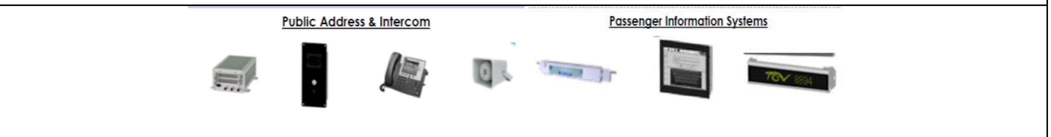


Products

The table below sets forth details of the products we manufacture based on the verticals for which they are manufactured:

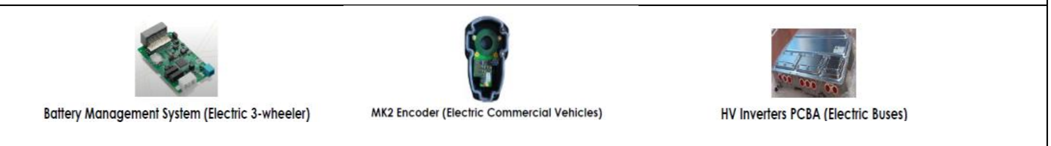
Industry	Type of Products
Space	
Defence and Aerospace	

Railway

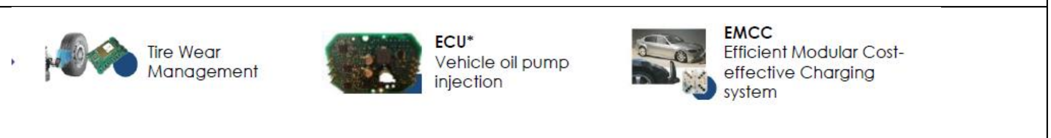


Industrial and Medical

Electric Mobility



Automotive



Manufacturing Facilities

As of the date of this Preliminary Placement Document, our Company has two manufacturing facilities situated as set out below.

Vertical	Location	Area (Square Feet)	Address	Owned/Leased
BTS	Bangalore, India	43,500	No.43, KHB Industrial Area, Yelahanka New Town, Bangalore 560 106	Owned
		43,500	No.44, KHB Industrial Area, Yelahanka New Town, Bangalore 560 106	Leased
EMS	Bangalore, India	261,360	Plot No.58-P, Bangalore Aerospace Park, Sy. No. 8-Part of Unachur Village and Sy. No. 8 – Part of Dummanahalli village, Jala Hobli, Bangalore North, Yelahanka Taluk	Leased

Capacity and Capacity Utilization

The installed and utilized capacity of our facility cannot be precisely specified, as it varies based on several factors, including the nature of the products, the product mix across industries, design specifications, and the availability of raw materials and components. We design, develop, manufacture, and test a diverse range of products tailored to the unique requirements of customers across various industries, such as defense, space, industrial, transport, and medical.

Our plant and machinery are versatile, allowing for the production of products across different industries. Additionally, the number of components required for manufacturing finished goods can vary significantly, influencing capacity. As a result, the capacity of our manufacturing operations fluctuates based on the products being manufactured, making it challenging to provide an accurate estimate of the installed or utilized capacity.

Order Book

Our order book is computed based on the total order value from a customer less executed amount as on the relevant date.

As of February 21, 2025, our Order Book stands at ₹ 18,612.99 million. The breakup of our Order Book position based on our business verticals is as under:

Particulars / Verticals	Value of Order Book (As on February 21, 2025) (₹ in million)	Percentage of total Order Book
Engineering Research and Development Services	1,949.15	10.47%
Electronic Manufacturing Services	7,202.85	38.70%
Build to Specification	9,460.99	50.83%
Total	**18,612.99**	**100.00%**

For further information, see "*Risk Factors – Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations*" on page 55.

Research, Development and Technological Capabilities

We believe that R&D is critical in maintaining our competitive position in the ESDM industry, including in order to address changing customer trends, be updated with technological advancements, industry developments and business models. Our R&D capabilities focus on technology development, costs and operating efficiencies, product design and development, production processes and environmental management by understanding current market demands and evolving customer trends. We believe that the ESDM industry is rapidly evolving due to technological advancements and deeper penetration of information technology.

Through our R&D and innovation capabilities, we have successfully designed and developed a portfolio of wide ranging products that are used across various industry verticals. We have the ability to manufacture most of our products from the concept and design stage until the final delivery thereby covering the entire manufacturing value chain.

Quality Control, Testing and Certifications

We are focused on fulfilling customer requirements through reliable products and services aimed at meeting all regulatory requirements and through continual improvement of our quality management systems. Our quality control programs at most of our manufacturing facilities involve subjecting the manufacturing processes and quality management systems to periodic reviews and observations for various periods. In addition, our manufacturing facilities are subject to compliance audits in relation to quality management by third party agencies as well as by our Customer Groups.

IATF 16949 is the required QMS standard for the global automotive supplier base. Any automotive supplier who supplies a component or system that ends up in an automobile must be certified, along with any automotive supplier who is contractually required by an automotive OEM to be certified.

ISO 9001 certification provides us with tools to improve our business performance, such as defining policy and objectives, monitoring and measuring processes and product characteristics, specifying corrective and preventive actions and encouraging continuous improvement. We have also obtained ISO 14001:2015 certifications to ensure compliance with environmental standards. To complement our existing quality certifications, we have also obtained ISO 13485: 2016 registration to support our activities in the manufacture of medical devices and implants as well as well as AS 9100 to validate our quality system for the aerospace and defence applications.

Repair and Maintenance

We schedule regular repair and maintenance programs for our facilities, including maintenance of machinery and equipment, to maximize production efficiency and avoid unexpected interruption of our operations. We also have periodic scheduled shutdowns for maintenance. Our machinery and electrical repair teams carry out day-to-day maintenance and repair of the facilities and machinery on an as-needed basis.

Raw Materials

The primary raw materials used in the manufacture of our products are:

Electronic Components (integrated circuits, resistors, capacitors, diode, PCB, micro controllers, LED and other semiconductors): We procure these components directly from overseas manufacturers or their authorized distributor.

Hi-Realisation Electronic Components (FPGA, Relays, TCXO/OCXO, Memory devices, Bare die, Resistors, capacitors, Diode, MOSFETs, A/D Converters, PCB, and other semiconductors): We procure these components directly from overseas manufacturers or their authorized distributors.

Photo Diode, Connectors, Transistors, Transformers and Relays: We procure these components from stockiest/suppliers.

Wound Components: Wound components or magnetic components are sourced directly from manufacturers or their authorized distributors.

Wiring harness: These are critical for the long-term quality of our products since they carry actual electrical load in our products. We have approved suppliers who specialise in the manufacturing of wiring harness.

Plastic parts: We have an in-house plastics division and also source from dedicated plastic molding companies. We provide the drawings and specifications for the molds, which are owned by us. To ensure compliance with our quality standards, we implement strict quality control procedures, including third-party testing.

Sheet Metal Parts: These are made based on our drawings.

Machined parts: Machined parts are made based on our drawings. Machining is a process where a piece of raw material is cut into specific measurements. The machined parts are fabricated using cutting machines like lathe, milling, turning, and grinding.

Hermetic Packages and Lids: These are made based on our drawings and specifications. The metallized components allow the attachment and consequent sealing of ceramic.

Process consumables (Thick film resistors & conductors paste, Gold ribbon & Bonding wire): These are sourced from various third-party manufacturers or their authorized distributors.

Utilities

We consume a substantial amount of power and fuel for our business operations. Our manufacturing processes require uninterrupted supply of power and fuel in order to ensure that we are able to manufacture high quality products. Our power requirement for our manufacturing facilities is sourced from local providers. We have also installed generators in our manufacturing facilities to ensure constant supply of power.

Exports

A portion of our Gross billings is generated from supply of product and service to North America, Europe, UK and Rest of the World. The table below sets forth details of the geographies where we supply our products and services and Gross Billings for the periods/years indicated:

Particulars	For the nine months period ended December 31				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ million)	**Percentage of Total Gross Billings**	**Amount (₹ million)**	**Percentage of Total Gross Billings**	**Amount (₹ million)**	**Percentage of Total Gross Billings**	**Amount (₹ million)**	**Percentage of Total Gross Billings**	**Amount (₹ million)**	**Percentage of Total Gross Billings**
India (A)	2,166.71	27.69%	2,336.08	29.67%	3,251.92	30.07%	2,433.57	26.94%	2,136.30	28.07%
Europe & UK	4,583.10	58.58%	4,408.30	56.00%	6,076.69	56.20%	5,196.93	57.53%	4,576.57	60.14%
North America	705.76	9.02%	1,023.65	13.00%	1,334.19	12.34%	1,284.59	14.22%	790.25	10.39%
Rest of the World	368.18	4.71%	104.53	1.33%	150.52	1.39%	118.08	1.31%	106.15	1.40%
Gross Billings outside India (B)	5,657.05	72.31%	5,536.48	70.33%	7,561.40	69.93%	6,599.60	73.06%	5,472.97	71.93%
Total Gross Billings (A+B)	**7,823.75**	**100.00%**	**7,872.56**	**100.00%**	**10,813.22**	**100.00%**	**9,033.17**	**100.00%**	**7,609.27**	**100.00%**

Health, Safety and Environment

Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety.

We continually aim to comply with the applicable health and safety regulations and other requirements in our business operations. This is further driven by our ESG focussed practices within our organisation. To this end, we have accreditations such as the ISO and OHSAS.

We aim to ensure safe and healthy environment and further provide for medical checkups and safety measures in order to achieve zero accidents on a sustainable basis. We take initiatives to reduce the risk of accidents at our manufacturing facilities including by providing training and safety manuals to our employees. We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our offices and branches, accident reporting, wearing safety equipment and maintaining clean and orderly work locations. To ensure workplace safety, we also provide personal protective equipment to our employees, which include safety shoes and goggles.

Environmental requirements imposed by the regulatory authorities in India will continue to have an effect on our operations. We believe that we have materially complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business.

Intellectual Property

Our Company has been granted fifteen patent registrations by the Patent Office, Government of India under the Patents Act, 1970. However, as of the date of this Preliminary Placement Document, our Company does not have any registered trademark, including our logo. Further, the brand "CENTUM" registered under class 9 is in the name of Centum Industries Private Limited, was acquired by our Company pursuant to a business transfer agreement. However, as of the date of this Preliminary Placement Document, the same is not transferred in the name of the Company, which limits our control and rights over the trademark and exposes us to potential claims or challenges from third parties including Centum Industries Private Limited. For further details, see "*Risk Factors- We may not be able to adequately protect or continue to use our intellectual property, including our logo. In addition, the use of the brands "Centum" or similar trade names by third parties could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows*" on page 71.

Insurance

We maintain insurance coverage including insurance in relation to standard fire and special perils, burglary and housebreaking, terrorism, electronic equipment, portable electronic equipment, machinery breakdown, money, plate glass, sales turnover – all mode, public liability, trade credit and cyber security and crime. We also maintain product liability insurance, fidelity guarantee insurance, and employee dishonesty insurance policy to safeguard against potential losses arising from acts of dishonesty or fraud by employees. We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Also, see "*Risk Factors- The insurance coverage taken by us may not be adequate to protect against certain business risks and uncertainties and this may have an adverse effect on the business operations*" on page 63.

Human Resources

As on December 31, 2024, we have 1,877 employees including 588 design engineers. Our permanent employees include personnel engaged in management, administration, human resource, engineering, auditing, finance, sales and marketing, procurement, logistics and legal functions. In order to improve our operational efficiencies, we regularly organize in-house and external training programs for our employees. Our employees are not unionised into any labour or workers' unions and we have not experienced any major work stoppages due to labour disputes or cessation of work in the last three years and nine months period ended December 31, 2024.

Properties

Our registered and corporate office is owned by us and is located at No.44, KHB Industrial Area, Yelahanka New Town, Bangalore 560 106. We operate two manufacturing facilities located in Karnataka, India and seven design centres across the globe in India, France, Belgium and Canada. Each of our manufacturing facilities and design facilities are located on land that is owned or leased by us. For further information, see " – *Manufacturing Facilities*" on page 191.

ORGANISATIONAL STRUCTURE

Corporate History

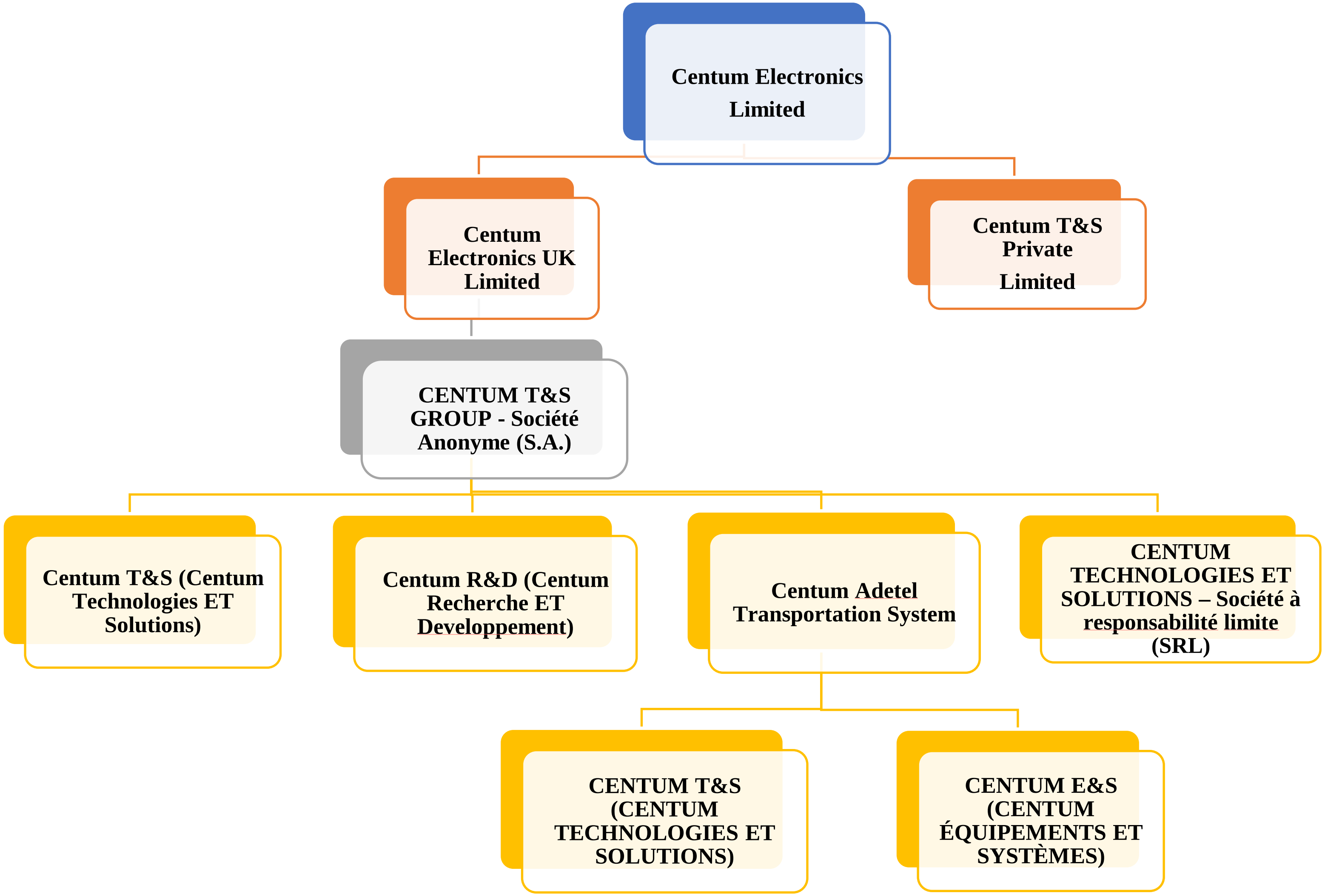
Our Company was incorporated as “Centum Electronics Limited” on January 8, 1993, under the provisions of Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka at Bangalore (“**RoC**”). Consequently, the certificate for commencement of business dated January 21, 1993, was issued by RoC. Subsequently the name of our Company was changed to “C-Mac Centum Electronics Limited” pursuant to a fresh certificate of incorporation consequent on change of name dated September 23, 1998, issued by the RoC. Further, the name was changed to “Solectron Centum Electronics Limited” on September 30, 2002, and finally to “Centum Electronics Limited” pursuant to which a fresh certificate of incorporation was issued upon change of name on December 10, 2007, by the Registrar of Companies, Karnataka at Bangalore.

The registration number of our Company is 013869 and our CIN is L85110KA1993PLC013869.

The Registered and Corporate Office of our Company is located at 44, KHB Industrial Area, Yelahanka Bangalore, Karnataka-560064, India. For further details regarding the properties of our Company, see “*Our Business—Properties*” on page 195.

Our Equity Shares are listed since February 13, 1995 on BSE and since October 5, 2007 on NSE.

Organisational Structure



Our Subsidiaries

As on the date of this Preliminary Placement Document, our Company has two direct subsidiaries and seven step-down subsidiaries.

Direct Subsidiaries:

1. Centum T&S Private Limited *(formerly known as Centum Adeneo India Private Limited)*;
2. Centum Electronics UK Limited; and

Step-down Subsidiaries:

3. Centum T&S Group Société Anonyme (S.A.) (step-down subsidiary);
4. Centum T&S (Centum Technologies ET Solutions) (step-down subsidiary);
5. Centum R&D (Centum Recherche Et Développement) (step-down subsidiary);
6. Centum Adetel Transportation System (step-down subsidiary);
7. Centum Technologies ET Solutions - Société à responsabilité limite (SRL) (step-down subsidiary);
8. Centum T&S (Centum Technologies ET Solutions) (step-down subsidiary); and
9. Centum E&S (Centum Équipements ET Systèmes) (step-down subsidiary).

As on date of this Preliminary Placement Document, Centum Electronics UK Limited and Centum T&S Group Société Anonyme (S.A.) are the material Subsidiaries of our Company.

Holding Company

As on date of this Preliminary Placement Document, our Company does not have a holding company.

Our Associates

As on date of this Preliminary Placement Document, our Company has only one associate company, namely, Ausar Energy Limited (SAS).

Joint Ventures

As on the date of this Preliminary Placement Document, our Company does not have any joint ventures.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Articles of Association of our Company and by the provisions of the Companies Act and SEBI Listing Regulations and any other applicable law. The Articles of Association require that our Board of Directors shall comprise not less than three Directors and not more than twelve Directors, including all kinds of Directors, unless otherwise determined by the Company in a general meeting.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013, as amended and Regulation 17 of the SEBI Listing Regulations. As on date of this Preliminary Placement Document, our Board comprises eight Directors, including two Executive Directors (includes the Managing Director and Whole-time Director), one non-executive director, and five Independent Directors, of which one is a woman Independent Director.

The following table sets forth details of our Board of Directors as of the date of this Preliminary Placement Document:

Name, occupation, date of birth, term of appointment, DIN and nationality	Age	Designation	Address
Mallavarapu Venkata Apparao Occupation: Entrepreneur Date of birth: October 8, 1956 Term: August 1, 2020 to July 31, 2025 (5 years). DIN: 00286308 Nationality: Indian	68	Chairman and Managing Director	No. 354, 13th Cross, 5th Main, HIG Colony, RMV II Stage, Sanjay Nagar, Bangalore-560094, Karnataka, India.
Nikhil Mallavarapu Occupation: Entrepreneur Date of birth: September 18, 1986 Term: February 13, 2025, to February 12, 2030 (5 years). DIN: 00288551 Nationality: Indian	38	Executive Director	No. 354, 13th Cross, 5th Main, HIG Colony, RMV II Stage, Sanjay Nagar, Bangalore-560094, Karnataka, India.
Thiruvengadam Parthasarathi Occupation: Retired Senior Director, Deloitte India Date of birth: December 28, 1951 Term: February 8, 2021 to December 27, 2025 (5 years). DIN: 00016375 Nationality: Indian	73	Independent Director	Flat No. 201, Yadugiri Nest, Malleswaram, 11th M.N. Road, Cluny Convent, Bangalore-560003, Karnataka, India.
Velagapudi Kavitha Dutt Occupation: Business Date of birth: May 17, 1971	53	Independent Director	No. 7, First Crescent Park Road, Gandhi Nagar, Adyar, Chennai-600020, Tamil Nadu, India.

Name, occupation, date of birth, term of appointment, DIN and nationality	Age	Designation	Address
Term: March 25, 2025 to March 24, 2030 (5 years). DIN: 00139274 Nationality: Indian			
Rajiv Chandrakant Mody Occupation: Business Date of birth: April 6, 1958 Term: August 7, 2020 to August 6, 2025 (5 years). DIN: 00092037 Nationality: Indian	66	Independent Director	2978, Toran, 5th Cross, 12th Main, HAL 2nd Stage, Indiranagar, Bangalore-560008, Karnataka, India.
Manoj Nagrath Occupation: Professional Date of birth: September 3, 1958 Term: August 7, 2020 to August 6, 2025 (5 years). DIN: 01974412 Nationality: Indian	66	Independent Director	C-18, Block-C, Gulmohar Park, New Delhi 110049, India.
Tarun Sawhney Occupation: Industrialist Date of birth: September 25, 1973 Term: May 22, 2024 to May 21, 2029 (5 years) DIN: 00382878 Nationality: Indian	51	Independent Director	124, Golf Links, Delhi-110003, Delhi, India,
Tanya Mallavarapu Occupation: Entrepreneur Date of birth: February 9, 1989 Term: August 9, 2024 to liable to retire by rotation DIN: 01728446 Nationality: Indian	36	Non-Executive Director	Old no.5, New no. 6, 2nd street Subba Rao Avenue, Nungambakkam, Greams Road, Chennai-600006, Tamil Nadu, India.

Relationship between our Directors

Except for Mallavarapu Venkata Apparao who is the father of Nikhil Mallavarapu and Tanya Mallavarapu, and Nikhil Mallavarapu who is the brother of Tanya Mallavarapu, none of the other Directors are related to each other or to any of the Key Managerial Personnel and the Senior Management Personnel.

Interests of Directors

Except as disclosed below and as stated in "*Related Party Transactions*" on page 49, and to the extent of respective shareholding, remuneration, reimbursement of expenses and other benefits to which they are entitled as per their respective terms of appointment, our Directors do not have any other interest in our Company or its business:

Our Company has purchased a property from Centum Industries Private Limited on September 18, 2024 where Mallavarapu Venkata Apparao is a director. The property was purchased for use of employees as guest house of our Company.

All our Directors may be deemed to be interested to the extent of fees payable to them for attending Board and/or Board committee meetings and to the extent of reimbursement of expenses payable to them. Our Executive Directors may also be deemed to be interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. For details, see "*Related Party Transactions*" on page 49.

Except for Mallavarapu Venkata Apparao, Tanya Mallavarapu, and Nikhil Mallavarapu who are Promoters of our Company, none of our Directors have any interest in the promotion of our Company.

Our Directors may also be regarded as interested in the Equity held by them or by their relatives, if any or to the extent of benefits arising out of such shareholding and to the extent of the transactions entered into in the ordinary course of business with the companies in which our Directors hold directorship, or to the extent the Equity Shares that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees or promoters, as applicable, pursuant to this Issue. Our Directors may also be deemed to be interested to the extent of dividend payable to them and other distributions in respect of such Equity shares. Our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners and there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding. As on the date of this Preliminary Placement Document, there are no outstanding loans to our Directors from our Company.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. No payments have been made to them in respect of any such contracts, agreements or arrangements, or are proposed to be made with them.

Shareholding of Directors

Our Articles of Association do not require our Directors to hold qualification shares. The following table sets forth the number of Equity Shares held by our Directors, as applicable, as on date of this Preliminary Placement Document:

S. No.	Name of Director	Designation	No. of Equity Shares	Percentage shareholding in our Company (%)
1.	Mallavarapu Venkata Apparao	Chairman and Managing Director	5,897,549	45.73
2.	Nikhil Mallavarapu	Executive Director	652,855	5.06
3.	Tanya Mallavarapu	Non-Executive Director	644,240	5.00

Terms of appointment of Directors

Executive Directors

Mallavarapu Venkata Apparao:

Mallavarapu Venkata Apparao has been appointed as the Chairman and Managing Director, pursuant to a Board resolution passed on July 28, 2020, for a period of five years. He receives remuneration pursuant to the agreement entered between him and the Company dated July 28, 2020, and the Board resolution. The details of remuneration payable to him is as follows:

Particulars	Remuneration (Amount in ₹) (per month)
Basic	300,000
Contribution to PF	36,000
Allowances	447,800
Perquisites	2,200
Commission	He is entitled to a commission such that the aggregate of the remuneration mentioned, shall not exceed 5% of the net profits of the Company calculated in accordance with the provisions of section 198 and other provisions of the Companies Act, 2013.

Nikhil Mallavarapu:

Nikhil Mallavarapu was appointed as an Executive Director pursuant to a Board resolution dated February 13, 2020. Further, he has been recently reappointed for a term of five years pursuant to a Board resolution dated November 12, 2024. He receives remuneration pursuant to the agreement entered between him and the Company dated February 13, 2020, and the Board resolution dated February 13, 2020. The details of remuneration payable to him is as follows:

Particulars	Remuneration (Amount in ₹) (per month)
Basic	345,757
Contribution to PF	41,491
Allowances	523,499
Gratuity	16,631
Commission	He is entitled to a commission such that the aggregate of the remuneration mentioned, shall not exceed 5% of the net profits of the Company calculated in accordance with the provisions of section 198 and other provisions of the Companies Act, 2013.

Non-Executive Director and Independent Directors

Pursuant to the resolution passed by the Board on July 28, 2020, the non-executive Directors and Independent Directors are entitled to receive a sitting fee of ₹ 30,000 for attending each meeting of the Board and the audit committee.

Remuneration of the Directors

A. Executive Directors

The following table set forth the remuneration paid by our Company to the Executive Directors during Fiscals 2024, 2023, 2022, and the nine months period ended December 31, 2024:

(in ₹ million)

Name of Directors	For the nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Mallavarapu Venkata Apparao	6.93	27.39	13.63	8.97
Nikhil Mallavarapu	8.22	27.39	13.63	10.42

B. Non-Executive Director and Independent Directors

The following table sets forth the sitting fees and Director's commission paid by our Company to the Non-Executive Director and the Independent Directors, during the during Fiscals 2024, 2023, 2022, and the nine months ended December 31, 2024:

(in ₹ million)

Name	For the nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Tanya Mallavarapu*	0.09	0.54	-	-

(in ₹ million)

Name	For the nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Velagapudi Kavitha Dutt	0.09	0.65	0.62	0.62
Manoj Nagrath	0.18	0.77	0.74	0.74
Rajiv Chandrakant Mody	0.09	0.65	0.53	0.59
Tarun Sawhney#	0.06	-	-	-
Thiruvengadam Parthasarathi	0.18	0.74	0.71	0.74

**Tanya Mallavarapu was appointed as non-executive director with effect from May 27, 2023.*
#Tarun Sawhney was appointed as non-executive director with effect from May 22, 2024.

Prohibition by SEBI or Other Governmental Authorities

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI or any other governmental authority.

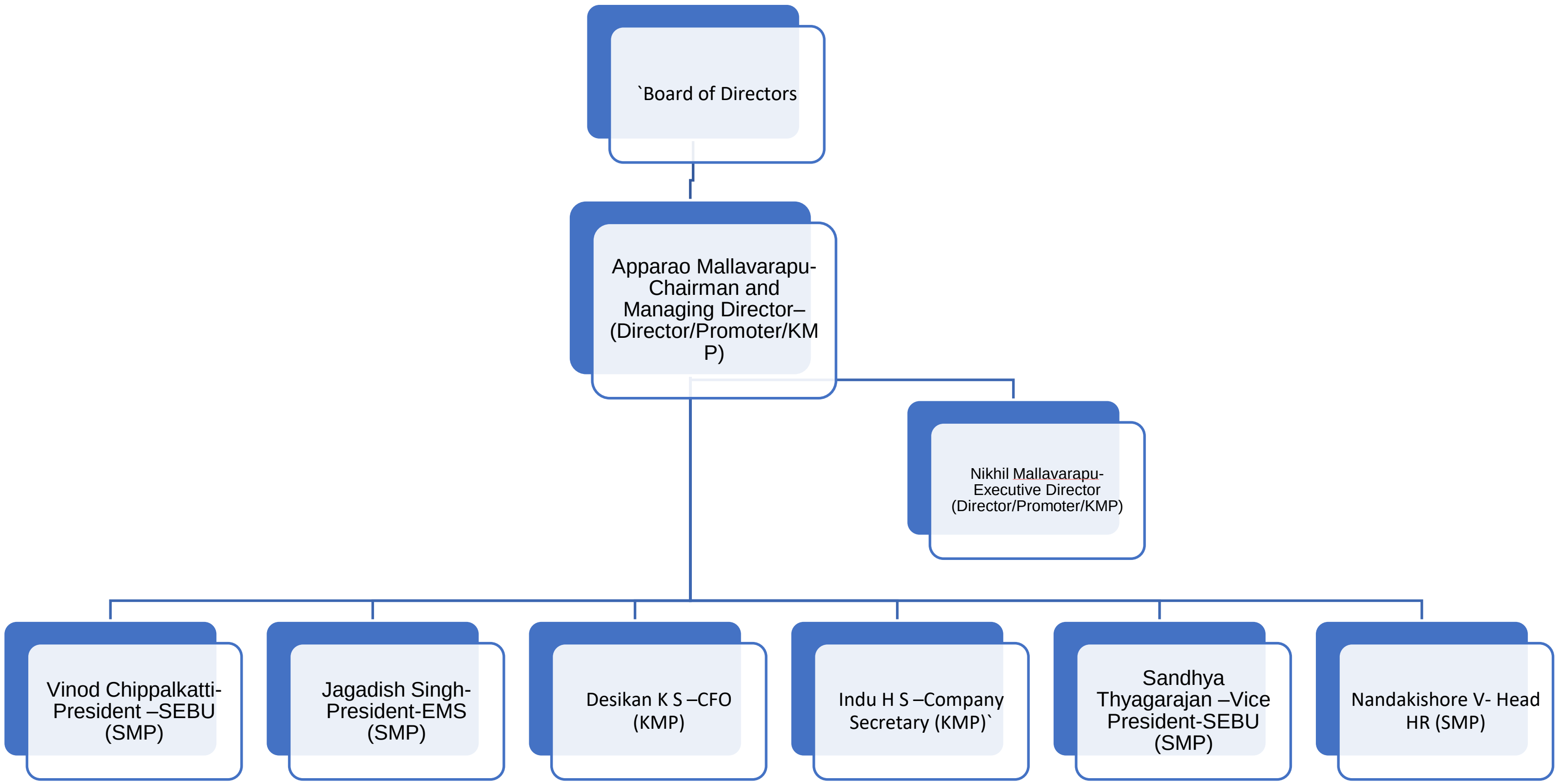
None of the Directors nor any of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

None of our Directors or Promoters have been declared as a 'fraudulent borrower' by lending banks or financial institutions or consortiums.

Borrowing Powers of the Board

In accordance with the Articles of Association, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the special resolution dated February 2, 2016 passed by our Shareholders, our Board is authorized to borrow any sum or sums of money for and on behalf of our Company for the purpose of the business of our Company, from time to time from any one or more banks, financial institutions and other persons, firms, bodies corporate, as the Board may consider fit, provided that such or sums of monies so borrowed together with monies, if any, already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up share capital of our Company and its free reserves and securities premium provided further that total amount up to which monies may be borrowed shall not exceed ₹ 5,000,000,000 at any time. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders.

ORGANISATION CHART



Key Managerial Personnel

In addition to Mallavarapu Venkata Apparao, our Chairman and Managing Director, and Nikhil Mallavarapu, our Whole-time Director, whose details are set out in "- *Board of Directors*" on page 199, the details of our other Key Managerial Personnel are given below:

Name of the Key Managerial Personnel	Designation
Karunilam Srinivasan Desikan	Chief Financial Officer
Hambige Sundaresh Babu Indu	Company Secretary and Chief Compliance Officer

Senior Management Personnel

The details of our Senior Management Personnel are given below:

Name of the Senior Management Personnel	Designation
Vinod Chippalkatti	President- SEBU
Jagadish Singh	President- EMS
Sandhya Thyagarajan	Vice President- SEBU
Nanda Kishore Vempati	General Manager- HR

As on the date of this Preliminary Placement Document, all of the Key Managerial Personnel and Senior Management Personnel of our Company are the permanent employees of our Company.

Except as mentioned in "-*Relationship between our Directors*", none of our Key Managerial Personnel or Senior Management Personnel are related to each other or to the Directors of our Company.

Shareholding of the Key Managerial Personnel and Senior Management Personnel

Except as stated below, and at *"-Shareholding of Directors"* on page 201, none of our Key Managerial Personnel or Senior Management Personnel holds any Equity Shares as on date of this Preliminary Placement Document.

No.	Name of Key Managerial Personnel & Senior Management Personnel	No. of Equity Shares held	Percentage shareholding in our Company (%)
1.	Mallavarapu Venkata Apparao	5,897,549	45.73
2.	Karunilam Srinivasan Desikan	53,050	0.41
3.	Nikhil Mallavarapu	652,855	5.06
4.	Sandhya Thyagarajan	17,127	0.13
5.	Nanda Kishore Vempati	600	0.00
6.	Vinod Chippalkatti	19,982	0.15

Interest of Key Managerial Personnel and Senior Management Personnel

Except as disclosed below and except to the extent of Equity Shares held by the Key Managerial Personnel or Senior Management Personnel of our Company mentioned above and interests as disclosed under " - *Interests of Directors"* on page 201, and other than (a) remuneration or benefits to which they are entitled as per their terms of appointment or otherwise; (b) reimbursement of expenses incurred by them during the ordinary course of business; and (c) the Equity Shares held by them or their dependants in our Company, if any and any dividend payable to them and other distributions in respect of such Equity Shares, the Key Managerial Personnel or Senior Management Personnel do not have any interest in our Company:

(i) The following property has been leased to the Company by Vinod Chippalkatti under a lease deed under the following terms and conditions:

Address	Date of lease agreement	Term of the lease	Purpose
A-801, A Block, 8th Floor, Nagarjuna Meadows, Puttenhalli, Doddaballapur Main Road, Yelahanka, Bangalore	April 5, 2024	Two years	Guest House

There are no outstanding transactions, other than in the ordinary course of business undertaken by our Company in which the senior management personnel were interested parties.

None of the Key Management Personnel or Senior Management Personnel has taken any loans from our Company. Further, our Company has not availed any loans from the Key Management Personnel or the Senior Management Personnel which are currently outstanding.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel or Senior Management Personnel is a party to any profit-sharing plan by our Company. However, certain of our Key Managerial Personnel and Senior Management Personnel are entitled to a variable pay which is based on their performance in our Company.

Corporate governance

Our Company is in compliance with the requirements with respect to the corporate governance provided in the SEBI Listing Regulations and the Companies Act, 2013, each as amended. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

The Board of Directors and committees of our Company are constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations, each as amended.

Committees of the Board

In terms of SEBI Listing Regulations and Companies Act, 2013, our Company has constituted the following committees of Directors namely:

(i) Audit Committee;
(ii) Nomination and Remuneration Committee;
(iii) Stakeholders' Relationship Committee;
(iv) Corporate Social Responsibility Committee; and
(v) Risk Management Committee.

The following table sets forth the details of the members of the aforesaid committees as of the date of this Preliminary Placement Document:

Committee	Name of the member	Designation	Capacity
Audit Committee	Manoj Nagrath	Independent Director	Chairperson
	Mallavarapu Venkata Apparao	Chairman and Managing Director	Member
	Thiruvengadam Parthasarathi	Independent Director	Member
Nomination and Remuneration Committee	Manoj Nagarath	Independent Director	Chairperson
	Mallavarapu Venkata Apparao	Chairman and Managing Director	Member
	Rajiv Chandrakant Mody	Independent Director	Member
	Velagapudi Kavitha Dutt	Independent Director	Member
Stakeholders' Relationship Committee	Manoj Nagrath	Independent Director	Chairperson
	Nikhil Mallavarapu	Executive Director	Member
	Tanya Mallavarapu	Non-Executive Director	Member
Corporate Social Responsibility Committee	Thiruvengadam Parthasarathi	Independent Director	Chairperson
	Velagapudi Kavitha Dutt	Independent Director	Member
	Tanya Mallavarapu	Non-Executive Director	Member
Risk Management Committee	Thiruvengadam Parthasarathi	Independent Director	Chairperson
	Nikhil Mallavarapu	Executive Director	Member
	Karunilam Srinivasan	Chief Financial Officer	Member

Committee	Name of the member	Designation	Capacity
	Desikan		

In addition to the above-mentioned committees, the Board has also constituted the Fund Raising Committee, to assist in discharging its functions. These Committees operate within the limit of authorities, as delegated by the Board of Directors.

Other confirmations

Except as disclosed in this Preliminary Placement Document, none of the Directors, promoters or senior management personnel of our Company have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company nor any of our Directors or Promoter have been identified as Wilful Defaulters or as a Fraudulent Borrower, as defined under the SEBI ICDR Regulations. None of our Directors has been declared a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018. Neither our Company, nor any of our Directors or Promoters are prohibited or debarred from accessing capital markets under any order or direction made by SEBI.

None of our Directors have been associated as promoters, directors or persons in control with any companies which have been prohibited or debarred from accessing the capital market, under any order or direction passed by SEBI, Stock Exchanges or any other regulatory authority or court / tribunal within or outside India.

None of the Directors, Promoters, Key Managerial Personnel or Senior Management Personnel intend to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscals, see "*Related Party Transactions*" on page 49. These disclosures made are as per the requirements of Ind AS 24.

Employee Stock Option Plan

For the details of options granted under the ESOP Schemes, please see "*Capital Structure*" on page 101.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 9(1) SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to formulate and implement a code of internal practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company has implemented an insider trading policy and code of practices and procedures for disclosure of unpublished price sensitive information in accordance with the SEBI Insider Trading Regulations. Our Company Secretary and Compliance Officer acts as the compliance officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

SHAREHOLDING PATTERN

The following table sets forth the shareholding pattern of our Company as on December 31, 2024:

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialised form (XIV)
								No of Voting Rights			Total as a % of (A+B+ C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Share s held (b)	
								Class eg: X	Class s eg:y	Total								
A	Promoter & Promoter Group	5	7,576,478	-	-	7,576,478	58.75	-	-	7,576,478	58.75	-	-	-	-	-	-	7,576,478
B	Public	18,250	5,320,329	-	-	5,320,329	41.25	-	-	5,320,329	41.25	-	-	-	-	-	-	5,247,380
C	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**18,255**	**12,896,807**	**-**	**-**	**12,896,807**	**100.00**	**-**	**-**	**12,896,807**	**100.00**	**-**	**-**	**-**	**-**	**-**	**-**	**12,823,858**

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	(XIV)
								Class X	Class Y	Total								
1	Indian																	
a	Individuals/Hindu undivided Family	5	7,576,478	-	-	7,576,478	58.75	-	-	7,576,478	58.75	-	-	-	-	-	-	7,576,478
	Mallavarapu Venkata Apparao	1	5,897,549	-	-	5,897,549	45.73	-	-	5,897,549	45.73	-	-	-	-	-	-	5,897,549
	Swarnalatha Mallavarapu	1	369,150	-	-	369,150	2.86	-	-	369,150	2.86	-	-	-	-	-	-	369,150
	M S Swarnakumari	1	12,684	-	-	12,684	0.10	-	-	12,684	0.10	-	-	-	-	-	-	12,684
	Nikhil Mallavarapu	1	652,855	-	-	652,855	5.06	-	-	652,855	5.06	-	-	-	-	-	-	652,855
	Tanya Mallavarapu	1	644,240	-	-	644,240	5.00	-	-	644,240	5.00	-	-	-	-	-	-	644,240
b	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	5	7,576,478	-	-	7,576,478	58.75	-	-	7,576,478	58.75	-	-	-	-	-	-	7,576,478
2	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	(XIV)
								Class X	Class Y	Total								
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	5	7,576,478	-	-	7,576,478	-	-	-	7,576,478	58.75	-	-	-	-	-	-	7,576,478

Table III - Statement showing shareholding pattern of the Public shareholder

Category.	Category & Name of the Shareholders (I)	Nos. of share older (III)	No. of fully paid up equity share s held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlyi ng Deposit ory Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholdin g % calculate d as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerializ ed form (XIV)
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shar es held (b)	No. (No t ap pli ca ble) (a)	As a % of total share s held (Not applic able) (b)	
								Class X	Class Y	Total								
B1	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B2	Institutions (Domestic)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Mutual Funds/	2	603,813	-	-	603,813	4.68	-	-	6,03,813	4.68	-	-	-	-	-	-	603,813
	HDFC Mutual Fund- HDFC Multi Cap Fund	1	558,984	-	-	558,984	4.33	-	-	558,984	4.33	-	-	-	-	-	-	558,984
	Alternate Investment Funds	5	427,057	-	-	427,057	3.31	-	-	427,057	3.31	-	-	-	-	-	-	427,057
	3P India Equity Fund 1	1	258,071	-	-	258,071	2.00	-	-	258,071	2.00	-	-	-	-	-	-	258,071
	Banks	1	83	-	-	83	0.00	-	-	83	0.00	-	-	-	-	-	-	-
	NBFCs registered with RBI	1	8,750	-	-	8,750	0.07	-	-	8,750	0.07	-	-	-	-	-	-	8,750
	Sub-Total (B)(2)	9	1,039,703	-	-	1,039,703	8.06	-	-	1,039,703	8.06	-	-	-	-	-	-	1,039,620
B3	Institutions (Foreign)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Foreign Portfolio Investors Category I	19	125,414	-	-	125,414	0.97	-	-	125,414	0.97	-	-	-	-	-	-	125,414
	Foreign Portfolio Investors Category II	3	7,750	-	-	7,750	0.06	-	-	7,750	0.06	-	-	-	-	-	-	7,750
	Sub-Total (B)(3)	22	133,164	-	-	133,164	1.03	-	-	133,164	1.03	-	-	-	-	-	-	133,164
B4	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B5	Non-institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Key managerial Personnel	1	53,050	-	-	53,050	0.41	-	-	53,050	0.41	-	-	-	-	-	-	53,050
	Investor Education and Protection Fund (IEPF)	1	105,019	-	-	105,019	0.81	-	-	105,019	0.81	-	-	-	-	-	-	105,019

Category.	Category & Name of the Shareholders (I)	Nos. of share older (III)	No. of fully paid up equity share s held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholdin g % calculate d as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	
								Class X	Class Y	Total								
	Resident Individual shareholders holding nominal share capital up to ₹ 0.20 million.	17,272	1,697,941	-	-	1,697,941	13.17	-	-	1,697,941	13.17	-	-	-	-	-	-	1,626,473
	Resident Individual shareholders holding nominal share capital in excess of ₹ 0.20 million.	17	1,292,470	-	-	1,292,470	10.02	-	-	1,292,470	10.02	-	-	-	-	-	-	1,292,470
	Shivani Tejas Trivedi	1	346,100	-	-	346,100	2.68	-	-	346,100	2.68	-	-	-	-	-	-	346,100
	Minal Bharat Patel	1	272,363	-	-	272,363	2.11	-	-	272,363	2.11	-	-	-	-	-	-	272,363
	Non Resident Indians (NRIs)	403	52,441	-	-	52,441	0.41	-	-	52,441	0.41	-	-	-	-	-	-	52,441
	Bodies Corporate	192	859,224	-	-	859,224	6.66	-	-	859,224	6.66	-	-	-	-	-	-	857,826
	Zen Securities Limited-Clients (Dormant)	1	190,227	-	-	190,227	1.47	-	-	190,227	1.47	-	-	-	-	-	-	190,227
	Any Other (specify)	333	87,317	-	-	87,317	0.68	-	-	87,317	0.68	-	-	-	-	-	-	87,317
	Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Independent Directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	HUF	333	87,317	-	-	87,317	0.68	-	-	87,317	0.68	-	-	-	-	-	-	87,317
	Sub-Total (B)(5)	18,219	4,147,462	-	-	4,147,462	32.16	-	-	4,147,462	32.16	-	-	-	-	-	-	4,074,596
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+(B)(4)+ +(B)(5)	18,250	5,320,329	-	-	5,320,329	41.25	-	-	5,320,329	41.25	-	-	-	-	-	-	5,247,380

Table IV - Statement showing shareholding pattern of the Non-Promoter - Non Public Shareholder

Category	Category & Name of the Shareholders (I)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)
								No of Voting Rights			Total as a % of Total Voting rights			*No.*	*As a % of total Shares held*	*No. (Not applicable)*	*As a % of total shares held (Not applicable)*	
								Class X	Class Y	Total								
C1	Custodian/DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from our Company or the Book Running Lead Manager. Prospective Investors are advised to inform themselves of any restriction or limitation that may be applicable to them.

Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See the sections "*Selling Restrictions*" *and* "*Transfer Restrictions*" *beginning on pages* 231 *and* 238*, respectively.*

Our Company, the Book Running Lead Manager and their respective directors, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations that may occur after the date of this Preliminary Placement Document.

Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Application Forms would not result in triggering a tender offer under the Takeover Regulations.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document and the Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and 62 other applicable provisions of the Companies Act, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act, a listed company in India may issue eligible securities to Eligible QIBs on a private placement basis provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to seek approval of the shareholders for the above-mentioned special resolution;

- In accordance with SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be done in dematerialised form only;

- the Promoters and Directors are not Fugitive Economic Offenders;

- the Directors are not declared as "Fraudulent Borrower" by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- the issuer shall have completed allotments with respect to any earlier offer or invitation made by the issuer or shall have withdrawn or abandoned such invitation or offer made by the issuer, except as permitted under the Companies Act;

- the issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), the issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- the Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited. In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the allottees; and

- At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Prospective purchasers were required to make certain representations, warranties and undertakings in order to participate in the Issue. Prospective purchasers are deemed to have represented to us and the Book Running Lead Manager in order to participate in the Issue that they are outside the United States and purchasing the Equity Shares in an "offshore transaction" as defined and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For details, see sections entitled "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 3, 231 and 238, respectively of this Preliminary Placement Document.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the Floor Price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated November 12, 2024 and our Shareholders through a special resolution passed by way of postal ballot on January 14, 2025, have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price.

The "relevant date" mentioned above in case of allotment of Equity Shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The Equity Shares must be allotted within 12 months from the date of the Shareholders' resolution approving the QIP and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of Allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 2,500 million; and

- five, where the issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*Bid Process - Application Form*" on page 221.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on November 12, 2024, and our Shareholders through a special resolution passed by way of postal ballot on January 14, 2025.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdictions where those offers and sales are made.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the Book Running Lead Manager shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been

dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act and PAS Rules.

2. **The list of Eligible QIBs to whom the Application Form and serially numbered Preliminary Placement Document have been delivered shall be determined by our Company in consultation with the Book Running Lead Manager. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.**

3. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the Book Running Lead Manager. Application Form may be signed physically or digitally, if required under applicable laws in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable laws. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - it has agreed to all the representations, warranties, acknowledgements and agreements set forth in or incorporated by reference in the Application Form, which will include, but will not be limited to, the representations, warranties, acknowledgements and agreements set forth in the "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 1, 3, 214, 231, and 238, respectively, which will be incorporated by reference; details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

   - Equity Shares held by the Bidder in our Company prior to the Issue; and

- it has agreed to certain other representations set forth in the Application Form and this Preliminary Placement Document.

- A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Preliminary Placement Document and in the Application Form.

NOTE**:** *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Bidders shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "Centum Electronics - QIP Escrow Account 2025" with the Escrow Bank, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 226.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. In case of Bids being made on behalf of the Eligible QIB where the Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

7. The Bidder acknowledges that in accordance with the requirement of the Companies Act, upon Allocation, our Company is required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

8. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company shall, in consultation with Book Running Lead Manager determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Manager, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated.

Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the Book Running Lead Manager.

9. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Manager, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

11. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

16. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in the Refund Intimation which will be dispatched to such Bidder.

Eligible QIBs

17. Only Eligible QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable law, will be considered as Eligible QIBs. However, with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

    - Eligible FPIs;
    - insurance companies registered with the Insurance Regulatory and Development Authority of India;
    - insurance funds set up and managed by army, navy or air force of the Union of India;
    - insurance funds set up and managed by the Department of Posts, India.
    - multilateral and bilateral development financial institutions eligible to invest in India;
    - Mutual Funds, VCFs, AIFs registered with SEBI;

- pension funds with minimum corpus of ₹ 250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹ 250 million;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and

subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND CONDITIONS AND RESTRICTIONS WHICH MAY BE SPECIFIED BY THE GOVERNMENT FROM TIME TO TIME, AND SUCH THAT THE SHAREHOLDING OF THE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCI'S ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control shall be treated as part of the same investor group) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital and the total holding of all FPIs, collectively, shall be below 24% of the paid-up equity share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e. 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 231 and 238, respectively.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoters. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoters:

- rights under a shareholders' agreement or voting agreement entered into with the promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoters.

Our Company, the Book Running Lead Manager and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, that may occur after the date of this Preliminary Placement Document.

Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs were required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Bidders shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Bidder will be deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" *and "Transfer Restrictions"* on pages 1, 3, 231 and 238, respectively:

1. Each Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Bidder confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. Each Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. Each Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. Each Bidder confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. Each Bidder confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. The Bidder agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Manager. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that, disclosure of such details as "proposed Allottees" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company,

in consultation with the Book Running Lead Manager.

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary(ies) or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Bidders acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

14. Each Bidder confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. A representation that it is outside the United States, is acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and is not an affiliate of the Company or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

BIDDERS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the Book Running Lead Manager) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at the following address:

Name	Address	Contact Person	Website and e-mail	Phone (Telephone)
DAM Capital Advisors Limited	PG 1 Ground Floor, Rotunda Building, Dalal Street, Fort, Mumbai, Stock Exchange, Mumbai - 400001, Maharashtra, India	Chandresh Sharma/ Puneet Agnihotri	Website: www.damcapital.in E-mail: cel.qip@damcapital.in Investor Grievance E-mail: complaint@damcapital.in	+91 22 4202 2500

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms shall be duly completed, and Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "*Centum Electronics - QIP Escrow Account 2025"* with the Escrow Bank, in terms of the Escrow Agreement. Each Bidder will be required to deposit the entire Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*Centum Electronics - QIP Escrow Account 2025*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "- *Refunds*" on page 226.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than

5% of the Floor Price in accordance with the approval of our Shareholders by way of a special resolution dated January 14, 2025 in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the Placement Document with the Stock Exchanges.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Manager has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the Book Running Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders. Our Company will dispatch a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares

Allocated to such Successful Bidders. Subsequently, our Board / its committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Manager.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue, and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until receipt of, the final listing and trading approvals of the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted with the Company/ Book Running Lead Manager as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "- *Bid Process*" and "- *Refunds*" on pages 221 and 226 respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Manager shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK-UP

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares

Placement Agreement

The Book Running Lead Manager and the Company have entered into a placement agreement dated March 10, 2025 (the "**Placement Agreement**"), pursuant to which the Book Running Lead Manager has agreed, subject to certain conditions, to use its reasonable efforts to procure Eligible QIBs to subscribe to such number of our Equity Shares as may be agreed among the Company and Book Running Lead Manager, pursuant to Chapter VI of the SEBI ICDR Regulations, the Companies Act read with the PAS Rules, as amended and other applicable provisions of the Companies Act and the rules made thereunder

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Manager, and it is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than to Eligible QIBs.

In connection with the Issue, the Book Running Lead Manager and its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" beginning on page 8.

From time to time, the Book Running Lead Manager and its affiliates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, our Subsidiaries, affiliates and the shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and its affiliates.

Lock-up

The Company will not for a period of 120 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Manager, directly or indirectly, (a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Share (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Equity Shares; or (c) publicly announce any intention to enter into any transaction described in (a) or (b) above, whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, however, the foregoing restriction shall not be applicable to the (i) the issuance of the Equity Shares pursuant to the Issue; and (ii) any transaction required by law or an order of a court of law or a statutory authority.

Our Promoters and members forming part of the Promoter Group, have undertaken that it will not for a period of 120 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Manager, directly or indirectly: (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. Provided, however, that none of the foregoing or below restrictions shall apply to any sale of Equity Shares (including any of the lock-up shares) by Promoters that may be undertaken, in one or more tranches, for an amount not exceeding, in aggregate, ₹ 500 million (in terms of sale value), provided such sale is promptly disclosed to the Book Running Lead Manager.

SELLING RESTRICTIONS

General

No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions*" on beginning on pages 1, 3 and 238, respectively.

Republic of India

This Preliminary Placement Document may not be distributed, directly or indirectly, in India or to residents of India and any Equity Shares may not be offered or sold, directly or indirectly, in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document is neither a public issue nor a prospectus under the Companies Act or an advertisement and should not be circulated to any person other than to whom the offer is made.

Australia

This Preliminary Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "**Corporations Act**") and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Preliminary Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" and that not it is not a "retail client" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Company that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

No financial product advice is provided in this Preliminary Placement Document and nothing in this Preliminary Placement Document should be taken to constitute a recommendation or statement of opinion that is intended to influence a person or persons in making a decision to invest in the Equity Shares offered in the Issue.

This Preliminary Placement Document does not take into account the objectives, financial situation or needs of any particular person. Before acting on the information contained in this Preliminary Placement Document, or making a decision to invest in the Equity Shares offered in the Issue, prospective investors should seek professional advice as to whether investing in the Equity Shares is appropriate in light of their own circumstances.

None of the Book Running Lead Manager or any of its affiliates is the holder of an Australian Financial Services Licence.

Bahrain

This Preliminary Placement Document may only be distributed to Accredited Investors as defined by the Central Bank of Bahrain and the Equity Shares offered in the Issue may be offered and sold only to Accredited Investors as defined by the Central Bank of Bahrain by way of private placement in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to purchase the Equity Shares in the Issue may be to the public in the Kingdom of Bahrain and this Preliminary Placement Document may not be issued, passed to, or made available to the public generally.

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein.

Cayman Islands

No offer or invitation to subscribe for the Equity Shares offered in the Issue may be made to the public in the Cayman Islands.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), an offer to the public of any Equity Shares in the Issue may not be made in that Relevant State, except if the Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

- to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Book Running Lead Manager for any such offer;
- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Book Running Lead Manager of such fact in writing and has received the consent of the Book Running Lead Manager in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Manager has been obtained to each such proposed offer or resale.

Our Company, the Book Running Lead Manager and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

This Preliminary Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Preliminary Placement Document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of this Preliminary Placement Document, they should obtain independent professional advice.

This Preliminary Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares nor an advertisement of the Equity Shares in Hong Kong. This Preliminary Placement Document must not be issued, circulated or distributed in Hong Kong other than:

(a) to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"); or

(b) in other circumstances which do not result in this Preliminary Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of this Preliminary Placement Document may issue, circulate or distribute this Preliminary Placement Document in Hong Kong or make or give a copy of this Preliminary Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Equity Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

Japan

No securities registration statement in relation to the solicitations of the Equity Shares offered in the Issue in Japan (the "**Solicitations**") has been or will be filed pursuant to Article 4, Paragraph 1 of the Financial Instrument and Exchange Law of Japan (the "**FIEL**"). The Solicitations shall only be made (i) to Qualified Institutional Investors and (ii) to no more than 49 persons (excluding any Qualified Institutional Investors) during the six month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Any Qualified Institutional Investors who acquire Equity Shares in the Issue (a) may not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Equity Shares to any person in Japan or to or for the benefit of any resident of Japan, including any corporation or other entity organised under the laws of Japan, except to Qualified Institutional Investors; and (b) shall deliver a notification indicating (a) and (b) herein to any transferee of the Equity Shares.

Capitalized terms used in this sub-section and not defined in this Preliminary Placement Document have the meanings given to those terms in the FIEL.

Kuwait

This Preliminary Placement Document has not been licensed for the offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait ("**Kuwait Securities Laws**"). Therefore, in accordance with the Kuwait Securities Laws, no private or public offering of the Equity Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the

Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Equity Shares offered in the Issue may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Preliminary Placement Document has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Preliminary Placement Document does not constitute a public offering. This Preliminary Placement Document is for the exclusive use of the person to whom it has been given by the Book Running Lead Manager and is a private concern between the sender and the recipient.

Oman

This Preliminary Placement Document does not constitute an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman. This Preliminary Placement Document is strictly private and confidential and is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

This Preliminary Placement Document has not been approved by the Capital Market Authority of Oman (the "**CMA**") or any other regulatory body or authority in the Sultanate of Oman ("**Oman**"), nor has the Book Running Lead Manager received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute the Equity Shares in Oman.

No marketing, offering, selling or distribution of any Equity Shares has been or will be made from within Oman and no subscription for any Equity Shares may or will be consummated within Oman. The Book Running Lead Manager is not a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. The Book Running Lead Manager does not advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

The Equity Shares offered in the Issue have not and will not be listed on any stock exchange in the Sultanate of Oman.

Nothing contained in this Preliminary Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Preliminary Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or an offer of Equity Shares in the State of Qatar and accordingly should not be construed as such. The Equity Shares offered in the Issue have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of the Equity Shares in the State of Qatar.

By receiving this Preliminary Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, or any other authority or agency in the State of Qatar; (b) our Company and the Book Running Lead Manager are not authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Issue has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Our Company and the Book Running Lead Manager are not, by distributing this Preliminary Placement Document, advising individuals resident in the State of Qatar as to the appropriateness of purchasing Equity Shares in the Issue. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre ("**QFC**"), and accordingly should not be construed as such. This Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licenced by or registered with any licensing authorities within the QFC.

Singapore

This Preliminary Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). Accordingly, the Equity Shares offered in the Issue may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Preliminary Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Korea (Republic of Korea)

No securities registration statement in relation to the Solicitations (as defined under Financial Investment Services and Capital Markets Act of the Republic of Korea ("**South Korea**") (the "**FISCMA**")) of the Equity Shares offered in the Issue in South Korea has been or will be filed pursuant to the FISCMA. The Solicitations shall only be made (i) to certain professionals as prescribed in the FISCMA and the enforcement decree promulgated thereunder ("**Professional Investors**") and (ii) to no more than 49 persons (excluding any Professional Investors) during the six month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Furthermore, the Equity Shares may not be offered, sold, transferred or delivered for reoffering or resale, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transactions Act of South Korea and the decree, rules and regulations promulgated thereunder) thereof for a period of one year from the date of the issuance of the Equity Shares, except as otherwise permitted under applicable South Korean laws and regulations.

Switzerland

The offering of the Equity Shares offered in the Issue in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because such offering in Switzerland is directed only at investors classified as "professional clients" within the meaning of the FinSA and the Equity Shares offered in the Offer will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the Issue.

No key information document under article 58 of the FinSA or article 59(2) of the FinSA in respect of the Issue has been prepared and published. Accordingly, the Equity Shares offered in the Issue may not be offered to "private clients" within the meaning of the FinSA in Switzerland.

Each person in Switzerland who acquires Equity Shares in the Issue shall be deemed to have represented to our Company and the Book Running Lead Manager that it is a "professional client" within the meaning of the FinSA and that it has not opted-in to be treated as a "private client" on the basis of article 5(5) of the FinSA.

This document is not intended to constitute an advertising document within the meaning of article 68 of the FinSA and article 95 of the Swiss Federal Financial Services Ordinance.

The Equity Shares do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes and are not licensed by the Swiss Financial Market Supervisory Authority ("**FINMA**") thereunder. Accordingly, neither the Equity Shares nor the Shareholders benefit from protection under the Swiss Federal Act on Collective Investment Schemes or supervision by FINMA.

United Arab Emirates (excluding the Dubai International Financial Centre)

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion"**) of this Preliminary Placement Document or the Equity Shares may be made in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of this Preliminary Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, this Preliminary Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of this Preliminary Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of this Preliminary Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the Central Bank of the United Arab Emirates or any other regulatory authority in the UAE has reviewed or approved the contents of this Preliminary Placement Document and nor does any such entity accept any liability for the contents of this Preliminary Placement Document.

Dubai International Financial Centre

The Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) (the "**Markets Rules**") adopted by the Dubai Financial Services Authority (the "**DFSA**"); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. This Preliminary Placement Document must not be delivered to, or relied on by, any other person. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set out in it and has no responsibility for it. Capitalised terms not otherwise defined in this Preliminary Placement Document have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered in the Issue should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Manager for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Equity Shares shall require our Company or the Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). This Preliminary Placement Document is directed only at relevant persons. Other persons should not act on this Preliminary Placement Document or any of its contents. This Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S. To help ensure compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "*Transfer Restrictions*" on page 238. The Equity Shares purchased in the Issue are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 238.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares offered in the Issue within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Allottees are not permitted to sell the Equity Shares for a period of one year from the date of Allotment except through the Stock Exchanges. Investors are advised to consult their legal counsel prior to making any resale, pledge, or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including FVCIs, VCFs and AIFs in the Issue, may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them.

The Equity Shares Allotted in the Issue are also subject to the resale restrictions in "*Selling Restrictions*" on page 231 and the following resale restrictions.

United States

Each purchaser of the Equity Shares offered in the Issue shall be deemed to have represented, warranted and acknowledged to and agreed with our Company and the Book Running Lead Manager as follows:

- It understands that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.
- It was outside the United States at the time the offer of the Equity Shares offered in the Issue was made to it and it was outside the United States when its buy order for the Equity Shares offered in the Issue was originated.
- It did not purchase the Equity Shares offered in the Issue as a result of any "directed selling efforts" (as defined in Regulation S).
- It is buying the Equity Shares offered in the Issue for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Issue, it agrees that it will not offer, sell, pledge or otherwise transfer the Equity Shares offered in the Issue except in transactions complying with Rule 903 or Rule 904 of Regulation S or an available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.
- Where it is subscribing to the Equity Shares offered in the Issue as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.
- Where it is subscribing to the Equity Shares offered in the Issue for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Equity Shares offered in the Issue for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.
- It agrees to indemnify and hold our Company and the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Issue.
- It acknowledges that our Company, the Book Running Lead Manager and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Our Company, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 9, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "SCR (SECC) Rules"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or noncompliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended govern the voluntary and compulsory delisting of equity shares from the stock exchanges. Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of 230 any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, respectively, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Further, pursuant to the budget for financial year 2020, SEBI has been authorised to consider increasing the minimum public shareholding requirement to 35%. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognized as a stock exchange under the SCRA in April 1993.

Internet-based Securities Trading and Security Trading using Wireless Technology Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

Trading Hours

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE On-line Trading facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back office work.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Prohibition of Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, inter alia, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum of Association, Articles of Association and the Companies Act. Prospective Investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares. Capitalised terms used and not defined herein, shall have the same meaning as ascribed to such words in the Memorandum and Articles of Association.

General

The authorised share capital of our Company is ₹ 155,000,000 divided into 15,500,000 Equity Shares having face value of ₹ 10 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of our Company is ₹ 128,968,070 divided into 12,896,807 Equity Shares having face value of ₹ 10 each. The Equity Shares are listed on BSE and NSE.

Memorandum and Articles of Association

Our Company is governed by its Memorandum and Articles of Association.

Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

1. *To carry on the business of manufactures, importers, exporters, dealers, traders, consignors, consignees, mercantile agents, manufactures' representative, stockists, distributors, developers and / or otherwise deal in electronic, telecommunication and electrical components, spare parts, assemblies, instruments, devices, appliances, equipments, computer hardware, software and peripherals of all kinds and description.*

2. *To carry on the business of manufacturers, assemblers, exporters, importers, stockists, manufacturers' representative, distributors, mercantile agents, traders, lessors, repairers, dealers and / or otherwise deal in all kind of machinery, spare parts, chemicals, chemical compounds, and products, and other materials and things, used in connection with manufacturing, assembling and working of electronic, telecommunication and electrical industries.*

Dividend

Under Indian law, a company pays dividend upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at in accordance with the provisions of the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a lesser dividend in the general meeting. In addition, as is permitted by the Articles of Association, the Board of Directors may pay interim dividend at such intervals as it may think fit, subject to the requirements of the Companies Act.

These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

The Equity Shares issued pursuant to this Preliminary Placement Document and the Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of the Act and no dividend shall carry interest as against the Company.

Bonus issue and capitalisation of profits

The Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account, to its shareholders, in the form of fully paid up bonus shares. Bonus shares are distributed to shareholders in the proportion of the number of ordinary shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to regulations issued by SEBI. Further, as per the Companies Act, 2013, bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/ interest payments on fixed deposits or debt securities issued by it. The bonus issue must be made out of free reserves built out of profits or share premium account collected in cash only and not from reserves created by revaluation of fixed assets. Further, bonus shares cannot be issued in lieu of dividend.

Share capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62 of the Companies Act, 2013, such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board of directors of a company may dispose of the shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of a company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

The Articles of Association authorise our Company to, from time to time, increase its share capital by such sum, to be divided into shares of such amount, as may be specified pursuant to a resolution. Subject to the provisions of Section 61 of the Companies Act, 2013 and the Articles of Association, our Company may, by ordinary resolution, (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Companies Act; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the share so cancelled. The Articles of Association also provide that our Company may issue shares with differential rights as to dividend, voting or otherwise in accordance with the Companies Act.

Pre-emptive rights and issue of additional shares

The Companies Act, 2013 gives shareholders the right to subscribe for new shares in proportion to their existing shareholdings unless otherwise determined by a resolution passed by three-fourths of the shareholders present and voting at a general meeting. Under the Companies Act, 2013 and the Articles, in the event of an issuance of securities, subject to the limitations set forth above, our Company must first offer the new Equity Shares to the holders of Equity Shares on a fixed record date. The offer, required to be made by notice, must include:

- the right exercisable by the shareholders as on record date, to renounce the Equity Shares offered in favour of any other person;
- the number of Equity Shares offered; and
- the period of the offer, which may not be less than 15 days from the date of the offer and shall not exceed thirty days. If the offer is not accepted, it is deemed to have been declined.

The Board is permitted to distribute Equity Shares not accepted by existing shareholders in the manner it deems beneficial for us in accordance with the Articles.

General meetings of shareholders

There are two types of general meetings of the shareholders:

(i) AGM; and

(ii) EGM.

Our Company must hold its AGM within six (6) months after the expiry of each fiscal year provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three (3) months. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's paid-up share capital, in accordance with Section 100 of the Companies Act, 2013.

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

Our Company may also pass resolutions by means of postal ballot and/or other ways as may be prescribed under Section 110 of the Companies Act, 2013 and/or other applicable provisions, if any, and any future amendments or re-enactments, in respect of any business that can be transacted by our Company in a general meeting, instead of transacting the business therein. Further, in the case of resolutions relating to such business as the Government of India may prescribe, to be conducted only by postal ballot and/or other ways as may be prescribed, our Company shall get such resolutions passed only by postal ballot and/or other ways as may be prescribed, instead of transacting the business in a general meeting of the Company.

Voting rights

At a general meeting, every member holding shares is entitled to vote through e-voting process. Upon a poll, the voting rights of each member entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. The Chairman of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form prescribed. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

Transfer of shares

The equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Buy-back

Our Company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Liquidation rights

If a company is wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Act, 2013, divide amongst the members, *in specie* or in kind, the whole or any part of the assets of the company and may, with the same sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories, as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. The liquidator may set any such value upon any property to be divided as he deems fair and how such division shall be carried out between the members or different classes of members.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Centum Electronics Limited
44, KHB Industrial Area, Yelahanka,
Bangalore – 560064, Karnataka, India–
Dear Sirs,

Statement of Possible Tax Benefits available to Centum Electronics Limited and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure, prepared by Centum Electronics Limited ('the Company'), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act'), the Income-tax Rules, 1962, applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26 presently in force in India (referred to as the "**Direct Tax Laws**"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The possible tax benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offering of equity shares of face value of Rs. 10 each ("**Equity Shares**") by the Company in a Qualified Institutions Placement in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**Offering**"). We are neither suggesting nor advising the investors to invest in the Offering relying on this statement.

3. We do not express any opinion or provide any assurance as to whether:

   i) the Company or its shareholders will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed Annexure are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

5. This Statement is issued solely in inclusion in the Preliminary Placement Document ("**PPD**") and the Placement Document ("**PD**") in connection with the Offering, to be filed by the Company with the National Stock Exchange of India Limited and BSE Limited, and is not to be used, referred to or distributed for any other purpose. We have no responsibility to update this Statement for events and circumstances occurring after the date of this Statement.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navin Agrawal
Partner
Membership Number: 056102
UDIN: 25056102BMMHCU5993

Place of Signature: Bengaluru
Date: March 10, 2025

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAWS ("TAX LAWS") IN INDIA

UNDER THE TAX LAWS

1. **Benefits under Income Tax Act, 1961 ("the Act"):**

The information outlined below sets out the possible tax benefits available to the Company and its shareholders under the Tax Laws in force in India (i.e. applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26). It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

A. ***Possible tax benefits available to the Company***

(a) **Lower corporate tax rates on income of domestic companies - Section 115BAA of the Act**

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfilment of certain conditions. The option to apply this tax rate is available from FY 2019-20 relevant to AY 2020-21 and the option once exercised shall apply to all subsequent assessment years. The concessional rate of 22% is subject to the Company not availing any of the following specified tax exemptions/incentives under the Act:

- Deduction u/s 10AA: Tax holiday available to units in a Special Economic Zone;
- Deductions available under the Chapter VI-A except under section 80JJAA and section 80M;
- Deduction u/s 32(1)(iia): Additional Depreciation;
- Deduction u/s 32AD: Investment allowance;
- Deduction u/s 35AD: Deduction for capital expenditure incurred on specified businesses;
- Deduction under certain sub-sections/clauses of Section 35: Expenditure on scientific research.

The total income of a company availing the concessional rate of 22% is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/ incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Note: The Company has opted to apply section 115BAA of the Act from FY 2020-21.

(b) **Deductions in respect of employment of new employees - Section 80JJAA of the Act**

As per section 80JJAA, where a company is subject to tax audit under section 44AB of the Act and derives income from business, shall be allowed deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employee cost is incurred.

Additional employee cost means the total emoluments paid or payable to additional employees employed in the previous year through an account payee cheque or account payee bank draft or by use of electronic clearing system through a bank account or through such other electronic mode as may be prescribed. These employees should also have total salary not more than ₹ 25,000/- per month and should also be member of a recognized provident fund.

The deduction under section 80JJAA would continue to be available to the company even where the Company opts for the lower tax rate of 22% under the provisions of section 115BAA of the Act (as discussed above).

(c) **Deductions in respect of inter-corporate dividends – Deduction under Section 80M of the Act**

As per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company or a business trust shall be eligible for deduction while computing its total income for the relevant year. A deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date.

B. ***Possible tax benefits available to the Shareholders of the Company***

Dividend income will be subject to tax in the hands of domestic shareholders at the applicable slab rate/ corporate tax rate (plus applicable surcharge and cess). In case of non-resident shareholders, tax will be applicable at 20% (plus applicable surcharge and cess) or as per applicable Double Taxation Avoidance Agreement ('DTAA').

Long term capital gains exceeding ₹ 1,25,000 on transfer of listed equity shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of section 112A of the Act at 12.5% (plus applicable surcharge and cess). The benefit of indexation of costs shall not be available. As per section 2(29AA) read with section 2 (42A) of the Act, a listed equity share is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

Short term capital gains arising on transfer of shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of section 111A of the Act at 20% (plus applicable surcharge and cess).

Non-resident shareholders including foreign portfolio investors may choose to be governed by the provisions of Double Taxation Avoidance Agreement, to the extent they are more beneficial and subject to provision of the prescribed documents.

Notes

i) We have not considered the general tax benefits available to the Company and its Shareholders of the Company.

ii) The above Annexure to the Statement of possible tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

iii) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable double taxation avoidance agreement, if any, between India and the country in which the non-resident has fiscal domicile.

iv) This Annexure does not discuss any tax consequences in any country outside India of an investment in the shares of the Company. The shareholders/investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

v) The tax benefits discussed in this Annexure are not exhaustive and are only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax advisor with respect to the specific tax implications arising out of their participation in the issue.

vi) No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We will not be liable to any other person in respect of this Annexure.

For Centum Electronics Limited

Name: Desikan Srinivasan
Designation: Chief Financial Officer

Place: Bengaluru, India
Date: March 10, 2025

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDIARY OF THE COMPANY UNDER THE APPLICABLE LAWS IN FRANCE

To:

The Board of Directors
Centum T&S Group Société Anonyme (S.A.) 4 chemin du Ruisseau
69130 ECULLY, FRANCE

Centum Electronics Limited
44, KHB Industrial Area, Yelahanka,
Bangalore – 560064, Karnataka, India

Dear Sirs,

Statement of Possible Tax Benefits available to Centum T&S Group Société Anonyme (S.A.) of Centum Electronics Limited under applicable tax laws of FRANCE, prepared in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")

1. We, YTHAK, Chartered Accountants, the independent firm of chartered accountants, appointed by in terms of our engagement letter dated, September 24, 2024, hereby confirm that the enclosed Annexure ("**Statement**"), provides the possible tax benefits available to Centum T&S Group Société Anonyme (S.A.) i.e., subsidiary of Centum Electronics Limited (the "**Company**") determined to be material in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Material Subsidiary**"), under the tax laws presently in force in FRANCE (collectively referred to as the "**Tax Laws**"). These tax benefits are dependent on the Material Subsidiary fulfilling certain conditions prescribed under the relevant Tax Laws. Hence, the ability of the Material Subsidiary to derive these tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Material Subsidiary may face in the future and accordingly, Material Subsidiary may or may not choose to fulfill.

2. The benefits discussed in the enclosed Statement cover only the tax benefits available to the Material Subsidiary and does not capture the general tax benefits available to them. Special tax benefits are benefits that are generally not available to all companies. Further, the Statement is intended to provide general information and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offering of equity shares of face value of Rs. 10 each ("**Equity Shares**") by the Company in a Qualified Institutions Placement in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations (the "**Issue**"). We are neither suggesting nor advising the investors to invest in the Offering relying on this statement.

3. We do not express any opinion or provide any assurance as to whether:

i) the material subsidiaries will continue to obtain these benefits in future;
ii) the conditions prescribed for availing the benefits have been / would be met with; and
iii) the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Material Subsidiary and on the basis of their understanding of the business activities and operations of the Material Subsidiary.

5. This Statement is issued solely in inclusion in the Preliminary Placement Document ("**PPD**") and the Placement Document ("**PD**") in connection with the Issue, to be filed by the Company with the National Stock Exchange of India Limited and BSE Limited, and is not to be used, referred to or distributed for any other purpose. We have no responsibility to update this Statement for events and circumstances occurring after the date of this Statement.

For **YTHAK**
Chartered Accountants
Firm Registration Number: SIREN 908777980

per Pierre-Maxime REJOL
Partner

Place of Signature: Grenoble
Date: March 10, 2025

CC:

DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor, Unit No. 1511,
G Block, Bandra Kurla Complex,
Bandra East, Mumbai - 400051,
Maharashtra, India

Annexure – Statement of Tax Benefits

Possible tax available to the Material Subsidiary of the Company under the applicable laws in France

1. Research tax credit

According to the article 244 quarter B of French tax law, the research tax credit (crédit d'impôt recherche in French ("**CIR**")) is a tax measure enabling companies to finance their research and development (R&D) and innovation activities. Centum T&S Group Société Anonyme (S.A.) (along with Centum T&S (Centum Technologies ET Solutions), a subsidiary of the Centum T&S Group Société Anonyme (S.A.)), through their activities, can ask for this tax credit. Centum T&S Group Société Anonyme (S.A.) is receiving tax benefit through Centum T&S (Centum Technologies ET Solutions). The research tax credit is deducted directly from the corporation tax of the Company claiming it. If it exceeds the tax due, it is deducted from the tax payable for the following three years. Once the three years have elapsed, if the CIR remains higher than the tax due, the remaining amount will be paid to the Company by tax authorities.

Centum T&S Group Société Anonyme (S.A.), and its French subsidiaries, namely, Centum T&S (Centum Technologies ET Solutions), Centum R&D (Centum Recherche Et Développement) and Centum Adetel Transportation System ("**Group**") had no taxable income for several years, research tax credit cannot be deducted from corporation tax so it is paid within three years. In order to avoid this delay, the Group has recourse to pre-financing by a pre-financing organization.

Research tax credit for calendar year 2024 reached a total of 2.935M€ for the Group.

2. Tax loss carry forwards

According to French tax law, the Group, subject to corporation tax (impôt sur les sociétés in French) which incurs a deficit during a financial year can carry the deficit forward and deduct it from the next year's profits. Loss carry forwards can only be used if the tax group generates profits in future years.

As at March 31, 2024 (last accounting year-end), tax loss carry forwards amount 62.391M€ for the Group.

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDIARY OF THE COMPANY UNDER THE APPLICABLE LAWS IN UNITED KINGDOM

The Board of Directors
Centum Electronics UK Limited
16 Great Queen Street
London WC2B 5AH
United Kingdom

The Board of Directors
Centum Electronics Limited
44, KHB Industrial Area, Yelahanka,
Bangalore – 560064, Karnataka, India

Date: March 10, 2025

Dear Sirs

Statement of Possible Tax Benefits available to Centum Electronics UK Limited of Centum Electronics Limited under applicable tax laws of United Kingdom, prepared in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")

1. We, Blick Rothenberg Audit LLP, Chartered Accountants, the independent firm of chartered accountants, appointed by in terms of our engagement letter dated 17 June 2024, hereby confirm that the enclosed Annexure ("**Statement**"), provides the possible tax benefits available to Centum Electronics UK Limited i.e., subsidiary of Centum Electronics Limited (the "**Company**") determined to be material in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Material Subsidiary**"), under the tax laws presently in force in the United Kingdom (collectively referred to as the "**Tax Laws**"). These tax benefits are dependent on the Material Subsidiary fulfilling certain conditions prescribed under the relevant Tax Laws. Hence, the ability of the Material Subsidiary to derive these tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Material Subsidiary may face in the future and accordingly, Material Subsidiary may or may not choose to fulfill.

2. The benefits set out in the enclosed Statement cover only the tax benefits available to the Material Subsidiary and does not capture the general tax benefits available to them. Special tax benefits are benefits that are generally not available to all companies. Further, the Statement is intended to provide general information and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offering of equity shares of face value of Rs. 10 each ("**Equity Shares**") by the Company in a Qualified Institutions Placement in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations (the "**Issue**"). We are neither suggesting nor advising the investors to invest in the Offering relying on this statement.

3. We do not express any opinion or provide any assurance as to whether:

    i. the material subsidiaries will continue to obtain these benefits in future;
    ii. the conditions prescribed for availing the benefits have been / would be met with; and
    iii. the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Material Subsidiary and on the basis of their understanding of the business activities and operations of the Material Subsidiary.

5. This Statement is issued solely in inclusion in the Preliminary Placement Document ("**PPD**") and the Placement Document ("**PD**") in connection with the Issue, to be filed by the Company with the National Stock Exchange of India Limited and BSE Limited, and is not to be used, referred to or distributed for any other purpose. We have no responsibility to update this Statement for events and circumstances occurring after the date of this Statement.

For Blick Rothenberg Audit LLP, Chartered Accountants
16 Great Queen Street, London WC2B 5AH, United Kingdom
ICAEW Firm Registration Number: C003391218

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Nicholas Winters
Partner
Membership Number: 7603575

Place of Signature: London
Date: 10 March 2025

CC:

DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor, Unit No. 1511,
G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051,
Maharashtra, India

Statement of Possible Tax Benefits available to Centum Electronics UK Limited ("the Company") under applicable tax laws of United Kingdom ("Tax Laws"), prepared in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")

Outlined below are the Possible Tax Benefits available to the Company, its shareholders and its material subsidiaries under the Tax Laws. These Possible Tax Benefits are dependent on the Company, its shareholders and its material subsidiaries fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company, its shareholders and its material subsidiaries to derive the Possible Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil.

Possible Tax Benefits available to the Company

None – there are no Tax Benefits available to the Company under Tax Laws.

For Blick Rothenberg Audit LLP, Chartered Accountants
16 Great Queen Street, London WC2B 5AH, United Kingdom
ICAEW Firm Registration Number: C003391218

____

Nicholas Winters
Partner
Membership Number: 7603575
Place of Signature: London
Date: 10 March 2025

LEGAL PROCEEDINGS

As on date of this Preliminary Placement Document, except as disclosed below, there are no outstanding litigation, suits, including any tax proceedings or any other claims, disputes, legal or show cause notices, investigations or complaints determined as material in accordance with the Company's 'Policy on Disclosure of Material Events / Information" framed in accordance with Regulation 30 of the SEBI Listing Regulations.

*Notwithstanding such materiality policy, solely for the purpose of the Issue, in accordance with the resolution passed by our Fund Raising Committee on March 10, 2025, except as disclosed in this section, there are no: (i) outstanding criminal proceedings involving our Company, or its Subsidiaries (collectively, "**Relevant Parties**"); (ii) outstanding actions by statutory or regulatory authorities against our Company or its Subsidiaries along with any show cause notices received from a statutory or regulatory authority by our Company or its Subsidiaries ; (iii) a consolidated disclosure of all claims related to direct and indirect taxes involving our Company and/or Subsidiaries; (iv) outstanding civil litigation proceedings involving our Company and/or Subsidiaries, which involve an amount equivalent to or above ₹ 10.49 million which is 5% of the average of absolute value of profit or loss after tax based on the last three audited consolidated financial statements of the Company for the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024; (v) other outstanding proceedings involving our Company and/or Subsidiaries wherein a monetary liability is not determinable or quantifiable, or which does not exceed the threshold as specified in (iv) above, which if results in an adverse outcome would have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company and (vi) all legal proceedings involving the promoters or directors of our Company, which, if result in an adverse outcome, would materially and adversely affect the financial position, business, operations, prospects, or reputation of the Company (along with Policy on Disclosure of Material Events / Information, referred to as "**Materiality Policy**").*

Further, pre-litigation notices received by any of the Relevant Parties, from third parties (excluding statutory/regulatory/ judicial/quasi-judicial/government/tax authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of the Relevant Parties, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Further, as on date of this Preliminary Placement Document, except as disclosed in this section: (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of issue of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there have been no inquiries, inspections or investigations initiated or conducted against our Company, under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company; (iii) our Company has no defaults in repayment of (a) statutory dues, (b) debentures and interest thereon, (c) deposits and interest thereon and (d) loans from any bank or financial institution and interest thereon (except where there is dispute under litigation); (iv) our Company has not made any default in annual filings of our Company under the Companies Act, 2013 or the rules made thereunder; (v) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; (vi) there have been no acts of material fraud committed against our Company in the last three years preceding the issue of this Preliminary Placement Document; and (vii) there are no reservations, qualifications or adverse remarks of auditors in their respective reports on our audited consolidated and standalone financial statements for the last five Fiscals preceding the year of the issue of this Preliminary Placement Document.

Summaries of certain legal proceedings and certain other proceedings which may be construed as material for the purpose of this section of this Preliminary Placement Document, are set forth below:

I. Litigation involving our Company

(a) *Criminal proceedings*

Against our Company

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against our Company.

By our Company

1. Our Company filed a criminal complaint having number 14271/2015 before the Court of the IV Additional Chief Metropolitan Magistrate, Bangalore under Section 200 of Cr.PC against Ganesh Rajan ("**Accused**") under Section 406, 408, 415, 420 of the Indian Penal Code, 1860. Further, a first information report having crime number 0269/2016 was filed against the Accused under Sections 406, 408, 415, 420 of the Indian Penal Code, 1860. The Accused was an employee of the Company and was appointed as senior engineer in our sourcing department. The Accused allegedly favoured one certain supplier and procured the products to the Company at higher pricing causing loss to the Company and misappropriated an amount of ₹ 2.30 million. The matter is presently pending.

2. Our Company has filed a first information report having crime number 0386/2024 with Yelahanka New Town police station against Anil Kumar D ("**Accused**") under Sections 408 and 420 of the Indian Penal Code, 1860. The Accused was an employee of the Company from June 6, 2022, to February 13, 2024 and allegedly siphoning off ₹ 2.42 million during his tenure in the Company. The matter is presently pending.

3. Our Company has filed a first information report having crime number 0492/2024 with Yelahanka New Town police station ("**Police Station**") against Ravishankar B M ("**Accused**") under Section 306 of the Bharatiya Nyaya Sanhita, 2023. Further, the Company had written a letter dated November 20, 2024 to the inspector of the Police Station giving the technical evidence and details of discrepancies in recovery of the gold. The Accused was an employee of the Company and allegedly stole 477 grams of gold paste belonging to the Company. The matter is presently pending.

(b) Civil proceedings

Against our Company

1. A writ petition bearing number Cop 5703/2016 ("**Petition**") has been filed by Yokogawa Electric Corporation ("**Petitioner**") under article 226 of the Constitution of India against Union of India, the Deputy Registrar of Trade Marks ("**Deputy Registrar**") and Centum Industries Private Limited ("**Centum industries**") under article 226 of the Constitution of India before the Hon'ble High Court of Judicature of Madras ("**Hon'ble Court**"). Centum Industries had filed application for registration of the mark 'CENTUM' under application number 1587782 under class 9 in respect of "*Electrical, Electronics and Electro-mechanical items*" ("**Mark**"). A notice of opposition dated November 17, 2022 was filed by the Petitioner against the said mark and opposition was taken on record by Deputy Registrar and Centum Industries had filed the counter statement dated February 6, 2012 for the same. The Petitioner then filed an interlocutory petition on August 24, 2012 ("**Interlocutory Petition**") along with an affidavit dated August 13, 2012 ("**Affidavit**") and supporting exhibits being Petitioners' evidence to support his opposition. The Deputy Registrar vide its order dated October 21, 2014 rejected the Interlocutory Petition and refused to take the Affidavit and supporting exhibits on record. The Petition has been filed to set aside the Order and take on record the Affidavit and take on record the supporting exhibits. Our Company had entered into a business transfer agreement dated December 1, 2015 and deed of assignement dated December 3, 2016 with Centum Industries wherein the division of Centum Industries engaged in plastics and defence & space business and the Mark was purchased by the Company. The matter is presently pending.

2. BBSI Pte Limited, a raw material supplier of our Company ("**BBSI**") had filed a civil suit for

recovery having number O.S. 3505/2017 ("**Suit**") before the Hon'ble Additional City Civil and Sessions Judge at Bangalore ("**Court**") claiming a sum of USD 1,52,311.60 together with continued interest on the principal amount of US$ 1,25,579.60 ("**Principal Amount**") with interest at 12% per annum from the date of the suit till the realization of the amount. The Plaintiff had claimed that it had procured various products on the basis of purchase orders placed by the Company and had accordingly delivered a portion of the products to the Company and raised invoices for the supply of the said products. However, no payment was made by the Company to BBSI. The Court vide its order dated July 20, 2021 ("**Order**") directed our Company to pay BBSI an aggregate sum of US$ 1,52,311.60 comprising of the principal sum of US$ 1,25,579.60 along with interest thereon amounting to US$ 26,732 together with continuing interest on the Principal Amount at the rate of 12% per annum from the date of the Suit until the payment. Our Company has filed an appeal bearing RFA No. 832/2022 before the High Court of Karnataka against BBSI praying to set aside the Order and dismiss the Suit filed by BBSI. The matter is presently pending.

By our Company

As on the date of this Preliminary Placement Document, there are no material civil proceedings by our Company.

(c) *Actions by statutory or regulatory authorities*

As on the date of this Preliminary Placement Document, there are no actions taken against our Company by any statutory or regulatory authorities.

II. Litigation involving our Subsidiaries

(a) *Civil proceedings involving our Subsidiaries*

As on the date of this Preliminary Placement Document, there are no material civil proceedings involving our Subsidiaries.

(b) *Criminal proceedings involving our Subsidiaries*

As on the date of this Preliminary Placement Document, there are no outstanding criminal proceedings against our Company.

(c) *Actions by statutory or regulatory authorities*

As on the date of this Preliminary Placement Document, there are no actions taken against our Subsidiaries by any statutory or regulatory authorities.

III. Tax proceedings involving the Company and the Subsidiaries

We have disclosed claims relating to direct and indirect taxes involving the Company and Subsidiaries in a consolidated manner, as on the date of this Preliminary Placement Document, giving details of number of cases and the total amount involved in such claims, to the extent quantifiable.

Nature of cases	Number of cases	Amount involved (in ₹ million)*
Company		
Direct tax	1	46.44
Indirect tax	5	124.22
Total	6	170.66
Subsidiaries		
Direct tax	-	-
Indirect tax	-	-
Total	-	-

**To the extent quantifiable.*

IV. Litigation involving our Directors or Promoters

As on date of this Preliminary Placement Document, our Directors or Promoters are not involved in any pending legal proceedings, an adverse outcome of which, would materially and adversely affect the financial position, business, operations, prospects, or reputation of the Company.

V. Inquiries, inspections, or investigations initiated or conducted under the Companies Act, 2013 in the last three years preceding the year of the Issue Documents, involving our Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, or offences compounded in the last three years immediately preceding the year of the Issue Documents, involving our Company and its Subsidiaries.

There have been no inquiries, inspections or investigations initiated or conducted against the Company or Subsidiaries under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving the Company or Subsidiaries.

VI. Litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of the Issue Documents, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

There are no litigations or legal actions pending or taken by any Ministry or Department of the Government or any statutory authority and there are no directions issued by such Ministry or Department of the Government or statutory authority upon conclusion of such litigation or legal action against our Promoters during the last three years immediately preceding the year of the issue of this Preliminary Placement Document.

VII. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company.

Except as disclosed below, there have been no material frauds committed against the Company in the last three years preceding the date of this Preliminary Placement Document.

S. No.	Period ended	Details of the fraud and amount involved	Actions taken
1.	June 2024	An employee Anil Kumar ("**Anil**") working as finance officer in finance department has cheated the Company (Strategic Electronics Business Unit Division) and siphoned off ₹ 2.42 million during his tenure in the Company. He worked in the Company from June 6, 2022 to February 13, 2024. While making payments to vendors, he changed the bank account numbers to his father's bank account, his friend's bank accounts and his relative's bank account and made the payment.	1.FIR was filed against Anil Kumar. 2.Approx 93% reconciliation of the payment has been done for the payment done by Anil Kumar during his tenure at the Company to ensure that quantum of loss. 3.The payment process was reviewed, and the gaps were identified. 4. H2H (Host to Host) payment system is implemented for Kotak Mahindra Bank Limited which directly integrate our ERP with the bank's Host to Host server to make payments seamlessly. Implementation of H2H for HDFC Bank Limited is under process and expected to be implemented in due course. 5. The prior beneficiary approval in the bank portal is made mandatory to ensure that payments are processed only to the pre-approved bank details of the Supplier.

S. No.	Period ended	Details of the fraud and amount involved	Actions taken
			6. Insurance claim has been filed. 7.Received a PDC cheques from Anil towards the payment of the amount of ₹ 2.42 million over the period of three years.
2.	September 2024	An employee Ravishankar B M (Sr Engineer) ("**Ravishankar**") from printing, firing an trimming team in micro electronics department had stolen the gold paste weighing nearly 477 grams over a period of two years valuing nearly ₹ 6.87 million from the Company (Strategic Electronics Business Unit Division) during his tenure in the Company. He was working in the Company from June 1, 2005 to October 4, 2024 (19 years) Using customers name, he had asked technicians to give the gold paste to give to the customers. Technicians' handed over the paste to Ravishankar in various quantities on various dates. All the time, Ravishankar took the paste and did not handed over the same to any of the customers or any other employee in the Company.	1.FIR was filed against Ravishankar B M. 2.The employee has been dismissed from his job. 3.The existing process of issuance and consumption of gold paste was reviewed in detailed and necessary controls were put into place to avoid such instances. 4.126 grams of gold recovered so far from Ravishankar B M. 5.Insurance claim has been filed.

VIII. ***Details of default, if any, including the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon.***

Except as disclosed below, the Company has no defaults in repayment of statutory dues, dues' payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

S. No.	Fiscal Year	Nature of Default	Amount involved (In ₹)	Duration of default (No. of Days)	Current Status
1.	2024	Payment of Advance Tax	119.35	170 Days	Paid
2.	2023	Property Tax- BBMP	8.22	1,826 Days	Paid
3.	2022	Property Tax- BBMP	7.54	1,461 Days	Paid
4.	2022	Employee State Insurance	0.02	1 Day	Paid

S. No.	Fiscal Year	Nature of Default	Amount involved (In ₹)	Duration of default (No. of Days)	Current Status
5.	2022	Employee Provident Fund	0.19	7 Days	Paid
6.	2021	Tax Deducted at Source	3.60	53 Days	Paid
7.	2021	Employee State Insurance	0.00	31 Days	Paid
8.	2021	Property Tax- BBMP	4.40	1,096 Days	Paid

Note: In Fiscal 2020, basis judgment of the Supreme Court dated February 28, 2019, relating to the definition of wages under Provident Fund Act, 1952, the Company had made provision for contribution to provident fund amounting to ₹ 3.33 million. However, basis circular no. C-I/1(33)2019/Vivekanand Vidyamandir/717 dated August 28, 2019 issued by the Employees Provident Fund Organisation, the management of the Company has considered such amount as not being due and hence the same has not been paid as on the date of this Preliminary Placement Document.

IX. *Details of defaults in annual filing of the Company under the Companies Act, 2013 and the rules made thereunder.*

Except as disclosed in the Preliminary Placement Document, the Company has not made any default in their respective annual filings under the Companies Act, 2013 and the rules made thereunder.

X. *Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations.*

As on the date of this Preliminary Placement Document, there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations.

STATUTORY AUDITORS

M/s S.R. Batliboi & Associates LLP, Chartered Accountants, are Statutory Auditors, as required by the Companies Act and in accordance with the guidelines prescribed by ICAI.

The Unaudited Consolidated Financial Results of the Company as included in this Preliminary Placement Document, have been reviewed by M/s S.R. Batliboi & Associates LLP, Chartered Accountants as stated in their limited review reports appearing herein.

The Audited Consolidated Financial Statements of the Company as included in this Preliminary Placement Document, have been audited by M/s S.R. Batliboi & Associates LLP, Chartered Accountants as stated in their audit reports appearing herein.

The peer review certificate of our Statutory Auditors is valid as on the date of this Preliminary Placement Document.

GENERAL INFORMATION

- Centum Electronics Limited (our "**Company**" or the "**Issuer**") was originally incorporated as 'Centum Electronics Limited' on January 8, 1993, under the provisions of Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka at Bangalore ("**RoC**"). Consequently, the certificate for commencement of business dated January 21, 1993, was issued by RoC. Subsequently, the name of the Company was changed to 'C-Mac Centum Electronics Limited' and a fresh certificate of incorporation consequent to change of name was issued by the RoC on September 23, 1998. Thereafter, the name of the Company was changed to 'Solectron Centum Electronics Limited' and a fresh certificate of incorporation consequent to change of name was issued by the RoC on September 30, 2002. Finally, the name of our Company was changed back to 'Centum Electronics Limited' pursuant to which a fresh certificate of incorporation consequent to name change was issued by the RoC on December 10, 2007.

- Our Registered Office is located at 44, KHB Industrial Area, Yelahanka, Bangalore - 560064, Karnataka, India.

- The CIN of the Company is L85110KA1993PLC013869.

- The website of our Company is www.centumelectronics.com.

- The authorised share capital of our Company is ₹ 155,000,000 divided into 15,500,000 Equity Shares having face value of ₹ 10 each.

- The Issue was authorised and approved by our Board on November 12, 2024, and by the shareholders of the Company pursuant to the special resolution dated January 14, 2025, passed by way of postal ballot.

- The Equity Shares are listed on BSE and NSE. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from each BSE and NSE on March 10, 2025, under Regulation 28(1) of the SEBI Listing Regulations.

- Our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

- No change in the control of the Company will occur consequent to the Issue.

- Except as disclosed in this Preliminary Placement Document, there has been no material change in the financial or trading position of our Company since September 30, 2024, the date of the financial information prepared in accordance with applicable accounting standards, which has been included in this Preliminary Placement Document.

- Except as disclosed in this Preliminary Placement Document, there are no outstanding legal or arbitration proceedings against or affecting us or our assets or revenues, nor are we aware of any pending or threatened legal or arbitration proceedings, which is material in the context of this Issue in terms of "*Policy for determining of materiality of events and information for disclosure*", as adopted by our Board. For further details, see "*Legal Proceedings*" on page 258.

- There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

- As on the date of this Preliminary Placement Document, M/s S.R. Batliboi & Associates LLP, Chartered Accountants is the statutory auditor of our Company.

- Copies of the Memorandum and Articles of Association of our Company will be available for inspection between 11.00 A.M. to 1.00 P.M. any weekday (except Saturdays and public holidays) during the Bid/Issue Period at our Registered Office and Corporate Office.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations, SCRA and the SCRR.

- The Floor Price for the Equity Shares under the Issue is ₹ 1,219.65 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

- Our Company may offer a discount of not more than 5% on the Floor Price of ₹ 1,219.65 per Equity Share, in terms of Regulation 176 of the SEBI ICDR Regulations.

- The Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including Company's or Subsidiaries websites, would be doing so at its own risk.

- Details of the Company Secretary and Chief Compliance Officer of our Company:

Hambige Sundaresh Babu Indu
44, KHB Industrial Area, Yelahanka,
Bangalore - 560064, Karnataka, India
Telephone: +91 80 41436000
E-mail: investors@centumelectronics.com

FINANCIAL INFORMATION

Index to Financial Statements

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Ind AS 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 Ind AS 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 associate for the quarter ended December 31, 2024 and year to date from April 01, 2024 to December 31, 2024 (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. The Holding Company's management is responsible for the preparation of the Statement 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 and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors . 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 Master Circular 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:

   i. Centum Electronics Limited (Parent / Holding Company)
   ii. Centum Electronics UK Limited
   iii. Centum T&S Group SA, France
   iv. Centum T&S (Centum Technologies ET Solutions), France
   v. Centum R&D (Centum Recherche ET development), France
   vi. Centum T&S (Centum Technologies ET Solutions), Canada
   vii. Centum E&S (Centum Equipments ET Systemes), Canada

S. R. Batliboi & Associates LLP Bengaluru

S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identity No. AAB-4295
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

viii. Centum Adetel Transportation System SAS, France

ix. Centum T&S Private Limited, India

x. Centum T&S (Technologies & Solutions) Belgium SRL

xi. Ausar Energy SAS (Associate)

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 auditor and management certified financial results referred to in paragraph 6 and 7 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. The accompanying Statement includes the unaudited consolidated interim financial results and other financial information in respect of one subsidiary located outside India (the said subsidiary has six underlying subsidiaries and one associate), whose unaudited consolidated interim financial results includes total revenue of Rs. 1,048.41 million and Rs. 3,291.36 million, total net loss after tax of Rs. 282.77 million and Rs. 339.65 million and total comprehensive loss of Rs. 243.02 million and Rs. 319.05 million for the quarter ended December 31, 2024, and for the nine months period ended on that date respectively (before consolidation adjustments) as considered in the respective consolidated financial information of the entities included in the Group which has been reviewed by an independent auditor.

The independent auditor's report on consolidated interim financial information and financial results of this subsidiary has been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of such auditor and the procedures performed by us as stated in paragraph 3 above.

This subsidiary is located outside India whose unaudited consolidated interim financial results and other financial information has been prepared in accordance with accounting principles generally accepted in the respective countries and which has been reviewed by other auditor under generally accepted auditing standards applicable in the respective countries. The Holding Company's management has converted the consolidated financial results of this subsidiary located outside India from accounting principles generally accepted in 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 subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

7. The accompanying Statement includes unaudited interim financial results and other financial information in respect of one subsidiary, whose interim financial results and other financial information reflect total revenue of Rs. Nil million, total net profit after tax of Rs. 2.70 million and Rs. 2.87 million and total comprehensive loss of Rs. 55.89 million and Rs. 12.49 million, for the quarter ended December 31, 2024, and for the nine months period ended on that date respectively (before consolidation adjustments).

S. R. Batliboi & Associates LLP Bengaluru *

The unaudited interim financial results and other financial information of this subsidiary has not been reviewed and has 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 this subsidiary is based solely on such unaudited interim financial results and other 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 paras 6 and 7 above is not modified with respect to our reliance on the work done and the reports of the other auditor 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

Navin Kumar Agarwal
Digitally signed by Navin Kumar Agarwal
Date: 2025.02.14 19:34:58 +05'30'

per Navin Agrawal
Partner
Membership No.: 056102

S. R. Batliboi & Associates LLP Bengaluru

UDIN: 25056102BMMHCS1381

Place: Kolkata
Date: February 14, 2025

Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Regd. Office: No.44, KHB Industrial Area, Yelahanka New Town, Bengaluru – 560 106
Phone: +91-80-41436000 Fax: +91-80-41436005
Email: investors@centumelectronics.com Website : www.centumelectronics.com

Statement of unaudited consolidated Ind AS financial results for the quarter and nine months period ended December 31, 2024

(Rs. in million)

Sl.No.	Particulars	Quarter ended			Nine months period ended		Year ended
		December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
		(Unaudited)	(unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income**						
	(a) Revenue from operations						
	(i) Sale of products and services (refer note 6)	2,754.73	2,512.41	2,884.24	7,651.69	7,643.89	10,482.46
	(ii) Other operating income	58.72	85.92	97.71	215.10	295.38	425.74
	(b) Other income	16.98	8.17	5.30	30.94	14.12	45.91
	(c) Finance income	6.15	6.52	5.41	19.68	16.35	22.23
	Total Income	**2,836.58**	**2,613.02**	**2,992.66**	**7,917.41**	**7,969.74**	**10,976.34**
2	**Expenses**						
	(a) Cost of materials consumed	1,395.83	1,647.00	1,524.55	4,277.26	4,060.78	5,446.42
	(b) Decrease/ (increase) in inventories of work-in-progress and finished goods	125.21	(339.74)	(49.20)	(255.81)	(317.38)	(191.51)
	(c) Employee benefit expenses	882.34	852.21	926.62	2,611.82	2,719.62	3,671.16
	(d) Depreciation and amortisation expenses	105.65	111.72	115.15	339.96	332.51	452.74
	(e) Finance costs	78.88	76.81	77.22	231.48	248.95	346.31
	(f) Other expenses	216.61	236.05	291.09	681.93	799.13	1,123.65
	Total expenses	**2,804.52**	**2,584.05**	**2,885.43**	**7,886.64**	**7,843.61**	**10,848.77**
3	**Share of profit / (loss) of associate**	-	-	-	-	-	-
4	**Profit/ (loss) before exceptional items and tax expense (1±2±3)**	**32.06**	**28.97**	**107.23**	**30.77**	**126.13**	**127.57**
5	Exceptional items (refer note 5 and 7)	(193.05)	-	-	(193.05)	-	(48.79)
6	**(Loss)/ profit before tax (4±5)**	**(160.99)**	**28.97**	**107.23**	**(162.28)**	**126.13**	**78.78**
7	**Tax expenses**						
	(a) Current tax (net)	(8.31)	87.39	52.90	90.24	122.29	158.21
	(b) Adjustment of tax relating to earlier period	-	-	1.20	-	3.70	3.70
	(c) Deferred tax expense/ (credit)	40.29	(55.30)	(19.35)	(18.00)	(41.26)	(55.58)
	Total tax expenses	**31.98**	**32.09**	**34.75**	**72.24**	**84.73**	**106.33**
8	**(Loss) / profit after tax (6±7)**	**(192.97)**	**(3.12)**	**72.48**	**(234.52)**	**41.40**	**(27.55)**
9	**Other comprehensive income/ (expenses) (net of tax)**						
	(a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
	(i) Remeasurement gains / (losses) on defined benefit plans	1.22	1.21	2.01	3.64	5.73	4.28
	(ii) Income tax effect on above	(0.31)	(0.31)	(0.50)	(0.92)	(1.44)	(1.14)
	(b) Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
	(i) Exchange differences on translating the financial statements of foreign operations	28.99	(16.48)	(14.13)	17.63	8.52	19.37
	(ii) Income tax effect on above	-	-	-	-	-	-
	(iii) Net movement on effective portion of cash flow hedge	-	(0.26)	-	-	-	(0.22)
	(iv) Income tax effect on above	-	0.06	-	-	-	0.06
	Total other comprehensive income/ (expenses) (net of tax)	**29.90**	**(15.78)**	**(12.62)**	**20.35**	**12.81**	**22.35**
10	**Total comprehensive income for the period, net of tax (8±9)**	**(163.07)**	**(18.90)**	**59.86**	**(214.17)**	**54.21**	**(5.20)**
11	**Total comprehensive income attributable to:**						
	(a) Equity holders of the parent	(138.96)	(16.48)	65.58	(181.50)	86.50	40.98
	(b) Non-controlling interest	(24.11)	(2.42)	(5.72)	(32.67)	(32.29)	(46.18)
	Total comprehensive income for the period	**(163.07)**	**(18.90)**	**59.86**	**(214.17)**	**54.21**	**(5.20)**
12	Paid up equity share capital (Face value - Rs 10 per share)	128.97	128.97	128.88	128.97	128.88	128.88
13	**Earnings per equity share* (EPS) (of Rs. 10 each) :**						
	(a) Basic (Rs.)	(12.79)	(0.26)	5.95	(15.50)	5.56	1.38
	(b) Diluted (Rs.)	(12.79)	(0.26)	5.88	(15.50)	5.49	1.36

*Not annualised for the quarter and period.

S. R. Batliboi & Associates LLP
Bengaluru

Notes to the unaudited consolidated Ind AS financial results for the quarter and nine months period ended December 31, 2024

1 Investors can view the unaudited consolidated Ind AS 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).

2 The Company along with its subsidiaries and associate 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".

3 The unaudited consolidated Ind AS financial results of the Group for the quarter and nine months period ended December 31, 2024 have been reviewed by the Audit Committee in their meeting on February 13, 2025 and approved by the Board of Directors in their meeting held on February 14, 2025. The statutory auditors have carried out limited review of the above results.

4 The Company has investments in Centum Electronics UK Limited, which in turn has made investment in Centum T&S Group SA. Centum T&S Group SA and its underlying subsidiaries have incurred losses leading to erosion of networth. The Group has accounted a goodwill of Rs. 376.23 million and has a carrying value of other intangible assets (including intangible assets under development) of Rs. 307.22 million as at December 31, 2024 relating to such entity.

Based on the last internal assessment performed with regard to future business operations, the management of the Group is of the view that there is no impairment of goodwill and other intangible assets (including intangible assets under development).

5 The Group had accounted severance costs for employees in it's overseas subsidiaries amounting to Rs. 48.79 million which had been disclosed as exceptional item in the consolidated Ind AS financial results during the quarter and year ended March 31, 2024.

6 Revenue from operations includes Rs. 58.38 million and Rs. 123.24 million accounted in respect of contracts with certain customers on net basis in accordance with Ind AS 115 during the quarter and nine months period ended December 31, 2024 respectively . The Gross value of invoicing in respect of such contract is Rs. 319.60 million and Rs. 706.37 million during the quarter and nine months period ended December 31, 2024 respectively.

7 The Group has investment in bonds and trade receivables aggregating to Rs 193.05 million in Ausar Energy SAS ("Ausar"), an associate of Centum T&S Group SA as at December 31, 2024. During the year ended March 31, 2023, the Group had entered into a call and put agreement with John Cockerill Renewables SA for divestment of its 30.45% stake in Ausar and full recovery of the aforesaid value of bonds / receivables, after meeting certain performance conditions as stipulated in the agreement. Hence these were considered fully recoverable by the Group.

On February 4, 2025, Ausar has been placed in receivership ("Redressement Judiciaire"), under French laws, allowing Ausar to continue to operate, whilst bids will be invited for takeover of Ausar and restructuring of its business and debts/obligations.

Pending final outcome in the matter and settlement of the recovery proceedings, as a matter of prudence, the management has provided for the carrying value of its investment in bonds and trade receivables in Ausar amounting to Rs 193.05 million and the same has been disclosed as exceptional item in the financial results for the quarter and nine months period ended December 31, 2024.

8 The Board of Directors of the Company at their meeting held on May 22, 2024 have declared dividend of Rs.3 per equity share for the financial year ended March 31, 2024 which was approved by the shareholders in the Annual General Meeting dated August 09, 2024 and the same has been paid on August 13, 2024.

S. R. Batliboi & Associates LLP
Bengaluru

For Centum Electronics Limited

MALLAVARAPU VENKATA APPARAO
Digitally signed by MALLAVARAPU VENKATA APPARAO
Date: 2025.02.14 19:04:50 +05'30'

Place : Bengaluru
Date : February 14, 2025

Apparao V Mallavarapu
Chairman and Managing Director

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Ind AS 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 Ind AS 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 associate for the quarter ended December 31, 2023 and year to date from April 01, 2023 to December 31, 2023 (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. The Holding Company's Management is responsible for the preparation of the Statement 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 and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. 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 T&S Group SA, France (formerly known as Centum Adetel Group SA)
   d. Centum T&S (Centum Technologies ET Solutions), France (formerly known as Centum Adeneo SAS)
   e. Centum R&D (Centum Recherche ET development), France (formerly known as Centum Adeneo CRD SAS)
   f. Centum T&S (Centum Technologies ET Solutions), Canada (formerly known as Centum Adetel Solution)
   g. Centum E&S (Centum Equipments ET Systemes), Canada (formerly known as Centum Adetel Equipment)
   h. Centum Adetel Transportation System SAS, France
   i. Centum T&S Private Limited, India (formerly known as Centum Adeneo India Private Limited)

S.R. Batliboi & Associates LLP Bengaluru

S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identity No. AAB-4295
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata 700 016

j. Centum T&S (Technologies & Solutions) Belgium SRL (formerly known as Centum Adeneo Belgium)
k. 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 6 and 7 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. 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 6 underlying subsidiaries and 1 associate), whose unaudited consolidated interim financial results includes total revenues of Rs. 1,266.86 million and Rs. 3,370.99 million, total net loss after tax of Rs. 32.18 million and Rs. 186.91 million and total comprehensive loss of Rs. 47.49 million and Rs. 202.51 million for the quarter ended December 31, 2023 and for the nine months period ended on that date respectively (before consolidation adjustments) as considered in the respective consolidated financial information of the entities included in the Group which have been reviewed by their respective 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 included in respect of these subsidiaries and associate is based solely on the report of such auditors and the procedures performed by us as stated in paragraph 3 above.

These subsidiaries and associate 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 associate 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 associate 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.

7. 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 unaudited information reflect total revenues of Rs 170.81 million and Rs 470.10 million, total net loss after tax of Rs. 1.45 million and total net profit after tax of Rs. 5.22 million, total comprehensive income of Rs. 43.86 million and Rs. 29.59 million, for the quarter ended December 31, 2023 and for the nine months period ended on that date respectively (before consolidation adjustments).

The unaudited interim financial results and other unaudited financial information of these subsidiaries have not been reviewed by their auditor(s) 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

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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 6 and 7 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

S.R. Batliboi & Associates LLP Bengaluru

UDIN: 24061207BKBJVD3664

Place: Bengaluru
Date: February 07, 2024

Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Regd. Office: No.44, KHB Industrial Area, Yelahanka New Town, Bengaluru – 560 106
Phone: +91-80-41436000 Fax: +91-80-41436005
Email: investors@centumelectronics.com Website : www.centumelectronics.com

Statement of unaudited consolidated Ind AS financial results for the quarter and nine months ended December 31, 2023

(Rs. in million)

Sl.No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income**						
	(a) Revenue from operations						
	(i) Sale of products and services	2,884.24	2,378.17	1,892.88	7,643.89	5,791.79	8,841.96
	(ii) Other operating income	97.71	104.00	78.26	295.38	275.18	387.73
	(b) Other income						
	(i) Others	5.30	4.21	7.06	14.12	28.98	37.25
	(c) Finance income	5.41	5.24	5.24	16.35	15.28	21.28
	Total Income	**2,992.66**	**2,491.62**	**1,983.44**	**7,969.74**	**6,111.23**	**9,288.22**
2	**Expenses**						
	(a) Cost of materials consumed	1,524.55	1,338.94	887.81	4,060.78	2,885.57	4,146.60
	(b) (Increase)/ decrease in inventories of work-in-progress and finished goods	(49.20)	(145.28)	(38.21)	(317.38)	(228.92)	5.29
	(c) Employee benefit expenses	926.62	866.45	819.82	2,719.62	2,387.61	3,327.22
	(d) Finance costs	77.22	90.85	67.37	248.95	192.71	273.44
	(e) Depreciation and amortisation expenses	115.15	111.31	110.15	332.51	328.52	438.26
	(f) Loss on account of foreign exchange fluctuations (net)	14.82	29.09	47.26	38.48	101.62	106.61
	(g) Other expenses	276.27	221.45	191.22	760.65	660.83	881.88
	Total expenses	**2,885.43**	**2,512.81**	**2,085.42**	**7,843.61**	**6,327.94**	**9,179.30**
3	**Share of profit / (loss) of associates from operations**	-	-	-	-	-	**12.44**
4	**Profit/ (loss) before tax expense (net) (1±2±3)**	**107.23**	**(21.19)**	**(101.98)**	**126.13**	**(216.71)**	**121.36**
5	**Tax expenses**						
	(a) Current tax (net)	52.90	27.38	(3.16)	122.29	0.81	126.51
	(b) Adjustment of tax relating to earlier period	1.20	2.50	-	3.70	(10.32)	(10.32)
	(c) Deferred tax (credit) / expense	(19.35)	(5.50)	(2.14)	(41.26)	(16.21)	(61.77)
6	**(Loss)/ profit after tax expense from operations (4±5)**	**72.48**	**(45.57)**	**(96.68)**	**41.40**	**(190.99)**	**66.94**
7	**Other comprehensive income/ (expenses) (net of tax)**						
	(a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
	(i) Remeasurement gains / (losses) on defined benefit plans	2.01	1.84	0.36	5.73	1.08	7.77
	(ii) Income tax effect on above	(0.50)	(0.46)	(0.09)	(1.44)	(0.27)	(1.96)
	(b) Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
	(i) Exchange differences on translating the financial statements of foreign operations	(14.13)	25.41	(33.73)	8.52	1.91	1.24
	(ii) Income tax effect on above	-	-	-	-	-	-
	(iii) Net movement on effective portion of cash flow hedge	-	-	0.55	-	0.55	0.02
	(iv) Income tax effect on above	-	-	(0.14)	-	(0.14)	(0.01)
8	**Total comprehensive income for the period, net of tax (6±7)**	**59.86**	**(18.78)**	**(129.73)**	**54.21**	**(187.86)**	**74.00**
9	**Total comprehensive income attributable to:**						
	(a) Equity holders of the parent	65.58	(10.78)	(104.03)	86.50	(152.21)	106.60
	(b) Non-controlling interest	(5.72)	(8.00)	(25.70)	(32.29)	(35.65)	(32.60)
	Total comprehensive income for the period	**59.86**	**(18.78)**	**(129.73)**	**54.21**	**(187.86)**	**74.00**
10	Paid up equity share capital (Face value - Rs 10 per share)	128.88	128.85	128.85	128.88	128.85	128.85
11	**Earnings per equity share (EPS) (of Rs. 10 each) :**						
	(a) Basic (Rs.)	5.95	(2.89)	(5.92)	5.56	(12.18)	7.62
	(b) Diluted (Rs.) (refer note 6)	5.88	(2.89)	(5.92)	5.49	(12.18)	7.55

Notes to the unaudited consolidated Ind AS financial results for the quarter and nine months ended December 31, 2023

1 Investors can view the unaudited consolidated Ind AS 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).

2 The Company along with its subsidiaries and associate 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".

3 The accompanying unaudited consolidated Ind AS financial results of the Group for the quarter and nine months ended December 31, 2023 have been reviewed by the Audit Committee in their meeting on February 06, 2024 and approved by the Board of Directors in their meeting held on February 07, 2024.

4 The Company has investments in Centum Electronics UK Limited, which in turn has made investment in Centum T&S Group SA (formerly known as Centum Adetal Group SA). Centum T&S Group SA and its underlying subsidiaries have incurred losses leading to erosion of networth. The Group has accounted a goodwill of Rs. 376.23 million and has a carrying value of other intangible assets (including intangible assets under development) of Rs. 439.70 million as at December 31, 2023 on account of the aforesaid investment in its consolidated financial results.

Based on internal assessment performed as at December 31, 2023 with regard to future business operations and external valuation by an expert during the year ended March 31, 2022, the management of the Group is of the view that the carrying value of the goodwill and intangible assets (including intangible assets under development) as stated above is appropriate.

Further, during the nine months ended December 31, 2023, the Company has further invested in Centum Electronics UK Limited to acquire an additional 12.31% stake in Centum T&S Group SA from the existing shareholders and has a cumulative stake of 90.08% as at December 31, 2023 in Centum T&S Group SA.

5 The Board of Directors of the Company at their meeting held on May 27, 2023 have declared dividend of ₹4 per equity share for the financial year ended March 31, 2023, which has been paid on August 18, 2023. Further, the Board of Directors of the Company at their meeting held on February 07, 2024 have declared interim dividend of ₹ 3 per equity share for the financial year March 31, 2024.

6 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 operations.

7 Figures pertaining to previous quarters / period / year have been reclassified, wherever necessary, to conform to the classification adopted in the current period.

For Centum Electronics Limited

Place : Bengaluru
Date : February 07, 2024

S. R. Batliboi & Associates LLP
Bengaluru

CENTUM ELECTRONICS LIMITED

Apparao V Mallavarapu
Chairman and Managing Director

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Ind AS 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 Ind AS 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 associate for the quarter ended September 30, 2024 and year to date from April 01, 2024 to September 30, 2024 (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. The Holding Company's Management is responsible for the preparation of the Statement 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 and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. 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 Master Circular 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:

   i. Centum Electronics Limited (Parent / Holding Company)
   ii. Centum Electronics UK Limited
   iii. Centum T&S Group SA, France
   iv. Centum T&S (Centum Technologies ET Solutions), France
   v. Centum R&D (Centum Recherche ET development), France
   vi. Centum T&S (Centum Technologies ET Solutions), Canada

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vii. Centum E&S (Centum Equipments ET Systemes), Canada

viii. Centum Adetel Transportation System SAS, France

ix. Centum T&S Private Limited, India

x. Centum T&S (Technologies & Solutions) Belgium SRL

xi. Ausar Energy SAS (Associate)

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 6 and 7 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. 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 6 underlying subsidiaries and 1 associate), whose unaudited consolidated interim financial results includes total assets of Rs. 3,327.85 million as at September 30, 2024, and total revenues of Rs. 1,032.47million and Rs. 2,242.95 million, total net profit after tax of Rs. 2.10 million and total net loss after tax Rs. 56.88 million and total comprehensive loss of Rs. 24.40 million and Rs 76.03 million for the quarter ended September 30, 2024, and for the six months period ended on that date respectively, and net cash inflow of Rs. 58.78 million for the period from April 01, 2024, to September 30, 2024 (before consolidation adjustments) as considered in the respective consolidated financial information of the entities included in the Group which have been reviewed by their respective 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 included in respect of these subsidiaries and associate is based solely on the report of such auditors and the procedures performed by us as stated in paragraph 3 above.

   These subsidiaries and associate 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 associate 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 associate 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.

7. The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of 1 subsidiary, whose interim financial results and other financial unaudited information reflect total assets of Rs 1,226.10 million as at September 30, 2024 and total revenues of Rs Nil million, total net loss after tax of Rs. 0.03 million and total net profit after tax of Rs. 0.17 million and total comprehensive loss of Rs. 55.87 million and Rs. 43.40 million, for the

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quarter ended September 30, 2024, and for the six months period ended on that date respectively, (before consolidation adjustments) and net cash outflow of Rs. 186.38 million for the period from April 01, 2024, to September 30, 2024.

The unaudited interim financial results and other unaudited financial information of these subsidiaries have not been reviewed by their auditor(s) 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 6 and 7 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

S.R. Batliboi & Associates LLP
Bengaluru

per Navin Agrawal
Partner
Membership No.: 056102

UDIN: 24056102BKFVLH5036

Place: Kolkata
Date: November 12, 2024

Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Regd. Office: No.44, KHB Industrial Area, Yelahanka New Town, Bengaluru – 560 106
Phone: +91-80-41436000 Fax: +91-80-41436005
Email: investors@centumelectronics.com Website : www.centumelectronics.com

Statement of unaudited consolidated Ind AS financial results for the quarter and six months ended September 30, 2024

(Rs. in million)

Sl.No	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	March 31, 2024
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(Audited)
1	**Income**						
	(a) Revenue from operations						
	(i) Sale of products and services (refer note 8)	2,512.41	2,384.55	2,378.17	4,896.96	4,759.65	10,482.46
	(ii) Other operating income	85.92	70.46	104.00	156.38	197.67	425.74
	(b) Other income	8.17	5.78	4.21	14.32	8.82	45.91
	(c) Finance income	6.52	7.02	5.24	13.54	10.94	22.23
	Total Income	**2,613.02**	**2,467.81**	**2,491.62**	**5,081.20**	**4,977.08**	**10,976.34**
2	**Expenses**						
	(a) Cost of materials consumed	1,647.00	1,234.43	1,338.94	2,881.43	2,536.23	5,446.42
	(b) (Increase)/ decrease in inventories of work-in-progress and finished goods	(339.74)	(41.28)	(145.28)	(381.02)	(268.18)	(191.51)
	(c) Employee benefit expenses	852.21	877.27	866.45	1,729.48	1,793.00	3,671.16
	(d) Finance costs	76.81	75.79	90.85	152.60	171.73	346.31
	(e) Depreciation and amortisation expenses	111.72	122.59	111.31	234.31	217.36	452.74
	(f) Other expenses	236.05	229.27	250.54	465.69	508.04	1,123.65
	Total expenses	**2,584.05**	**2,498.07**	**2,512.81**	**5,082.49**	**4,958.18**	**10,848.77**
3	**Share of profit / (loss) of associates**	-	-	-	-	-	-
4	**Profit/ (loss) before exceptional items and tax expense**	**28.97**	**(30.26)**	**(21.19)**	**(1.29)**	**18.90**	**127.57**
5	Exceptional items (refer note 7)	-	-	-	-	-	(48.79)
6	**Profit/ (loss) before tax (4±5)**	**28.97**	**(30.26)**	**(21.19)**	**(1.29)**	**18.90**	**78.78**
7	**Tax expenses**						
	(a) Current tax (net)	87.39	11.16	27.38	98.55	69.39	158.21
	(b) Adjustment of tax relating to earlier period	-	-	2.50	-	2.50	3.70
	(c) Deferred tax (credit)/ expense	(55.30)	(2.99)	(5.50)	(58.29)	(21.91)	(55.58)
	Total tax expenses	**32.09**	**8.17**	**24.38**	**40.26**	**49.98**	**106.33**
8	**(Loss) / profit/ after tax (6±7)**	**(3.12)**	**(38.43)**	**(45.57)**	**(41.55)**	**(31.08)**	**(27.55)**
9	**Other comprehensive income/ (expenses) (net of tax)**						
	(a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
	(i) Remeasurement gains / (losses) on defined benefit plans	1.21	1.21	1.84	2.42	3.72	4.28
	(ii) Income tax effect on above	(0.31)	(0.30)	(0.46)	(0.61)	(0.94)	(1.14)
	(b) Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
	(i) Exchange differences on translating the financial statements of foreign operations	(16.48)	5.12	25.41	(11.36)	22.65	19.37
	(ii) Income tax effect on above	-	-	-	-	-	-
	(iii) Net movement on effective portion of cash flow hedge	(0.26)	0.26	-	-	-	(0.22)
	(iv) Income tax effect on above	0.06	(0.06)	-	-	-	0.06
	Total other comprehensive income/ (expenses) (net of tax)	**(15.78)**	**6.23**	**26.79**	**(9.55)**	**25.43**	**22.35**
10	**Total comprehensive income for the period, net of tax (8±9)**	**(18.90)**	**(32.20)**	**(18.78)**	**(51.10)**	**(5.65)**	**(5.20)**
11	**Total comprehensive income attributable to:**						
	(a) Equity holders of the parent	(16.48)	(26.06)	(10.78)	(42.54)	20.92	40.98
	(b) Non-controlling interest	(2.42)	(6.14)	(8.00)	(8.56)	(26.57)	(46.18)
	Total comprehensive income for the period	**(18.90)**	**(32.20)**	**(18.78)**	**(51.10)**	**(5.65)**	**(5.20)**
12	Paid up equity share capital (Face value - Rs 10 per share)	128.97	128.97	128.85	128.97	128.85	128.88
13	**Earnings per equity share (EPS) (of Rs. 10 each) :**						
	(a) Basic (Rs.)	(0.26)	(2.45)	(2.89)	(2.71)	(0.39)	1.38
	(b) Diluted (Rs.)	(0.26)	(2.45)	(2.89)	(2.71)	(0.39)	1.36

S. R. Batliboi & Associates LLP
Bengaluru

Centum Electronics Ltd.
Bangalore

Notes to the unaudited consolidated Ind AS financial results for the quarter and six months ended September 30, 2024

1. Statement of unaudited consolidated assets and liabilities

(Rs. in million)

Sl.No.	Particulars	As at Sep 30, 2024 (unaudited)	As at March 31, 2024 (Audited)
A	**Assets**		
(1)	**Non-current assets**		
	(a) Property, plant and equipment	1,096.80	1,126.04
	(b) Capital work-in-progress	25.07	2.87
	(c) Goodwill (refer note 6)	412.58	412.58
	(d) Other intangible assets (refer note 6)	302.48	314.67
	(e) Intangible assets under development (refer note 6)	58.07	100.99
	(f) Right-of-use assets	488.53	529.77
	(g) Financial assets		
	(i) Investment in associates	87.43	84.17
	(ii) Other Investments	0.57	0.55
	(iii) Other financial assets	333.87	275.64
	(h) Deferred tax assets (net)	154.74	102.48
	(i) Non-current tax assets (net)	33.00	13.43
	(j) Other assets	65.68	74.59
	Total non-current assets	**3,058.82**	**3,037.78**
(2)	**Current assets**		
	(a) Inventories	4,016.24	3,173.77
	(b) Financial assets		
	(i) Trade receivables	2,296.83	2,279.77
	(ii) Cash and cash equivalents	417.16	481.21
	(iii) Bank balances other than cash and cash equivalents	155.71	234.58
	(iv) Other financial assets	395.75	440.82
	(c) Other assets	1,170.49	990.11
	Total current assets	**8,452.18**	**7,600.26**
	Total assets (1+2)	**11,511.00**	**10,638.04**
B	**Equity and liabilities**		
	Equity		
	(a) Equity share capital	128.97	128.88
	(b) Other equity	1,833.71	1,903.84
	Equity attributable to equity holders of the parent	**1,962.68**	**2,032.72**
	Non-controlling interests	(74.18)	(65.62)
(1)	**Total equity**	**1,888.50**	**1,967.10**
	Liabilities		
(2)	**Non-current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	314.73	446.71
	(ii) Lease liabilities	371.17	407.81
	(b) Deferred tax liabilities (net)	-	5.42
	(c) Other liabilities	208.11	672.17
	(d) Net employee defined benefit liabilities	58.41	53.12
	(e) Provisions	6.58	14.51
	(f) Government grants	13.73	16.40
	Total non-current liabilities	**972.73**	**1,616.14**
(3)	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	1,783.21	1,446.03
	(ii) Lease liabilities	114.10	117.96
	(iii) Trade payables	3,026.47	2,221.89
	(iv) Other financial liabilities	305.46	371.60
	(b) Other liabilities	3,033.45	2,516.77
	(c) Government grants	6.68	8.03
	(d) Net employee defined benefit liabilities	7.98	7.98
	(e) Provisions	279.47	313.43
	(f) Liabilities for current tax (net)	92.95	51.11
	Total current liabilities	**8,649.77**	**7,054.80**
	Total equity and liabilities (1+2+3)	**11,511.00**	**10,638.04**

S. R. Batliboi & Associates LLP Bangaluru

CENTUM ELECTRONICS LTD. BANGALORE

2. Statement of unaudited consolidated cash flows for the six months ended September 30, 2024

(Rs. in million)

	Six months ended September 30, 2024 (unaudited)	Six months ended September 30, 2023 (unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before tax	(1.29)	18.90
Non- cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation and amortisation expenses	234.31	217.36
Provisions/ liabilities no longer required, written back	(1.10)	(3.51)
(Reversal)/ provision for expected credit loss / bad debts written off/ doubtful advances	(4.72)	-
Net foreign exchange differences (unrealised)	14.91	18.55
Employee share based compensation cost	10.52	10.09
Provision for inventory obsolescence	31.67	-
Government grants	(4.02)	(4.15)
(Gain) / loss on sale/ disposal of property, plant and equipment (net)	-	(1.07)
Finance income	(13.54)	(10.94)
Finance costs	152.60	171.73
Operating profit / (loss) before working capital changes	**419.34**	**416.96**
Working capital adjustments:		
(Increase) / decrease in inventories	(863.83)	(721.49)
(Increase)/ decrease in trade receivables/non-current/current financial assets and other assets	(65.82)	126.22
Increase / (decrease) in trade payables, non-current/current provisions, financial liabilities and other liabilities	638.76	628.08
Cash generated from / (used in) operations	**128.45**	**449.77**
Direct taxes paid (net of refunds)	(76.28)	(125.29)
Net cash from / (used in) operating activities (A)	**52.17**	**324.48**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including capital work-in progress, intangible assets and capital advances	(91.53)	(244.09)
Proceeds from sale of property, plant and equipment	-	1.65
Redemption/ (investment) in bank deposit (having original maturity of more than three months) and other bank balances	28.65	(37.67)
Interest income received	3.81	2.76
Net cash (used in) / from investing activities (B)	**(59.07)**	**(277.35)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition of non-controlling interest	-	(143.89)
Proceeds from long term borrowings	-	154.34
Repayment of long term borrowings	(150.31)	(93.51)
Proceeds / (repayment) of short term borrowings (net)	258.21	210.14
Payment of principal portion of lease liabilities	(57.60)	(52.83)
Payment of interest portion of lease liabilities	(6.15)	(5.91)
Issue of shares	0.60	-
Finance costs paid	(142.32)	(168.77)
Dividend paid (including amount transferred to Investor Education and Protection Fund)	(38.83)	(51.87)
Net cash (used in) / from financing activities (C)	**(136.40)**	**(152.30)**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(143.30)	(105.17)
Cash and cash equivalents at the beginning of the year	461.11	352.71
Effect of exchange differences on cash and cash equivalents held in foreign currency	7.79	(2.37)
Cash and cash equivalents at the end of the year	**325.60**	**245.17**
Components of cash and cash equivalents for the purpose of cash flow statement		
Cash on hand	3.42	1.17
Balance with banks	413.74	356.59
Overdraft from banks	(91.56)	(112.59)
Total cash and cash equivalents for the purpose of cash flow statement	**325.60**	**245.17**

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Notes to the unaudited consolidated Ind AS financial results for the quarter and six months ended September 30, 2024

3 Investors can view the unaudited consolidated Ind AS 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 and associate 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 The unaudited consolidated Ind AS financial results of the Group for the quarter and six month ended September 30, 2024 have been reviewed by the Audit Committee in their meeting on November 11, 2024 and approved by the Board of Directors in their meeting held on November 12, 2024. The statutory auditors have carried out limited review of the above results.

6 The Company has investments in Centum Electronics UK Limited, which in turn has made investment in Centum T&S Group SA . Centum T&S Group SA and its underlying subsidiaries have incurred losses leading to erosion of networth. The Group has accounted a goodwill of Rs. 376.23 million and has a carrying value of other intangible assets (including intangible assets under development) of Rs. 344.39 million as at September 30, 2024 relating to such entity.

Based on internal assessment performed with regard to future business operations, the management of the Group is of the view that there is no impairment of goodwill and other intangible assets.

7 The Group had accounted severance costs for employees in it's overseas subsidiaries amounting to Rs. 48.79 million which had been disclosed as exceptional item in the consolidated Ind AS financial results during the quarter and year ended March 31, 2024.

8 Revenue from operations includes INR 64.86 Mn and INR 25.00 Mn accounted in respect of a contract with a certain customer on net basis in accordance with Ind AS 115 during the six month and quarter ended September 30, 2024 respectively . The Gross value of invoicing in respect of such contract is INR 386.77 Mn and INR 152.06 Mn for the six month and quarter ended September 30, 2024 respectively.

9 The Board of Directors of the Company at their meeting held on May 22, 2024 have declared dividend of INR 3 per equity share for the financial year ended March 31, 2024 which was approved by the shareholders in the Annual General Meeting dated August 09, 2024 and the same has been paid on August 13, 2024.

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For Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director

Place : Bengaluru
Date : November 12, 2024

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Ind AS 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 Ind AS 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 associate for the quarter ended September 30, 2023 and year to date from April 01, 2023 to September 30, 2023 (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. The Holding Company's Management is responsible for the preparation of the Statement 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 and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. 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 T&S Group SA, France (formerly known as Centum Adetel Group SA)
   d. Centum T&S (Centum Technologies ET Solutions), France (formerly known as Centum Adeneo SAS)
   e. Centum R&D (Centum Recherche ET development), France (formerly known as Centum Adeneo CRD SAS)
   f. Centum T&S (Centum Technologies ET Solutions), Canada (formerly known as Centum Adetel Solution)
   g. Centum E&S (Centum Equipments ET Systemes), Canada (formerly known as Centum Adetel Equipment)

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S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identity No. AAB-4295
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

h. Centum Adetel Transportation System SAS, France
i. Centum T&S Private Limited, India (formerly known as Centum Adeneo India Private Limited)
j. Centum T&S (Technologies & Solutions) Belgium SRL (formerly known as Centum Adeneo Belgium)
k. 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 6 and 7 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. 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 6 underlying subsidiaries and 1 associate), whose unaudited consolidated interim financial results includes total assets of Rs. 4,132.76 million as at September 30, 2023 and total revenues of Rs. 975.58 million and Rs. 2,104.13 million, total net loss after tax of Rs. 73.92 million and Rs. 154.73 million and total comprehensive loss of Rs. 70.40 million and Rs. 155.02 million for the quarter ended September 30, 2023 and for the six months period ended on that date respectively, and net cash outflows of Rs. 9.09 million for the period from April 01, 2023 to September 30, 2023 (before consolidation adjustments) as considered in the respective consolidated financial information of the entities included in the Group which have been reviewed by their respective 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 included in respect of these subsidiaries and associate is based solely on the report of such auditors and the procedures performed by us as stated in paragraph 3 above.

These subsidiaries and associate 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 associate 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 associate 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.

7. 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 unaudited information reflect total assets of Rs 1,332.51 million as at September 30, 2023, and total revenues of Rs 165.81 million and Rs 299.29 million, total net loss after tax of Rs. 12.26 million

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and total net profit after tax of Rs. 6.67 million, total comprehensive loss of Rs. 29.09 million and Rs. 14.27 million, for the quarter ended September 30, 2023 and for the six months period ended

on that date respectively (before consolidation adjustments) and net cash outflows of Rs. 4.42 million for the period from April 01, 2023 to September 30, 2023.

The unaudited interim financial results and other unaudited financial information of these subsidiaries have not been reviewed by their auditor(s) 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 6 and 7 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

S. R. Batliboi & Associates LLP
Bengaluru

UDIN: 23061207BGYKYS3065

Place: Bengaluru
Date: November 09, 2023

Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Regd. Office: No.44, KHB Industrial Area, Yelahanka New Town, Bengaluru – 560 106
Phone: +91-80-41436000 Fax: +91-80-41436005
Email: investors@centumelectronics.com Website : www.centumelectronics.com

Statement of unaudited consolidated Ind AS financial results for the quarter and six months ended September 30, 2023

(Rs. in million)

Sl.No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(Audited)
1	**Income**						
	(a) Revenue from operations						
	(i) Sale of products and services	2,378.17	2,381.48	1,925.32	4,759.65	3,898.91	8,841.96
	(ii) Other operating income	104.00	93.67	85.73	197.67	196.92	387.73
	(b) Other income						
	(i) Gain on account of foreign exchange fluctuations (net)	-	5.43	-	-	-	-
	(ii) Others	4.21	4.61	0.90	8.82	21.92	37.25
	(c) Finance income	5.24	5.70	5.26	10.94	10.04	21.28
	Total Income	**2,491.62**	**2,490.89**	**2,017.21**	**4,977.08**	**4,127.79**	**9,288.22**
2	**Expenses**						
	(a) Cost of materials consumed	1,338.94	1,197.29	1,068.61	2,536.23	1,997.76	4,146.60
	(b) Decrease/ (increase) in inventories of work-in-progress and finished goods	(145.28)	(122.90)	(146.60)	(268.18)	(190.71)	5.29
	(c) Employee benefit expenses	866.45	926.55	745.10	1,793.00	1,567.79	3,327.22
	(d) Finance costs	90.85	80.88	65.50	171.73	125.34	273.44
	(e) Depreciation and amortisation expenses	111.31	106.05	107.94	217.36	218.37	438.26
	(f) Loss on account of foreign exchange fluctuations (net)	29.09	-	28.11	23.66	54.36	106.61
	(g) Other expenses	221.45	262.93	233.34	484.38	469.61	881.88
	Total expenses	**2,512.81**	**2,450.80**	**2,102.00**	**4,958.18**	**4,242.52**	**9,179.30**
3	**Share of profit / (loss) of associates from operations**	-	-	-	-	-	**12.44**
4	**(Loss)/ profit before tax expense (net) (1±2±3)**	**(21.19)**	**40.09**	**(84.79)**	**18.90**	**(114.73)**	**121.36**
5	**Tax expenses**						
	(a) Current tax (net)	27.38	42.01	(0.59)	69.39	3.97	126.51
	(b) Adjustment of tax relating to earlier period	2.50	-	(10.32)	2.50	(10.32)	(10.32)
	(c) Deferred tax (credit) / expense	(5.50)	(16.41)	(5.28)	(21.91)	(14.07)	(61.77)
6	**(Loss)/ profit after tax expense from operations (4±5)**	**(45.57)**	**14.49**	**(68.60)**	**(31.08)**	**(94.31)**	**66.94**
7	**Other comprehensive income/ (expenses) (net of tax)**						
	(a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
	(i) Remeasurement gains / (losses) on defined benefit plans	1.84	1.88	0.36	3.72	0.72	7.77
	(ii) Income tax effect on above	(0.46)	(0.48)	(0.09)	(0.94)	(0.18)	(1.96)
	(b) Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
	(i) Exchange differences on translating the financial statements of foreign operations	25.41	(2.76)	13.68	22.65	35.64	1.24
	(ii) Income tax effect on above	-	-	-	-	-	-
	(iii) Net movement on effective portion of cash flow hedge	-	-	0.86	-	-	0.02
	(iv) Income tax effect on above	-	-	(0.22)	-	-	(0.01)
8	**Total comprehensive income for the period, net of tax (6±7)**	**(18.78)**	**13.13**	**(54.01)**	**(5.65)**	**(58.13)**	**74.00**
9	**Total comprehensive income attributable to:**						
	(a) Equity holders of the parent	(10.78)	31.70	(47.04)	20.92	(48.18)	106.60
	(b) Non-controlling interest	(8.00)	(18.57)	(6.97)	(26.57)	(9.95)	(32.60)
	Total comprehensive income for the period	**(18.78)**	**13.13**	**(54.01)**	**(5.65)**	**(58.13)**	**74.00**
10	Paid up equity share capital (Face value - Rs 10 per share)	128.85	128.85	128.85	128.85	128.85	128.85
11	**Earnings per equity share (EPS) (of Rs. 10 each) :**						
	(a) Basic (Rs.)	(2.89)	2.50	(4.60)	(0.39)	(6.27)	7.62
	(b) Diluted (Rs.) (refer note 8)	(2.89)	2.47	(4.60)	(0.39)	(6.27)	7.55

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Notes to the unaudited consolidated Ind AS financial results for the quarter and six months ended September 30, 2023

1. Statement of consolidated assets and liabilities

(Rs. in million)

Sl.No.	Particulars	As at September 30, 2023 (Unaudited)	As at March 31, 2023 (Audited)
A	**Assets**		
(1)	**Non-current assets**		
	(a) Property, plant and equipment	1,143.47	1,071.27
	(b) Capital work-in-progress	2.95	54.09
	(c) Goodwill on consolidation (refer note 6)	376.23	376.23
	(d) Other intangible assets (refer note 6)	302.71	286.20
	(e) Intangible assets under development (refer note 6)	194.86	227.56
	(f) Right-of-use assets	542.39	464.74
	(g) Financial assets		
	(i) Investment in associates	81.92	82.47
	(ii) Other Investments	13.80	13.81
	(iii) Other financial assets	415.03	362.62
	(h) Deferred tax assets (net)	79.80	69.68
	(i) Non-current tax assets (net)	9.78	9.59
	(j) Other assets	268.26	341.71
	Total non-current assets	**3,431.20**	**3,359.97**
(2)	**Current assets**		
	(a) Inventories	3,327.61	2,610.62
	(b) Financial assets		
	(i) Trade receivables	3,227.01	3,309.97
	(ii) Cash and cash equivalents	357.76	352.71
	(iii) Bank balances other than cash and cash equivalents	73.65	69.25
	(iv) Other financial assets	115.02	121.20
	(c) Other assets	888.87	903.26
	Total current assets	**7,989.92**	**7,367.01**
	Total assets (1+2)	**11,421.12**	**10,726.98**
B	**Equity and liabilities**		
	Equity		
	(a) Equity share capital	128.85	128.85
	(b) Other equity	1,910.62	1,978.32
	Equity attributable to equity holders of the parent	**2,039.47**	**2,107.17**
	Non-controlling interests	(46.01)	(66.60)
(1)	**Total equity**	**1,993.46**	**2,040.57**
	Liabilities		
(2)	**Non-current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	593.13	579.62
	(ii) Lease liabilities	419.30	361.58
	(b) Deferred tax liabilities (net)	16.27	27.12
	(c) Other liabilities	104.64	167.39
	(d) Net employee defined benefit liabilities	64.38	61.81
	(e) Provisions	20.05	23.67
	(f) Government grants	20.33	24.43
	Total non-current liabilities	**1,238.10**	**1,245.62**
(3)	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	2,386.79	2,047.99
	(ii) Lease liabilities	112.60	91.79
	(iii) Trade payables	2,263.18	2,109.71
	(iv) Other financial liabilities	284.17	517.04
	(b) Other liabilities	2,807.48	2,254.99
	(c) Government grants	8.10	8.16
	(d) Net employee defined benefit liabilities	8.79	7.39
	(e) Provisions	255.02	287.08
	(f) Liabilities for current tax (net)	63.43	116.64
	Total current liabilities	**8,189.56**	**7,440.79**
	Total equity and liabilities (1+2+3)	**11,421.12**	**10,726.98**

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Notes of unaudited consolidated Ind AS financial results for the quarter and six months ended September 30, 2023

2. Statement of unaudited consolidated cash flows for the six months ended September 30, 2023

(Rs. in million)

	Six months ended September 30, 2023	Six months ended September 30, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax expenses	18.90	(114.73)
Adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation and amortisation expenses	217.36	218.37
Provisions/ liabilities no longer required, written back	(3.51)	(12.48)
Net foreign exchange differences (unrealised)	18.55	31.10
Provision for expected credit losses / bad debts written off	-	55.04
Employee share based compensation cost	10.09	5.83
Government grants	(4.15)	(6.04)
Gain / (loss) on disposal of property, plant and equipment	(1.07)	(0.58)
Finance income	(10.94)	(10.04)
Finance costs	171.73	108.48
Operating profit / (loss) before working capital changes	**416.96**	**274.95**
Working capital adjustments:		
(Increase) / decrease in inventories	(721.49)	(379.08)
Decrease/ (increase) in trade receivables/non-current/current financial and other assets	126.22	110.57
Increase / (decrease) in trade payables, non-current/current provisions, financial liabilities and other liabilities	628.08	329.59
Cash generated from / (used in) operations	**449.77**	**336.03**
Direct taxes paid (net of refunds)	(125.29)	18.96
Net cash from / (used in) operating activities	**324.48**	**354.99**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including other intangible assets and capital advances	(244.09)	(34.94)
Proceeds from sale of property, plant and equipment	1.65	0.63
Investment in bank deposit (having original maturity of more than three months) and other bank balances	(37.67)	0.31
Interest income received	2.76	2.84
Government grant received	-	8.65
Net cash (used in) / from investing activities	**(277.35)**	**(22.51)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	154.34	-
Repayment of long term borrowings	(93.51)	(105.82)
Proceeds / (repayment) of short term borrowings (net)	322.73	(14.90)
Payment of principal portion of lease liabilities	(52.83)	(82.25)
Payment of interest portion of lease liabilities	(5.91)	(5.14)
Acquisition of non-controlling interest	(143.89)	(128.83)
Finance costs paid	(168.77)	(100.08)
Dividend paid (including amount transferred to Investor Education and Protection Fund)	(51.87)	(32.47)
Net cash (used in) / from financing activities	**(39.71)**	**(469.49)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	7.42	(137.01)
Cash and cash equivalents at the beginning of the year	352.71	480.44
Effect of exchange differences on cash and cash equivalents held in foreign currency	(2.37)	(10.34)
Cash and cash equivalents at the end of the year	**357.76**	**333.09**
Total cash and cash equivalents	**357.76**	**333.09**

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Notes to the unaudited consolidated Ind AS financial results for the quarter and six months ended September 30, 2023

3 Investors can view the unaudited consolidated Ind AS 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 and associate 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 The accompanying unaudited consolidated Ind AS financial results of the Group for the quarter and six months ended September 30, 2023 have been reviewed by the Audit Committee in their meeting on November 08, 2023 and approved by the Board of Directors in their meeting held on November 09, 2023.

6 The Company has investments in Centum Electronics UK Limited, which in turn has made investment in Centum T&S Group SA (formerly known as Centum Adetal Group SA). Centum T&S Group SA and its underlying subsidiaries have incurred losses leading to erosion of networth. The Group has accounted a goodwill of Rs. 376.23 million and has a carrying value of other intangible assets (including intangible assets under development) of Rs. 427.86 million as at September 30, 2023 on account of the aforesaid investment in its consolidated financial results.

Based on internal assessment performed as at September 30, 2023 with regard to future business operations and external valuation by an expert during the year ended March 31, 2022, the management of the Group is of the view that the carrying value of the goodwill and intangible assets (including intangible assets under development) as stated above is appropriate.

Further, during the quarter and six months ended September 30, 2023, the Company has further invested in Centum Electronics UK Limited to acquire an additional 12.31% stake in Centum T&S Group SA from the existing shareholders and has a cumulative stake of 90.08% as at September 30, 2023 in Centum T&S Group SA.

7 The Board of Directors of the Company at their meeting held on May 27, 2023 have declared dividend of ₹4 per equity share for the financial year ended March 31, 2023, which has been paid on August 18, 2023.

8 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 operations.

9 Figures pertaining to previous quarters / period / year have been reclassified, wherever necessary, to conform to the classification adopted in the current period.

For Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director

Place : Bengaluru
Date : November 09, 2023

Batliboi & Associates LLP Bengaluru

CENTUM ELECTRONICS LTD. BANGALORE

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
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INDEPENDENT AUDITOR'S REPORT

To the Members of Centum Electronics Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Centum Electronics Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and its associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

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<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Allowance for inventory obsolescence (as described in Note 2.3(m), 11 and 41 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Group held an inventory balance of Rs. 3,173.77 million as at March 31, 2024, as disclosed in Note 11 and is a material balance for the Group. Inventory obsolescence allowance is determined using policies/methodologies that the Group deems appropriate to the business. Significant judgement is exercised by the management in identifying the slow-moving and obsolete inventories and in assessing whether provision for obsolescence for slow moving, excess or obsolete inventory items should be recognized considering the production plan, forecast inventory usage, committed and expected orders, alternative usage, etc. Considering that the aforesaid assessment process is complex and involves significant estimates and judgements and the balance of inventory is material, we have identified this as a key audit matter.</td><td>Our procedures in relation to evaluate the allowance of inventories included:
• We obtained an understanding of how the management identifies the slow-moving and obsolete inventories and assesses the amount of allowance for inventories;
• We assessed and tested the design and operating effectiveness of the Company's internal financial controls over the allowance for inventory obsolescence.
• We observed the inventory count performed by management and assessed the physical condition of the inventories;
• We also assessed allowance policy based on historical sales performance of the products in their life cycle and comparing the actual loss to historical allowance recognized, on a sample basis;
• We further tested the ageing of the inventories and the computation of the obsolescence level on a sample basis;
• We have tested a sample of inventory items for significant components to assess the cost and tested the basis of determination of net realisable value of inventory, on a sample basis.
• We also assessed the Group's disclosures concerning this in Note 41 on significant accounting estimates and judgements and Note 11 on Inventories to the consolidated Ind AS financial statements.</td></tr>
<tr><td colspan="2"><u>Impairment of Goodwill and Intangible assets</u> (as described in Note 2.3(j), 2.3(n), 4a, 4b, 4c and 41 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Group's balance sheet includes Rs 412.58 million of goodwill, Rs. 314.67 million of intangible assets and Rs. 100.99 million of intangible assets under development representing 7.79% of total Group assets. In accordance with Ind AS, these balances are allocated to Cash Generating Units (CGUs) which are tested annually for impairment using discounted cash-flow models of each CGU's recoverable value compared to the carrying value of the assets. A deficit between the recoverable value and the CGU's net assets would result in impairment.

The determination of recoverable amounts, being the higher of fair value less cost to sale and value in use involves reliance on management's estimates of future cash flows and their judgment with respect to the CGU's performance. Significant judgements are required to determine the key assumptions used in the discounted cash</td><td>Our procedures in relation to evaluate the impairment of goodwill and intangible assets included:
• We assessed whether the Company's accounting policy with respect to impairment is in accordance with Ind AS 36 "Impairment of assets".
• We assessed the Group's methodology applied in determining the CGUs to which goodwill is allocated.
• We have carried out assessment of forecasts of future cash flows prepared by the management, evaluating the assumptions and comparing the estimates to externally available industry, economic and financial data.
• We have also assessed the valuation methodology and the key assumptions adopted in the cash flow forecasts with the support of our in-house valuation experts.
• We also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used.</td></tr>
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flow models, such as revenue growth, price, terminal value and discount rates. Due to the uncertainty of forecasting and discounting future cash flows, being inherently subjective, the level of management's judgement involved and the materiality of the goodwill and intangible assets to the Group's consolidated Ind AS financial statements as a whole as at March 31, 2024, we have considered this as a key audit matter. The basis of impairment of goodwill and intangible assets is presented in the accounting policies in Note 2.3(j) and 2.3(n) to the consolidated Ind AS financial statements.	• We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were appropriate. • We discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same to assess their reasonableness. • We tested the arithmetical accuracy of the financial projection model. • We assessed the Group's disclosures concerning this in Note 41 on significant accounting estimates and judgements and Note 4a, 4b and 4c pertaining to the disclosures of goodwill, intangible assets and intangible assets under development respectively to the consolidated Ind AS financial statements.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of their respective companies

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to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other

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matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the consolidated financial statements and other financial information, in respect of two subsidiaries located outside India (one of the said subsidiary has 6 underlying subsidiaries and 1 associate) whose consolidated financial statements (before adjustments for consolidation) include total assets of Rs 4,478.07 million as at March 31, 2024, and total revenue from operations of Rs 4,602.05 million and net cash inflows of Rs 157.55 million for the year ended on that date. These consolidated financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

These subsidiaries and associate are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit for entities and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary company, incorporated in India, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

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(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books except, as detailed in note 56 of the consolidated Ind AS financial statements, for the matters stated in the paragraph (f) and (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;

(g) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company and its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and its associate, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated Ind AS financial statements – Refer note 45(c)(iv) to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer note 21, 25, 28 and 53 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group and its associate.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary, incorporated in India during the year ended March 31, 2024.

iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, other than as disclosed in the note 55(v) to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any

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other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief and disclosed in the note 55(vi) to the consolidated Ind AS financial statements, no funds have been received by the respective Holding Company or any of such subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary company which is incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) As stated in the note 18 to the consolidated Ind AS financial statements, the final dividend paid by the Holding company during the year in respect of the same declared for the previous year and the dividend proposed by the Board of Directors for the year which is subject to approval of members at the ensuing Annual General Meeting, is in accordance with section 123 of the Act to the extent it applies to payment / declaration of dividend. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Act. No dividend has been declared or paid during the year by the subsidiary company incorporated in India.

vi) Based on our examination which included test checks, the Holding Company and its domestic subsidiary have used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares except that, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in note 56 to the consolidated Ind AS financial statements.. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting softwares where audit trail has been enabled.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 24061207BKBJWQ1917

S.R. Batliboi & Associates LLP
Bengaluru

Place of Signature: Bengaluru
Date: May 22, 2024

Annexure 1 referred to in clause 1 of paragraph on the 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Centum Electronics Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, and based on the consideration of reports of auditors in respect of subsidiaries, we state that the qualifications or adverse remarks by the respective auditors in their reports on Companies (Auditor's Report) Order, 2020 of the companies included in the Consolidated Ind AS Financial Statements are:

Sl.No	Name	CIN	Holding company/ subsidiary	Clause number of the CARO report which is qualified or is adverse
1	Centum Electronics Limited	L85110KA1993PLC013869	Holding company	Clause 3(vii)(a)

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 24061207BKBJWQ1917
Place of Signature: Bengaluru
Date: May 22, 2024

S. R. Batliboi & Associates LLP
Bengaluru

Annexure II to the Independent Auditor's Report of even date on the consolidated Ind AS Financial Statements of Centum Electronics Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Centum Electronics Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary company, (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

S.R. Batliboi & Associates LLP
Bengaluru

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, which have companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP
Bengaluru

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 24061207BKBJWQ1917
Place of Signature: Bengaluru
Date: May 22, 2024

Centum Electronics Limited
Corporate Identification Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Balance Sheet as at March 31, 2024

(Rs. in million)

	Notes	March 31, 2024	March 31, 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,126.04	1,071.27
(b) Capital work-in-progress	3a	2.87	54.09
(c) Goodwill	4a	412.58	412.58
(d) Other intangible assets	4b	314.67	249.85
(e) Intangible assets under development	4c	100.99	227.56
(f) Right-of-use assets	44	529.77	464.74
(g) Financial assets			
(i) Investment in associates	5	84.17	82.47
(ii) Other investments	6	0.55	13.81
(iii) Other financial assets	7	275.64	362.62
(h) Deferred tax assets (net)	8	102.48	69.68
(i) Non-current tax assets (net)	9	13.43	9.59
(j) Other assets	10	74.59	341.71
Total non-current assets		**3,037.78**	**3,359.97**
(2) Current assets			
(a) Inventories	11	3,173.77	2,610.62
(b) Financial assets			
(i) Trade receivables	12	2,279.77	3,309.97
(ii) Cash and cash equivalents	13	481.21	352.71
(iii) Bank balances other than cash and cash equivalents	13	234.58	69.25
(iv) Other financial assets	14	440.82	121.20
(c) Other assets	15	990.11	903.26
Total current assets		**7,600.26**	**7,367.01**
Total assets (1+2)		**10,638.04**	**10,726.98**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	128.88	128.85
(b) Other equity	17	1,903.84	1,978.32
Equity attributable to equity holders of the parent		**2,032.72**	**2,107.17**
Non-controlling interests		(65.62)	(66.60)
Total equity		**1,967.10**	**2,040.57**
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	446.71	579.62
(ii) Lease liabilities	44	407.81	361.58
(b) Deferred tax liabilities (net)	8	5.42	27.12
(c) Other liabilities	26	672.17	167.39
(d) Net employee defined benefit liabilities	20	53.12	61.81
(e) Provisions	21	14.51	23.67
(f) Government grants	22	16.40	24.43
Total non-current liabilities		**1,616.14**	**1,245.62**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	1,290.23	2,047.99
(ii) Lease liabilities	44	117.96	91.79
(iii) Trade payables	24	2,377.69	2,109.71
(iv) Other financial liabilities	25	371.60	517.04
(b) Other liabilities	26	2,516.77	2,254.99
(c) Government grants	22	8.03	8.16
(d) Net employee defined benefit liabilities	27	7.98	7.39
(e) Provisions	28	313.43	287.08
(f) Liabilities for current tax (net)	29	51.11	116.64
Total current liabilities		**7,054.80**	**7,440.79**
Total equity and liabilities (1+2+3)		**10,638.04**	**10,726.98**
Summary of material accounting policies	2.3		

The accompanying notes are an integral part of the consolidated Ind AS financial statements.

As per our report of even date.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership number: 061207

S.R. Batliboi & Associates LLP Bengaluru

CENTUM ELECTRONICS LTD. BANGALORE

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Whole Time Director
DIN: 00288551

Indu H S
Company Secretary
Membership number: F12285

K.S. Desikan
Chief Financial Officer

Place: Bengaluru, India
Date : May 22, 2024

Place: Bengaluru, India
Date : May 22, 2024

Centum Electronics Limited
Corporate Identification Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Statement of Profit and loss for the year ended March 31, 2024

		Notes	March 31, 2024	(Rs. in million) March 31, 2023
I	**Income**			
	Revenue from operations	30	10,908.20	9,229.69
	Other income	31	45.91	37.25
	Finance income	32	22.23	21.28
	Total income		**10,976.34**	**9,288.22**
II	**Expenses**			
	Cost of materials consumed	33a	5,446.42	4,146.60
	(Increase)/ decrease in inventories of work-in-progress and finished goods	33b	(191.51)	5.29
	Employee benefit expenses	34	3,671.16	3,327.22
	Finance costs	35	346.31	273.44
	Depreciation and amortisation expenses	36	452.74	438.26
	Other expenses	37	1,123.65	988.49
	Total expenses		**10,848.77**	**9,179.30**
III	**Profit / (loss) before share of profit/(loss) of associates, exceptional items and tax (I - II)**		**127.57**	**108.92**
IV	Share of profit / (loss) of associates (net)	5(ii)	-	12.44
V	**Profit / (loss) before exceptional items and tax (III - IV)**		**127.57**	**121.36**
VI	Exceptional items (net)	38	(48.79)	-
VII	**Profit / (loss) before tax (V - VI)**		**78.78**	**121.36**
VIII	**Tax expenses**			
	(a) Current tax	39	158.21	126.51
	(b) Adjustment of tax relating to earlier period	39	3.70	(10.32)
	(c) Deferred tax (credit) / expense	39	(55.58)	(61.77)
	Total tax expenses		**106.33**	**54.42**
IX	**Profit / (loss) for the year (VII - VIII)**		**(27.55)**	**66.94**
X	**Other comprehensive income**			
	(A) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	(i) (a) Exchange differences on translating the financial statements of foreign operations		19.37	1.24
	(b) Income tax effect on above		-	-
	(ii) (a) Net movement on effective portion of cash flow hedge	53	(0.22)	0.02
	(b) Income tax effect on above	39	0.06	(0.01)
	(B) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	(i) (a) Remeasurement gains / (losses) on defined benefit plans	43b(ii)	4.28	7.77
	(b) Income tax effect on above	39	(1.14)	(1.96)
	Other comprehensive income for the year, net of tax		**22.35**	**7.06**
	(Loss)/ profit for the year		**(27.55)**	**66.94**
	Attributable to			
	a) Equity holders of the parent		17.75	98.16
	b) Non-controlling interests		(45.30)	(31.22)
	Other comprehensive income for the year		**22.35**	**7.06**
	Attributable to			
	a) Equity holders of the parent		23.23	8.44
	b) Non-controlling interests		(0.88)	(1.38)
	Total comprehensive income for the year (IX + X)		**(5.20)**	**74.00**
	Attributable to			
	a) Equity holders of the parent		40.98	106.60
	b) Non-controlling interests		(46.18)	(32.60)

S.R. Batliboi & Associates LLP Bengaluru

CENTUM ELECTRONICS LTD. BANGALORE

		Notes	March 31, 2024	March 31, 2023
XI	**Earnings per equity share (nominal value of Rs 10 each)**			
	Earnings per share (Rs.) : Basic and diluted, computed on the basis of profit / (loss) attributable to equity holders of the parent (per equity share of Rs.10 each)	40		
	- Basic		1.38	7.62
	- Diluted		1.36	7.55
	Summary of material accounting policies	2.3		

The accompanying notes are an integral part of the consolidated Ind AS financial statements.

As per our report of even date.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership number: 061207

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru, India
Date : May 22, 2024

For and on behalf of Board of Directors of
Centum Electronics Limited

2/5

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Whole Time Director
DIN: 00288551

Indu H S

Indu H S
Company Secretary
Membership number: F12285

K.S. Desikan
Chief Financial Officer

Place: Bengaluru, India
Date : May 22, 2024

CENTUM ELECTRONICS LTD. BANGALORE

Centum Electronics Limited
Corporate Identification Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Statement of Cash Flows for the year ended March 31, 2024

(Rs. in million)

	March 31, 2024	March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax expenses	78.78	121.36
Non- cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation and amortisation expenses	452.74	438.26
Provisions/ liabilities no longer required, written back	(28.32)	(20.87)
Fair value loss/ (gain) on financial instruments	0.22	(0.02)
Net foreign exchange differences (unrealised)	24.23	23.89
Provision for expected credit losses / bad debts written off/ doubtful advances	4.58	44.33
Employee share based compensation cost	21.68	13.91
Provision for inventory obsolescence	11.15	95.11
Provision for onerous contract	8.24	15.41
Government grants	(8.16)	(10.50)
Gain / (loss) on disposal of property, plant and equipment	(1.07)	(0.58)
Provision for impairment of contract assets	34.29	-
Impairment of non-current investments	13.26	-
Finance income	(22.23)	(21.28)
Finance costs	346.31	246.65
Share of (profit) / loss of associates	-	(12.44)
Operating profit / (loss) before working capital changes	**935.71**	**933.23**
Working capital adjustments:		
(Increase) / decrease in inventories	(571.29)	(443.21)
Decrease/ (increase) in trade receivables/non-current/current financial and other assets	915.31	(1,216.31)
Increase / (decrease) in trade payables, non-current/current provisions, financial liabilities and other liabilities	1,098.91	1,435.05
Cash generated from / (used in) operations	**2,378.64**	**708.76**
Direct taxes paid (net of refunds)	(242.97)	0.56
Net cash flow from / (used in) operating activities	**2,135.67**	**709.32**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including other intangible assets and capital advances	(330.42)	(217.56)
Proceeds from sale of property, plant and equipment	1.65	0.63
Investment in bank deposits (having original maturity of more than three months) and other bank balances	(119.48)	72.18
Interest income received	8.09	23.61
Government grant received	-	8.65
Net cash flow (used in) / from investing activities	**(440.16)**	**(112.49)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition of non-controlling interests	(143.89)	(135.13)
Proceeds from long term borrowings	158.93	-
Repayment of long term borrowings	(230.10)	(298.77)
(Repayment)/ proceeds of short term borrowings (net)	(702.38)	(45.86)
Payment of principal portion of lease liabilities	(103.64)	(135.14)
Payment of interest portion of lease liabilities	(11.78)	(9.86)
Finance costs paid	(324.00)	(223.29)
Dividend paid (including amount transferred to Investor Education and Protection Fund)	(90.67)	(32.49)
Net cash flow (used in) / from financing activities	**(1,447.53)**	**(880.54)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	247.98	(283.71)
Cash and cash equivalents at the beginning of the year	211.78	480.44
Effect of exchange differences on cash and cash equivalents held in foreign currency	1.35	15.05
Cash and cash equivalents at the end of the year	**461.11**	**211.78**
Components of cash and cash equivalents for the purpose of cash flow statement		
Balances with banks (refer note 13)		
- On current accounts	359.72	213.33
- On exchange earners foreign currency (EEFC) accounts	37.18	138.33
Deposits with original maturity of less than three months	80.14	-
Cash in transit	3.03	-
Cash on hand	1.14	1.05
Overdraft from banks (refer note 23)	(20.10)	(140.93)
Total cash and cash equivalents	**461.11**	**211.78**

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S.R. Batliboi & Associates LLP Bengaluru

CENTUM ELECTRONICS LTD. BANGALORE

Centum Electronics Limited
Corporate Identification Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Statement of Cash Flows for the year ended March 31, 2024

Explanatory notes to consolidated Ind AS statement of cash flows

1. Changes in liabilities arising from financing activities:-

(Rs. in million)

Particulars	Liabilities arising from financing activities			
	Long term borrowings (including current maturities of long term borrowings) (refer note 19 and 23)	Unpaid dividend on equity shares (refer note 25)	Short term borrowings excluding current maturities of long term borrowings and cash credits (refer note 23)	Lease liabilities (including current portion of lease liabilities) (refer note 44)
As at April 1, 2023	897.70	2.61	1,588.98	453.37
Cash flows	(71.17)	(90.67)	(702.38)	(115.42)
Non-cash changes				
Foreign exchange differences (gain) / loss	4.57	-	0.20	2.36
Interest accrued but not due	-	-	(1.06)	-
Changes in fair values	-	-	-	11.78
Recognition of lease liabilities	-	-	-	173.68
Dividend declared during the year	-	90.21	-	-
As at March 31, 2024	**831.10**	**2.15**	**885.74**	**525.77**
As at April 1, 2022	1,141.19	2.89	1,584.80	475.57
Cash flows	(298.77)	(32.49)	(45.86)	(145.00)
Non-cash changes				
Foreign exchange differences (gain) / loss	55.28	-	42.99	29.13
Interest accrued but not due	-	-	7.05	-
Changes in fair values	-	-	-	9.86
Modification of lease liabilities	-	-	-	(57.63)
Recognition of lease liabilities	-	-	-	141.44
Dividend declared during the year	-	32.21	-	-
As at March 31, 2023	**897.70**	**2.61**	**1,588.98**	**453.37**

Summary of material accounting policies 2.3

The accompanying notes are an integral part of the consolidated Ind AS financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership number: 061207

S. R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru, India
Date : May 22, 2024

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Whole Time Director
DIN: 00288551

Indu H S
Company Secretary
Membership number: F12285

K.S. Desikan
Chief Financial Officer

Place: Bengaluru, India
Date : May 22, 2024

CENTUM ELECTRONICS LTD. BANGALORE

Centum Electronics Limited
Corporate Identification Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Statement of Changes in Equity for the year ended March 31, 2024

(a) Equity share capital

Equity shares of Rs 10 each issued, subscribed and fully paid

Particulars	Number	Rs. in million
At April 01, 2022	12,884,841	128.85
Issue of share capital (refer note 16)	-	-
At March 31, 2023	**12,884,841**	**128.85**
Issue of share capital (refer note 16)	3,653	0.03
At March 31, 2024	**12,888,494**	**128.88**

(b) Other equity

(Rs. in million)

Particulars	Equity portion of put option liability (refer note 17)	Attributable to equity shareholders							Total Other equity (A)	Non-controlling interests (B)	Total other equity and Non-controlling interests (A+B)
		Reserves and surplus									
		Securities premium (refer note 17)	General reserve (refer note 17)	Retained earnings (refer note 17)	Effective portion of cash flow hedge (refer note 17)	Share based payments reserve (refer note 17)	Capital reserve (refer note 17)	Foreign currency translation reserve (refer note 17)			
For the year ended March 31, 2024											
As at April 01, 2023	**(182.59)**	**28.07**	**440.26**	**1,612.71**	**0.01**	**14.23**	**48.30**	**17.33**	**1,978.32**	**(66.60)**	**1,911.72**
Profit / (loss) for the year	-	-	-	17.75	-	-	-	-	17.75	(45.30)	(27.55)
Other comprehensive income/(loss) for the year (net of taxes)*	-	-	-	3.14	(0.16)	-	-	20.25	23.23	(0.88)	22.35
Exercise of share options	-	0.20	-	-	-	-	-	-	0.20	-	0.20
Exercise of put options by non-controlling interest shareholders	(47.16)	-	-	-	-	-	-	-	(47.16)	47.16	-
Dividends (refer note 18)	-	-	-	(90.21)	-	-	-	-	(90.21)	-	(90.21)
Compensation for options granted (refer note 47)	-	-	-	-	-	21.68	-	-	21.68	-	21.68
Transfer of equity portion of put option liability to retained earnings on settlement of put options	229.75	-	-	(229.75)	-	-	-	-	-	-	-
Others	-	-	-	0.03	-	-	-	-	0.03	-	0.03
As at March 31, 2024	**-**	**28.27**	**440.26**	**1,313.67**	**(0.15)**	**35.91**	**48.30**	**37.58**	**1,903.84**	**(65.62)**	**1,838.22**
For the year ended March 31, 2023											
As at April 01, 2022	**(162.11)**	**28.07**	**440.26**	**1,541.28**	**-**	**0.32**	**48.30**	**14.71**	**1,910.83**	**(54.48)**	**1,856.35**
Profit / (loss) for the year	-	-	-	98.16	-	-	-	-	98.16	(31.22)	66.94
Other comprehensive income/(loss) for the year (net of taxes)*	-	-	-	5.81	0.01	-	-	2.62	8.44	(1.38)	7.06
Exercise of put options by non-controlling interest shareholders	(20.48)	-	-	-	-	-	-	-	(20.48)	20.48	-
Dividends (refer note 18)	-	-	-	(32.21)	-	-	-	-	(32.21)	-	(32.21)
Compensation for options granted (refer note 47)	-	-	-	-	-	13.91	-	-	13.91	-	13.91
Others	-	-	-	(0.33)	-	-	-	-	(0.33)	-	(0.33)
As at March 31, 2023	**(182.59)**	**28.07**	**440.26**	**1,612.71**	**0.01**	**14.23**	**48.30**	**17.33**	**1,978.32**	**(66.60)**	**1,911.72**

*As required under Ind AS compliant Schedule III, the Company has recognised remeasurement gains/(losses) of defined benefit plans as part of retained earnings.

Summary of material accounting policies 2.3

The accompanying notes are an integral part of the consolidated Ind AS financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207

Place: Bengaluru, India
Date: May 22, 2024

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Whole Time Director
DIN: 00288551

Indu H S
Company Secretary
Membership number: F12285

K S Desikan
Chief Financial Officer

Place: Bengaluru, India
Date: May 22, 2024

2.5 The entities consolidated in the consolidated Ind AS financial statements are listed below:

Sl No.	Name of the entity	Country of Incorporation	Relationship as at March 31, 2024	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		Net Assets, i.e. total assets minus total liabilities*				Share in total comprehensive income*			
								March 31, 2024		March 31, 2023		March 31, 2024		March 31, 2023	
				March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	As a % of consolidated net assets	Rs. in million	As a % of consolidated net assets	Rs. in million	As % of total comprehensive income	Rs. in million	As % of total comprehensive income	Rs. in million
	Parent														
1	Centum Electronics Limited	India	Holding Company					84.96%	3,123.88	83.56%	2,826.43	1146.91%	365.75	115.74%	199.50
	Indian Subsidiaries														
2	Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited) ('CTNSI')	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.53%	19.59	0.56%	18.94	2.04%	0.65	10.88%	18.75
	Foreign Subsidiaries														
3	Centum Electronics UK Limited	United Kingdom	Subsidiary	100.00%	100.00%	100.00%	100.00%	32.06%	1,178.87	25.14%	850.28	-7.09%	(2.26)	33.60%	57.91
4	Centum T&S Group SA[1]	France	Subsidiary	90.08%	77.77%	90.08%	77.77%								
5	Centum T&S (Centum Technologies ET Solutions) (formerly known as Centum Adeneo SAS)[1]	France	Subsidiary	90.08%	77.77%	100.00%	100.00%								
6	Centum R&D (Centum Recherche ET developement) (formerly known as Centum Adeneo CRD SAS)[1]	France	Subsidiary	90.08%	77.77%	100.00%	100.00%								
7	Centum Adetel Transportation System SAS[1]	France	Subsidiary	90.08%	77.77%	100.00%	100.00%								
8	Centum T&S (Centum Technologies ET Solutions) (formerly known as Centum Adetel Solution)[1]	Canada	Subsidiary	90.08%	77.77%	100.00%	100.00%								
9	Centum E&S (Centum Equipments ET Systemes) (formerly known as Centum Adetel Equipment)[1]	Canada	Subsidiary	90.08%	77.77%	100.00%	100.00%	-17.56%	(645.48)	-9.26%	(313.23)	-1041.86%	(332.25)	-60.22%	(103.79)
10	Centum T&S (Technologies & Solutions) Belgium SRL (formerly known as Centum Adetel Belgium)[1]	Belgium	Subsidiary	90.08%	77.77%	100.00%	100.00%								
	Foreign Associate														
11	Ausar Energy SAS[1]	France	Associate	27.43%	23.68%	30.45%	30.45%								
	Subtotal							**100.00%**	**3,676.86**	**100.00%**	**3,382.42**	**100.00%**	**31.89**	**100.00%**	**172.37**
	Add / Less. Non controlling interests in all subsidiaries								(65.62)		(66.60)		46.18		32.60
	Consolidation adjustments/eliminations**								(1,644.14)		(1,275.25)		(37.09)		(98.37)
	Total								**1,967.10**		**2,040.57**		**40.98**		**106.60**

* The figures have been considered from the respective financial statements.
** Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

The financial statements of subsidiaries have been drawn up to the same reporting date as of the Company, i.e. March 31, 2024 and March 31, 2023. There is a quarter lag in the reporting dates of the associates with that of the Parent Company whose management certified financial statements for the year / period ended on and as at December 31 were considered for the purpose of consolidated Ind AS financial statements of the Group.

Notes:
1 The amounts for net assets / (liabilities) and net profit / (loss) of Centum T&S Group SA and its subsidiaries and associate (refer Sl. No. 4 to 11 above) have been presented on a consolidated basis.

S. R. Batliboi & Associates LLP Bengaluru

CENTUM ELECTRONICS LTD. BANGALORE

1. Corporate information

Centum Electronics Limited ("Centum" or "the Company" or "the Holding Company) is a public limited company domiciled in India. The registered office of the Company is located at Bangalore, India. Its equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India.

The Company along with its subsidiaries ("the Group") and an associate (hereinafter collectively referred to as "the Group"), are primarily involved in the design and manufacture of advanced microelectronics modules, systems, subsystems and printed circuit board assembly catering to the Defence, Aerospace, Transportation and Industrial electronics markets. Centum is headquartered in Bangalore, India.

The consolidated Ind AS financial statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on May 22, 2024.

The Holding Company has been registered under the provisions of Micro, Small and Medium Enterprise Development Act ("MSMED") Act, 2006 and has obtained the Udyam registration number ("URN") UDYAM - KR– 03-0005545 on August 12, 2020

2. Material accounting policies

The material accounting policies applied by the Group in the preparation of its consolidated Ind AS financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated Ind AS financial statements, unless otherwise indicated.

2.1. Basis of Consolidation

The consolidated Ind AS financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated Ind AS Financial Statement (CFS).

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

The functional and presentation currency of the Group is Indian Rupee ("Rs.") which is the currency of the primary economic environment in which the Group operates and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated Ind AS financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group

S. R. Batliboi & Associates LLP Bengaluru

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member's financial statements in preparing the consolidated Ind AS financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The Group has prepared the consolidated Ind AS financial statements on the basis that it will continue to operate as a going concern.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated Ind AS financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated Ind AS financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when
- control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.2. Change in accounting policies and disclosures:

__New standards and amendments__:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2023 dated March 31, 2023, to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023. The Group applied for the first time these amendments.

a. Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's consolidated Ind AS financial statements.

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b. **Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's consolidated Ind AS financial statements.

c. **Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact on the consolidated Ind AS balance sheet. There was also no impact on the opening retained earnings as at April 01, 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34

2.3 Summary of material accounting policies

a. Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial

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Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method after making necessary adjustments to achieve uniformity in application of accounting policies. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c. Current versus non-current classification

The Group presents assets and liabilities in the consolidated Ind AS balance sheet based on current/ non-current classification. An asset is treated as current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle,
ii. Held primarily for the purpose of trading,
iii. Expected to be realised within twelve months after the reporting period, or
iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle,
ii. It is held primarily for the purpose of trading,
iii. It is due to be settled within twelve months after the reporting period, or
iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

d. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated Ind AS financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments (including those carried at amortised cost)

e. Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products and services

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Fixed price contracts

These contracts which have a performance obligation either provide for the fixed price for the entire project or a price defined in a framework agreement for each type of service ordered by the customer as the project is performed. Revenues from fixed price contracts is recognised based on the stage of completion and the expected profit on completion. Depending on the contracts, the degrees of progress is determined according to the input method (notably according to the costs borne by the project and hours spent) or the output method (notably according to the deliverables made). In the event of an unexpected excess of total contract costs over total contract revenues, the expected losses on completion are provisioned.

Time and material contracts

These contracts, which are subject to best efforts clause, have a variable price determined according to the time spent and the seniority of the staff employed for these projects. Revenues generated by time and material contracts is recognised as the services are performed.

Scrip Sales

Export entitlements in the form of Merchandise Export from India (MEIS) are recognized in the consolidated Ind AS statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

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Management fees income

Income from management fees is recognised as per the terms of the agreement on the basis of services rendered.

Interest income

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Rental income

Rental income from lease of premises under operating lease is recognized in the income statement on a straight line basis over the term of the lease.

Commission income

Commission income is recognised at the time when services are rendered in accordance with the rates as per the agreements entered into with the parties.

Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer (which consist of unbilled revenue). If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.
Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (q) Financial instruments.

Trade receivables
A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (q) Financial instruments.

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

f. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

g. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Group's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept

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an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the consolidated Ind AS financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h. Non-current assets held for sale / disposal

The Group classifies non-current assets as held for sale / disposal if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,
b) An active programme to locate a buyer and complete the plan has been initiated,
c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated Ind AS balance sheet.

i. Property, plant and equipment ('PPE')

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at March 31, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 1, 2016.

Capital work in progress includes cost of property, plant and equipment under installation / under development net of accumulated impairment loss, if any, as at the balance sheet date. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

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Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

For domestic entities, the depreciation on the Property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013 except in case of certain Plant and equipment (including the related intellectual property), which the Group, based on technical assessment made by the technical expert and management estimate, depreciates over estimated useful lives of 8 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

Land is carried at historical cost and is not depreciated. Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Machinery spares are depreciated on a systematic basis over the period of the remaining useful life of the fixed assets for which they are utilised.

For overseas subsidiaries and associate, the Group provides depreciation based on estimated useful lives of the property, plant and equipment as determined by the management of such subsidiaries and associate. In view of different sets of environment in which such foreign subsidiaries and associate operate in their respective countries, depreciation is provided based on local laws and management estimates. These entities follow straight line method of depreciation spread over the useful life of each individual asset.

The estimated useful lives of the assets considered by aforementioned entities is as follows:

Asset category	Years	
	Minimum	Maximum
Plant & equipments	3	5
Electrical installation	5	10
Furniture & fixtures	5	10
Office equipments	3	8
Computer	3	5
Buildings	30	30

j. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

A summary of the policies applied to the Group's intangible assets is, as follows:

Intangible assets	**Useful lives**	**Amortisation method used**	**Internally generated or acquired**
Goodwill (including goodwill arising on consolidation)	Indefinite	No amortisation	Acquired
Customer relationship	Definite (8 years)	Straight-line basis	Acquired
Computer software	Definite (5 years)	Straight-line basis	Acquired
Intellectual property rights	Definite (3 to 8 years)	Straight-line basis	Acquired

k. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Leases

The Group has lease contracts for office spaces various items of plant and machinery, computers and other equipments. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m. Inventories

Inventories are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a) Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Cost of raw materials, stores and spares work-in-progress and finished goods is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n. Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, intangible assets, including goodwill and investments in associate to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and
ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net fair value less costs of disposal and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

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In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated Ind AS statement of profit and loss.

o. Provisions and contingent liabilities

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated Ind AS statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated Ind AS financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated Ind AS statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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p. Retirement and other employee benefits

Retirement benefit in the form of provident fund and pension fund are defined contribution scheme. The Group has no obligation, other than the contribution payable. The Group recognizes contribution payable to provident fund and pension fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Group presents the leave as a current liability in the consolidated Ind AS balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated Ind AS balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

a) The date of the plan amendment or curtailment, and
b) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated Ind AS statement of profit and loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b) Net interest expense or income.

q. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated Ind AS statement of profit and loss.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section 2.3.(e) Revenue recognition.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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Investment in equity instruments issued by associate is measured at cost less impairment.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets excluding investment in associates

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The Group recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Financial Instruments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.
If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in consolidated Ind AS statement of profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the consolidated Ind AS statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

b) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated Ind AS statement of profit and loss.

Put Option Liability

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies to non-controlling interests are accounted for as financial liabilities when such options may only be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary. The financial liability for such put option is accounted for under IND AS 109.

The amount that may become payable under the option on exercise is initially recognised at fair value under other financial liabilities with a corresponding charge directly to equity. All subsequent changes in the carrying amount of the financial liability are recognised in other equity attributable to the parent. The entity recognises both the non-controlling interest and the financial liability under the NCI put. It continues to measure non-controlling interests at proportionate share of net assets.

If the put option is exercised, the entity accounts for an increase in its ownership interest. At the same time, the entity derecognises the financial liability and recognises an offsetting credit in the same component of equity reduced on initial recognition. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated Ind AS balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r. **Derivative financial instruments**

The Group uses derivative financial instruments, such as interest rate swaps to hedge its interest fluctuation risks, etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through consolidated Ind AS statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Refer to Note 53 for more details.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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s. Cash and cash equivalents

Cash and cash equivalent in the consolidated Ind AS balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

t. Share-based payments

Certain employees of the Group are entitled to share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

u. Cash dividend

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v. Foreign currencies

The Group's consolidated Ind AS financial statements are presented in INR, which is also the holding company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances:

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated Ind AS financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

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- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies:

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated Ind AS statement of profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

w. Research and development expenditure

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale
ii. Its intention to complete the asset
iii. Its ability to use or sell the asset
iv. How the asset will generate future economic benefits
v. The availability of adequate resources to complete the development and to use or sell the asset
vi. The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset. The cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the consolidated Ind AS statement of profit and loss. During the period of development, the asset is tested for impairment annually.

x. Corporate social responsibility ('CSR') expenditure

The Group charges its CSR expenditure during the year to the consolidated Ind AS statement of profit and loss.

y. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the parent by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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2.4 Standard notified but not yet effective

There are no standards that are notified and not yet effective as on the date.

2.5 Climate – related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the consolidated Ind AS financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

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3. Property, plant and equipment

(Rs. in million)

Particulars	Freehold land	Leasehold improvements	Building	Plant and equipments	Electrical installations	Computers	Office equipments	Furniture and fixtures	Vehicles	Leasehold land	Total
Gross block (at cost/deemed cost)											
As at April 01, 2022	5.71	15.01	540.84	1,011.92	224.62	59.63	68.82	58.62	39.19	114.61	2,138.97
Additions	-	13.55	1.13	84.38	2.58	12.89	1.24	6.09	-	-	121.86
Exchange differences - translation adjustment	0.09	-	2.39	7.98	7.08	1.42	1.52	-	0.02	-	20.50
Disposals	-	-	-	(3.01)	-	-	-	-	-	-	(3.01)
As at March 31, 2023	5.80	28.56	544.36	1,101.27	234.28	73.94	71.58	64.71	39.21	114.61	2,278.32
Additions	-	1.31	2.65	208.10	11.76	4.99	0.75	2.46	12.35	-	244.37
Exchange differences - translation adjustment	0.01	-	0.27	1.67	1.05	0.29	0.24	-	0.01	-	3.54
Disposals	-	-	-	(5.18)	(0.24)	(1.56)	(0.15)	(0.49)	-	-	(7.62)
As at March 31, 2024	5.81	29.87	547.28	1,305.86	246.85	77.66	72.42	66.68	51.57	114.61	2,518.61
Accumulated depreciation											
As at April 01, 2022	-	14.78	109.16	588.72	151.73	52.57	64.60	24.96	12.91	-	1,019.43
Charge for the year	-	0.77	18.89	116.90	15.39	5.51	1.56	5.84	8.09	-	172.95
Exchange differences - translation adjustment	-	-	1.57	7.48	5.82	1.34	1.45	-	0.02	-	17.68
Disposals	-	-	-	(3.01)	-	-	-	-	-	-	(3.01)
As at March 31, 2023	-	15.55	129.62	710.09	172.94	59.42	67.61	30.80	21.02	-	1,207.05
Charge for the year	-	2.12	18.59	126.97	15.74	7.12	1.38	6.28	10.90	-	189.10
Exchange differences - translation adjustment	-	-	0.47	1.56	0.92	0.25	0.23	-	0.03	-	3.46
Disposals	-	-	-	(4.60)	(0.24)	(1.56)	(0.15)	(0.49)	-	-	(7.04)
As at March 31, 2024	-	17.67	148.68	834.02	189.36	65.23	69.07	36.59	31.95	-	1,392.57
Net block											
As at March 31, 2024	5.81	12.20	398.60	471.84	57.49	12.43	3.35	30.09	19.62	114.61	1,126.04
As at March 31, 2023	5.80	13.01	414.74	391.38	61.34	14.52	3.97	33.91	18.19	114.61	1,071.27

Notes:

(a) Karnataka Industrial Area Development (KIADB) has allotted land to the Group on a lease cum sale basis i.e. 24,280.60 sq. mts at Plot No. 58-P Bengaluru Aerospace Park, Industrial Area for a period of 10 years w.e.f December 18, 2013. The aggregate capitalized cost of the land at the end of the year is Rs. 114.61 million (March 31, 2023: Rs. 114.61 million). The agreement gives a right to the Group to acquire land at the end of the lease term at an additional consideration, if any fixed by KIADB, after reducing the amount already paid subject to compliance of certain terms and conditions. The lease term for the said agreement has been expired and the Company has applied for the transfer of the land in its name.

(b) The Group's property, plant and equipment, intangible assets and capital work-in-progress (both present and future) are hypothecated against the borrowings as referred in note 19 and 23.

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3a. Capital work-in-progress

Particulars	(Rs. in million) Capital work-in-progress
As at April 01, 2022	0.09
Additions	175.86
Exchange differences - translation adjustment	-
Capitalised during the year	(121.86)
As at March 31, 2023	54.09
Additions	193.15
Exchange differences - translation adjustment	-
Capitalised during the year	(244.37)
As at March 31, 2024	2.87

Capital work-in-progress ageing schedule as at March 31, 2024:

(Rs. in million)

Particulars	Amount of capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.87	-	-	-	2.87
Projects temporarily suspended	-	-	-	-	-
	2.87	-	-	-	2.87

Capital work-in-progress ageing schedule as at March 31, 2023:

(Rs. in million)

Particulars	Amount of capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	54.09	-	-	-	54.09
Projects temporarily suspended	-	-	-	-	-
	54.09	-	-	-	54.09

(a) The Group does not have any projects temporarily suspended or any CWIP which is overdue or has exceeded its cost compared to its original plan/ revised approved plan.

(b) Also, refer note 3(b).

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4a. Goodwill

(Rs. in million)

Particulars	Goodwill acquired through business combinations[2,3]	Goodwill on consolidation[1,2]	Total
At cost			
As at April 01, 2022	36.35	376.23	412.58
Additions / disposals	-	-	-
As at March 31, 2023	36.35	376.23	412.58
Additions / disposals	-	-	-
As at March 31, 2024	36.35	376.23	412.58
Net block			
As at March 31, 2024	36.35	376.23	412.58
As at March 31, 2023	36.35	376.23	412.58

Notes:

1. The Company has investments in Centum Electronics UK Limited, which in turn has made investment in Centum T&S Group SA (formerly known as Centum Adetel Group SA). The Group has accounted a goodwill on consolidation of Rs. 376.23 million and has a carrying value of intangible assets (including intangible assets under development) of Rs. 397.45 million, as at March 31, 2024 (March 31, 2023: Rs. 447.66 million) arising pursuant to the acquisition of Centum T&S Group SA.

During the previous year ended March 31, 2023, the Board of Directors of the Company further acquired 13.11% stake of Centum T&S Group SA through Centum Electronics UK Limited from other shareholders of Centum T&S Group SA and had a stake of 77.77% as at March 31, 2023. During the current year ended March 31, 2024, the Board of Directors of the Company further acquired 12.31% stake of Centum T&S Group SA through Centum Electronics UK Limited from other shareholders of Centum T&S Group SA and has a stake of 90.08% as at March 31, 2024.

Centum T&S Group SA and its underlying subsidiaries have incurred losses. However, based on internal assessment performed as at March 31, 2024 with regard to future operations, the management of the Group is of the view that the carrying value of the aforesaid goodwill on consolidation / intangible assets (including intangible assets under development) are appropriate. Also refer note 41.

2. Impairment testing for the above goodwill on consolidation, intangible assets and intangible assets under development has been carried out considering their recoverable amounts which, inter-alia, includes estimation of their value-in-use based on management projections. These projections have been made for a period of three years, or longer, as applicable and consider various factors, such as market scenario, growth trends, growth and margin projections, and terminal growth rates specific to the business.
For such projections, discount rate of 11% (March 31, 2023 - 11.20%) and terminal growth rate of 0.90% (March 31, 2023 - 1.10%) have been considered. Discount rate has been determined considering the Weighted Average Cost of Capital (WACC) of market benchmarks.
Based on the above assessment, no impairment has been recognised during the year. Further, the Company has also performed sensitivity analysis around the base assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of the aforesaid assets to exceed their recoverable values.

3. The Group had entered into a business transfer agreement with Centum Industries Private Limited, an enterprise where key managerial personnel or their relatives exercise significant influence during the year ended March 31, 2016 for the purchase of business on slump sale. As per the terms of agreement, the Group had purchased the net assets pertaining to plastic and defence and space of Centum Industries Private Limited for an aggregate consideration Rs. 57.00 million, which was arrived at based on the business valuation done by an independent professional firm. The valuation ascribed to assets taken over by an independent professional valuer resulted in the aforesaid goodwill.

The aforementioned goodwill is tested for impairment annually. As at March 31, 2024 and March 31, 2023 the goodwill is not impaired.

4b. Other intangible assets

(Rs. in million)

Particulars	Computer software	Intellectual property rights (including R&D credits)	Customer relationships	Total
Gross block (at cost/deemed cost)				
As at April 01, 2022	251.28	1,264.41	481.92	1,997.61
Additions	6.01	-	-	6.01
Exchange differences - translation adjustment	10.01	78.09	-	88.10
Disposals	-	-	-	-
As at March 31, 2023	267.30	1,342.50	481.92	2,091.72
Additions	4.17	212.49	-	216.66
Exchange differences - translation adjustment	1.23	8.95	-	10.18
Disposals	-	-	-	-
As at March 31, 2024	272.70	1,563.94	481.92	2,318.56
Accumulated amortisation				
As at April 01, 2022	207.34	1,063.82	346.38	1,617.54
Charge for the year	15.28	68.87	60.24	144.39
Exchange differences - translation adjustment	10.01	69.93	-	79.94
Disposals	-	-	-	-
As at March 31, 2023	232.63	1,202.62	406.62	1,841.87
Charge for the year	16.36	75.95	60.24	152.55
Exchange differences - translation adjustment	1.20	8.27	-	9.47
Disposals	-	-	-	-
As at March 31, 2024	250.19	1,286.84	466.86	2,003.89
Net block				
As at March 31, 2024	22.51	277.10	15.06	314.67
As at March 31, 2023	34.67	139.88	75.30	249.85

Notes:

(a) Also, refer note 3(b).

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Centum Electronics Limited
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

4c. Intangible assets under development

Particulars	(Rs. in million) Intangible assets under development
As at April 01, 2022	**120.14**
Exchange differences - translation adjustment	10.42
Additions	103.01
Capitalised during the year	(6.01)
As at March 31, 2023	**227.56**
Exchange differences - translation adjustment	3.50
Additions	86.59
Capitalised during the year	(216.66)
As at March 31, 2024	**100.99**

Intangible assets under development ageing schedule as at March 31, 2024:

(Rs. in million)

Particulars	Amount of Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	26.57	24.95	35.84	13.63	100.99
Projects temporarily suspended	-	-	-	-	-
	26.57	**24.95**	**35.84**	**13.63**	**100.99**

Intangible assets under development ageing schedule as at March 31, 2023:

(Rs. in million)

Particulars	Amount of Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	101.32	48.61	44.39	33.24	227.56
Projects temporarily suspended	-	-	-	-	-
	101.32	**48.61**	**44.39**	**33.24**	**227.56**

The Group has intangible assets under development amounting to Rs. 54.69 million (March 31, 2023: Rs. 137.30 million) which is overdue or has exceeded its cost compared to its original plan/ revised approved plan.

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5 Investment in associate

(i) Details of associate

Name of the entity	Place of Business [2]	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting right held as at		Nature of Activities	Accounting Method
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023		
(a) Other associate:							
Ausar Energy SAS[1,3]	France	27.43%	23.68%	30.45%	30.45%	Engaged in the consulting, engineering, research and development in Energy sector.	Equity Method

Notes:
1 Aggregate amount of unquoted investment in associate Rs. 84.17 million (March 31, 2023: Rs. 82.47 million).
2 The country of incorporation of the above entity is same as its principal place of business.
3 There is a quarter lag in the reporting dates of the associate with that of the parent company whose management certified financial statements for the year / period ended on and as at December 31, were considered for the purpose of consolidated Ind AS financial statements of the Group

(ii) Financial information in respect of other associate

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
Aggregate carrying amount of investments in equity shares of individually immaterial associate^	-	-
Investment at amortised cost		
Investment in 800,000 (March 31, 2023: 800,000) unquoted bonds of Euro 1 in Ausar Energy SAS*	84.17	82.47
Total investment in other associate	84.17	82.47
Aggregate amount of group's share of :		
- Profit / (loss) for the year	-	12.44
- Other comprehensive income for the year	0.60	5.08
- Total comprehensive income for the year	0.60	17.52

*The Group has accrued interest on bonds amounting to Rs. 16.04 million (March 31, 2023: Rs. 14.94 million) as at March 31, 2024 which has been included in the carrying value of investment
^ The Group has not accounted for loss incurred by associate as the value of the investment is Nil and the Group is not obliged to contribute for the negative asset.

(iii) Contingent liabilities of associate
The associate had no contingent liabilities as at March 31, 2024 and March 31, 2023. The Group has no contingent liabilities relating to its interests in its associate.

(iv) Commitments of / towards associate
The associate had no commitments as at March 31, 2024. The Group has no commitments relating to its interests in its associate.

(v) Carrying amount of investment in associate and others

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
Other associate	84.17	82.47
Total	84.17	82.47

(vi) Share in profits / (loss) of associate (net)

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
Other associate	-	12.44
Total	-	12.44

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6 Financial assets: Other investments

	March 31, 2024	March 31, 2023
Unquoted equity shares		
Investment carried at fair value through consolidated statement of profit or loss		
Investments in equity shares of Qulsar Inc. [1] 74,184 (March 31, 2023: 74,184) equity shares of USD 0.01 each, fully paid up.	13.26	13.26
Less : Provision for Impairment	(13.26)	-
Investments in other companies	0.55	0.55
Total other investments	**0.55**	**13.81**
Aggregate value of unquoted investments	0.55	13.81

1. The Group has investments in Qulsar Inc. Based on internal assessment performed with regard to future operations, the management of the Group has created provision for impairment amounting to Rs.13.26 million during the year ended March 31, 2024.

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7 **Other non - current financial assets**

		(Rs. in million)
Unsecured, considered good unless otherwise stated	**March 31, 2024**	**March 31, 2023**
Carried at amortised cost		
Security deposits - others (refer note 42)	49.50	48.69
Subsidy receivable	78.99	120.98
Non-current bank balance (refer note 13)	147.15	192.95
	275.64	**362.62**

8 **Deferred tax**

		March 31, 2024		March 31, 2023	(Rs. in million)
Deferred tax liability		**Deferred tax asset**	**Deferred tax liability**	**Deferred tax asset**	**Deferred tax liability**
Property, plant and equipments and Intangible assets- Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting		-	(5.42)	-	(27.12)
Sub - total	(A)	-	(5.42)	-	(27.12)
Deferred tax liability (net)			(5.42)		(27.12)
Deferred tax asset					
Property, plant and equipments and Intangible assets- Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting		-	(17.29)	-	(25.66)
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis		47.18	-	30.12	-
Others		75.75	(3.16)	69.55	(4.33)
Sub - total	(B)	122.93	(20.45)	99.67	(29.99)
Deferred tax assets (net)		102.48		69.68	
Total	(A+B)	122.93	(25.87)	99.67	(57.11)
Deferred tax assets / (Deferred tax liability) (net)		97.06		42.56	
Movement for the year		54.50		59.80	
Reconciliation to the consolidated Ind AS statement of profit and loss					
(Credit)/ expense during the year as above		(54.50)		(59.80)	
Tax expense / (income) during the year recognized in OCI		1.08		1.97	
(Credit) / expense during the year		(55.58)		(61.77)	

9 **Non-current tax assets (net)**

		(Rs. in million)
	March 31, 2024	**March 31, 2023**
Advance income tax (net of provision for current tax and including tax paid under protest)	13.43	9.59
	13.43	**9.59**

10 **Other non-current assets**

			(Rs. in million)
Capital advances		**March 31, 2024**	**March 31, 2023**
Unsecured, considered good		1.79	10.39
	(A)	**1.79**	**10.39**
Prepaid expenses		48.92	40.06
	(B)	**48.92**	**40.06**
Balances with statutory / government authorities			
Unsecured, considered good		4.44	4.43
	(C)	**4.44**	**4.43**
Contract assets			
Unsecured, considered good		19.44	286.83
Credit impaired		47.44	34.48
		66.88	**321.31**
Impairment allowance on contract assets			
Credit impaired		(47.44)	(34.48)
		(47.44)	**(34.48)**
Total contract assets	(D)	**19.44**	**286.83**
Total other non-current assets	(A+B+C+D)	**74.59**	**341.71**

- The following table summarises the changes in the impairment allowance on contract assets:

Particulars		(Rs. in million)
	March 31, 2024	**March 31, 2023**
Opening balance	34.48	32.35
Amount provided/ (reversed) during the year	34.29	-
Amount utilised during the year	(21.42)	-
Exchange differences - translation adjustment	0.09	2.13
Closing balance	**47.44**	**34.48**

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11 Inventories (valued at lower of cost and net realisable value)

		(Rs. in million)
	March 31, 2024	March 31, 2023
Raw materials	2,425.53	2,054.37
[Includes raw material in transit Rs. 156.59 million (March 31, 2023: Rs. 174.41 million)]		
Work-in-progress	677.03	511.12
Finished goods	69.04	43.44
Stores and spares	2.17	1.69
Total inventories (valued at lower of cost and net realisable value)	**3,173.77**	**2,610.62**

12 Trade receivables

		(Rs. in million)
	March 31, 2024	March 31, 2023
Carried at amortised cost		
Receivables from related parties (refer note 42)	93.44	74.74
Other trade receivables	2,186.33	3,235.23
Total trade receivables	**2,279.77**	**3,309.97**

Break-up for security details:

		(Rs. in million)
	March 31, 2024	March 31, 2023
Trade receivables:		
Unsecured, considered good	2,253.55	3,286.89
Trade receivables which have significant increase in credit risk	55.95	121.71
Trade receivables - credit impaired	-	-
	2,309.50	**3,408.60**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	(29.73)	(98.63)
Trade receivables - credit impaired	-	-
Total trade receivables	**2,279.77**	**3,309.97**

- Till the year ended March 31, 2023, the carrying amount of trade receivables included receivables amounting to Rs. 904.32 million which was subject to factoring arrangement entered into with the factoring agency / bank. Under this arrangement, the Group had transferred the relevant receivables to the bank in exchange of cash and transferred all rights and actions attached to the aforementioned receivables. As the risk for non recovery was with the Group, it continued to recognise the transferred assets in its entirety in balance sheet. The amount repayable under the factoring arrangement was presented as unsecured borrowing in note 23. During the year ended March 31, 2024, the Group has entered into a factoring arrangement with a factoring agency/bank wherein the Group has transferred the relevant receivables to the factor in exchange of cash and has transferred all rights and obligations attached to the aforementioned receivables. The risk for non recovery of the receivables does not lie with the Group. The amount pending to be received under the factoring arrangement is presented as other receivables in note 14.

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

- Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

- The following table summarises the changes in the loss allowance measured using ECL.

Particulars	March 31, 2024	(Rs. in million) March 31, 2023
Opening balance	98.63	94.02
Amount provided/ (reversed) during the year	0.60	44.33
Amount utilised during the year	(69.84)	(44.46)
Exchange differences - translation adjustment	0.34	4.74
Closing balance	**29.73**	**98.63**

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12.1 Trade receivables ageing schedule

As at March 31, 2024

(Rs. in million)

	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables - considered good	1.92	1,191.42	608.75	244.47	140.23	25.36	41.41	2,253.55
Undisputed trade receivables - which have significant increase in credit risk	-	-	0.18	10.82	28.66	4.17	12.13	55.95
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	1.92	1,191.42	608.93	255.29	168.88	29.53	53.55	2,309.50

As at March 31, 2023

(Rs. in million)

Particulars	Unbilled	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables - considered good	0.29	2,310.60	822.57	85.82	2.71	35.10	29.80	3,286.89
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	13.98	50.87	24.74	32.12	121.71
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	0.29	2,310.60	822.57	99.80	53.58	59.84	61.92	3,408.60

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13 Cash and cash equivalents and other bank balances

(Rs. in million)

		March 31, 2024	March 31, 2023
Balances with banks			
- On current accounts[1]		359.72	213.33
- On exchange earners foreign currency (EEFC) accounts		37.18	138.33
Deposits with original maturity of less than three months[4]		80.14	-
Cash in transit		3.03	-
Cash on hand		1.14	1.05
Total cash and cash equivalents	(A)	481.21	352.71
Bank balances other than cash and cash equivalents			
Balance with banks			
- On current account[1]		2.15	2.61
- On margin money accounts[2,4]		379.58	259.59
		381.73	262.20
Less: Amount disclosed under other non current financial assets (refer note 7)		(147.15)	(192.95)
Total bank balance other than cash and cash equivalent	(B)	234.58	69.25
	(A+B)	715.79	421.96

1. Includes balance in unclaimed dividend account Rs. 2.15 million (March 31, 2023: Rs. 2.61 million).
2. A charge has been created over the deposits towards various guarantees in favour of customer, statutory authorities and letter of credit facility. Refer note 45 (c) for further details.
3. Balances with banks on current accounts does not earn interest.
4. Deposits are made for varying periods depending on the cash-requirement of the Group and earn interest at the respective deposit rates.

14 Other current financial assets

(Rs. in million)

		March 31, 2024	March 31, 2023
Unsecured considered good unless otherwise stated			
Carried at amortised cost			
Security deposits	(A)	0.32	0.32
Staff advances		3.06	2.39
Interest accrued on fixed deposits		16.30	3.26
Subsidy receivables		150.00	115.21
Other receivables (refer note 12)		271.14	-
	(B)	440.50	120.86
Derivative instruments at fair value through OCI			
Cash flow hedges			
Derivative assets (refer note 53)		-	0.02
	(C)	-	0.02
Total other current financial assets	(A+B+C)	440.82	121.20

15 Other current assets

(Rs. in million)

	March 31, 2024	March 31, 2023
Unsecured considered good unless otherwise stated		
Prepaid expenses	122.72	119.51
Balances with statutory / government authorities	96.58	108.84
Advance to suppliers and other advances	237.49	156.44
Contract assets (refer note 50)	533.32	518.47
Total other current assets	990.11	903.26

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CENTUM ELECTRONICS LTD. BANGALORE

16. Equity share capital

	Equity shares of Rs. 10 each	
	In Numbers	(Rs. in million)
Authorised share capital:		
At April 01, 2022	15,500,000	155.00
Increase / (decrease) during the year	-	-
At March 31, 2023	15,500,000	155.00
Increase / (decrease) during the year	-	-
At March 31, 2024	15,500,000	155.00

(a) Issued equity share capital:
Equity shares of Rs. 10 each issued, subscribed and fully paid

	In Numbers	(Rs. in million)
At April 01, 2022	12,884,841	128.85
Changes during the period	-	-
At March 31, 2023	12,884,841	128.85
Changes during the period	3,653	0.03
At March 31, 2024	12,888,494	128.88

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	March 31, 2024		March 31, 2023	
	No. of shares held	% holding in class	No. of shares held	% holding in class
Equity shares of Rs 10 each fully paid				
Apparao V Mallavarapu*	5,897,549	45.76%	6,604,715	51.26%
Nikhil Mallavarapu*	652,855	5.08%	589,929	4.58%
Tanya mallavarapu*	644,240	5.00%	-	-
Swarnalatha Mallavarapu*	369,150	2.86%	369,150	2.86%
M S Swarnakumari*	12,684	0.10%	12,684	0.10%
HDFC Trustee Company Limited	589,154	4.57%	667,637	5.18%

*Represents shareholders in promoter's group.

(d) Details of shares held by promoters

As at March 31, 2024

Name of promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of Rs 10 each fully paid					
Apparao V Mallavarapu	6,604,715	(707,166)	5,897,549	45.76%	(10.71)%
Nikhil Mallavarapu	589,929	62,926	652,855	5.08%	10.67 %
Tanya Mallavarapu	-	644,240	644,240	5.00%	100.00 %
Swarnalatha Mallavarapu	369,150	-	369,150	2.86%	-
M S Swarnakumari	12,684	-	12,684	0.10%	-

As at March 31, 2023

Name of promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of Rs 10 each fully paid					
Apparao V Mallavarapu	6,604,715	-	6,604,715	51.26%	-
Nikhil Mallavarapu	589,929	-	589,929	4.58%	-
Swarnalatha Mallavarapu	369,150	-	369,150	2.86%	-
M S Swarnakumari	12,684	-	12,684	0.10%	-

(e) Shares reserved for issue under options

For details of shares reserved for issue under the share based payment plan of the Holding Company, refer note 47.

17. Other equity

		(Rs. in million)
Securities premium		
Balance as at April 01, 2022		28.07
Balance as at March 31, 2023		28.07
Add: Exercise of share options		0.20
Balance as at March 31, 2024	(A)	28.27
General reserve		
Balance as at April 01, 2022		440.26
Balance as at March 31, 2023		440.26
Balance as at March 31, 2024	(B)	440.26

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17. Other equity (continued)

		(Rs. in million)
Retained earnings		
Balance as at April 01, 2022		1,541.28
Profit / (loss) for the year		98.16
Less: Dividends		(32.21)
Add: Other comprehensive income for the year		5.81
Others		(0.33)
Balance as at March 31, 2023		**1,612.71**
Profit / (loss) for the year		17.75
Less: Dividends		(90.21)
Add: Other comprehensive income for the year		3.14
Add: Transfer from equity portion of put option liability on settlement of put options		(229.75)
Others		0.03
Balance as at March 31, 2024	(C)	**1,313.67**
Effective portion of cash flow hedge (net of tax)		
Balance as at April 01, 2022		-
Gain/(loss) on cash flow hedge		0.01
Balance as at March 31, 2023		**0.01**
(Loss)/ gain on cash flow hedge		(0.16)
Balance as at March 31, 2024	(D)	**(0.15)**
Share based payments reserve		
Balance as at April 01, 2022		**0.32**
Add: Compensation for options granted		13.91
Balance as at March 31, 2023		**14.23**
Add: Compensation for options granted		21.68
Balance as at March 31, 2024	(E)	**35.91**
Capital reserve		
Balance as at April 01, 2022		**48.30**
Balance as at March 31, 2023		**48.30**
Balance as at March 31, 2024	(F)	**48.30**
Equity portion of put option liability reserve (refer note 25)		
Balance as at April 01, 2022		**(162.11)**
Add: Exercise of put options by non-controlling interest shareholders		(20.48)
Balance as at March 31, 2023		**(182.59)**
Add: Exercise of put options by non-controlling interest shareholders		(47.16)
Less: Transfer to retained earnings on settlement of put options		229.75
Balance as at March 31, 2024	(G)	-
Foreign currency translation difference account (FCTR)		
Balance as at April 01, 2022		**14.71**
Movement during the year		2.62
Balance as at March 31, 2023		**17.33**
Movement during the year		20.25
Balance as at March 31, 2024	(H)	**37.58**
Total other equity	(A+B+C+D+E+F+G+H)	
Balance as at March 31, 2023		**1,978.32**
Balance as at March 31, 2024		**1,903.84**

Nature and purpose of reserves

Securities premium

Securities premium reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

The Company created a general reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits was required to be transferred to General reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to general reserve is not mandatory. General reserve is a free reserve available to the Company.

Retained earnings

Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to consolidated Ind AS statement of profit and loss.

Effective portion of cash flow hedge

The Group uses hedging instruments as part of its management of foreign currency risk. For hedging foreign currency, the Group uses foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges.

Share based payments reserve

The share-based payment reserve is used to recognise the value of equity-settled share-based options provided to employees, including key management personnel, as part of their remuneration. Refer to Note 47 for further details of these plans.

Capital reserve

The Group recognizes the exercise or cancellation / lapse of vested options of the Group's equity-settled share-based payments to capital reserve.

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17. Other equity (continued)

Foreign currency translation difference account (FCTR)

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. INR) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

18. Distribution made and proposed

(Rs. in million)

	March 31, 2024	March 31, 2023
Dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2023: Rs. 4 per share (March 31, 2022: Rs. 2.50 per share)	51.54	32.21
Interim dividend for the year ended on March 31, 2024: Rs 3 per share (March 31, 2023: Rs.Nil per share)	38.67	-
	90.21	**32.21**
Proposed dividend on equity shares[1,2]		
Final dividend for the year ended on March 31, 2024: Rs. 3 per share (March 31, 2023: Rs 4 per share)	38.67	51.54
	38.67	**51.54**

1. Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31st.

2. The Board of Directors of the Holding Company at its meeting held on May 22, 2024 had recommended a final dividend of 30% (i.e. Rs. 3 per equity share) for the year ended March 31, 2024 which is in compliance with Section 123 of the Companies Act, 2013.

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19 **Non-current financial liabilities: Borrowings**

		(Rs. in million)
	March 31, 2024	March 31, 2023
Term loan		
From banks		
Foreign currency term loan (secured) (refer note 23 for details of current maturities of long term borrowings)[1]	7.69	25.84
Foreign currency term loan (unsecured) (refer note 23 for details of current maturities of long term borrowings)[2a, 2b]	263.26	440.40
Indian rupee term loan (secured) (refer note 23 for details of current maturities of long term borrowings)[5]	102.62	-
Bonds (secured) (refer note 23 for details of current maturities of long term borrowings)[3]	-	-
Interest free loan from Government (unsecured) (refer note 23 for details of current maturities of long term borrowings)[4]	73.14	113.38
	446.71	**579.62**
The above amount includes		
Secured borrowings	110.31	25.84
Unsecured borrowings	336.40	553.78
	446.71	**579.62**

1. Foreign currency term loans availed by Centum T&S Group SA and its subsidiaries amounting to Rs. 26.13 million (March 31, 2023: Rs. 62.32 million) (including current maturities of long term borrowings amounting to Rs. 18.44 million (March 31, 2023: Rs. 36.48 million)) carries interest rate ranging from 8.35% to 11.20% p.a. (March 31, 2023: 8.35% to 11.20% p.a.) and is secured by way of pledge of respective receivables and all other assets present and future of the borrowers along with the bank guarantee.

2a. Foreign currency term loan availed by Centum T&S Group SA and its subsidiaries, amounting to Rs. 309.40 million (March 31, 2023: Rs. 452.29 million) (including current maturities of long term borrowings amounting to Rs. 147.03 million (March 31, 2023: Rs. 144.99 million)) carries interest at 0% p.a for the first year and thereafter carries interest rate between 0.7% to 0.8% upto end of the tenure and the loans are guaranteed to the extent of 90% by the French government within framework of the COVID -19 health crisis. The term loan is repayable in forty eight equal installments commencing from 2023 till 2026.

2b. Foreign currency term loan availed by Centum T&S Group SA and its subsidiaries, amounting to Rs. 134.00 million (March 31, 2023: Rs. 134.41 million) (including current maturities of long term borrowings amounting to Rs 33.12 million (March 31, 2023: Rs. 1.31)) which carries interest at 0% p.a. for the first year and thereafter shall carry interest rate between 0.70% and 2.35% upto the end of the tenure and will be repaid over the term of 4 years starting from 2023 till 2027.

3. Bonds amounting to Rs. 90.22 million (March 31, 2023: Rs. 89.61 million) (including current maturities amounting to Rs. 90.22 million (March 31, 2023: Rs. 89.61 million)) have a coupon rate of 14% p.a. (March 31, 2023: 4% p.a.) and is secured by way of mortage of immovable properties, plant and machinery and other moveable assets of Centum T&S Group SA. During the year ended March 31, 2024, the group has restructured repayment to these bond holders due to be paid in December 2023 has been extended by a year i.e. December 2024 with a consequential increase in interest rate from 4% to 14%.

4. Interest free loan from government amounting to Rs. 117.02 million (March 31, 2023: Rs. 159.07 million) (including current maturities of long term borrowings amounting to Rs. 43.88 million (March 31, 2023: Rs. 45.69 million)) has been provided to carry out research and development activities and is payable on the successful outcome of the research and development.

5. a) Indian rupee term loan from a bank availed by the Holding Company, amounting to Rs.154.32 million (March 31, 2023: Nil) (including current maturities of long term borrowings amounting to Rs. 51.70 million (March 31, 2023: Nil) carries interest rate of 2.00% above 6 month Marginal Cost of Funds based Lending Rate ("MCLR") of the bank i.e @ 10.55% p.a (March 31, 2023: Nil) payable on a monthly basis. The loan is repayable in 57 monthly instalments as per the repayment schedule as per the terms of the loan agreement.

b) The aforementioned borrowings of the Holding Company are secured by way of :
(i) Exclusive charge on plant & machinery and other assets financed by the bank
(ii) Hypothecation of present and future fixed assets pari passu first charge with other banks.
(iii) Equitable mortgage of factory land and building at No 44, KHB Industrial Area, Yelahanka, Bangalore - 560 106 belonging to the Company, on pari passu first charge with other banks; and
(iv) Equitable mortgage on leasehold rights of factory land and equitable mortgage of building at Plot No. 58-P, Bengaluru Aerospace Park Industrial Area, Sy. No. 8 - Part of Unachur Village & Sy.No. 8 - Part of Dummanahalli Village, Jala Hobli, Bengaluru North, Yelahanka Taluk, Bengaluru Urban District, belonging to the Company on pari passu first charge with other banks.

20 **Net non-current employee defined benefit liabilities**

		(Rs. in million)
	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for gratuity (refer note 43)	53.12	61.81
	53.12	**61.81**

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21 Non-current provisions

(Rs. in million)

Provision for employee benefits	March 31, 2024	March 31, 2023
Provision for pension (refer note 43)	11.54	15.55
Other provisions		
Provisions for litigations and contingencies	-	-
Provisions for loss making contracts*	2.97	8.12
	14.51	23.67

(Rs. in million)

Particulars	Provisions for litigations and contingencies	Provisions for loss making contracts*
As at April 1, 2022	128.40	9.06
Provision made / (reversed) during the year and amount utilised during the year (net)	(126.43)	14.47
As at March 31, 2023	1.97	23.53
Provision made / (reversed) during the year and amount utilised during the year (net)	0.91	3.09
As at March 31, 2024	2.88	26.62
As at March 31, 2024		
Current	2.88	23.65
Non-current	-	2.97
As at March 31, 2023		
Current	1.97	15.41
Non-current	-	8.12

*The provision for losses includes provision for estimated losses on onerous contracts

22 Government grants

(Rs. in million)

Government grants	March 31, 2024	March 31, 2023
At April 1	32.59	34.44
Received during the year	-	8.65
Released to consolidated Ind AS statement of profit and loss	(8.16)	(10.50)
As at March 31	24.43	32.59
Current	8.03	8.16
Non - current	16.40	24.43
	24.43	32.59

Government grants have been received towards the purchase and construction of certain items of property, plant and equipment under Modified Special Incentive Package Scheme (M-SIPS) as notified by Ministry of Communications and Information Technology, Department of Information Technology. As per the scheme, the Company is required to abide by all terms and conditions of M-SIPS policy, guidelines and amendments issued from time to time. The Company vide its letter of undertaking dated May 02, 2018 has agreed to comply with all terms and conditions of M-SIPS policy, guidelines and amendments issued from time to time.

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23 Current financial liabilities: Borrowings

	March 31, 2024	March 31, 2023
		(Rs. in million)
From banks		
Cash credit and overdraft from banks (secured) [1,2]	49.98	182.92
Packing credit loan from banks (secured) [1]	838.19	600.75
Foreign currency non-repatriable (FCNR) loan (secured) [1]	-	172.66
Working Capital Demand (WCD) loan (secured)[1]	-	100.00
Current maturities of long term borrowings[4] (refer note 19)	384.39	318.08
Interest payable	17.67	18.73
Customers bill discounted / factored (secured) [3]	-	654.85
	1,290.23	**2,047.99**

The above amount includes		
Secured borrowings	1,066.20	1,856.00
Unsecured borrowings	224.03	191.99
	1,290.23	**2,047.99**

1. Cash credit and overdraft from banks, packing credit, FCNR loan and WCD loan from banks of the Holding Company are payable on demand and are secured by way of :
(a) Hypothecation of entire current assets viz. stock of raw materials/stores and spares/work-in-progress/finished goods, receivables / book debts and other current assets / moveable fixed assets on pari passu first charge with other banks,
(b) Hypothecation of present and future fixed assets pari passu first charge with other banks, other than exclusively charged for the term loan availed;
(c) Equitable mortgage of factory land and building at No. 44, KHB Industrial Area, Yelahanka, Bangalore - 560 106 belonging to the Company, on pari passu first charge with other banks; and
(d) Equitable mortgage on leasehold rights of factory land and equitable mortgage of building at Plot No. 58-P, Bengaluru Aerospace Park Industrial Area, Sy. No. 8 - Part of Unachur Village & Sy.No. 8 - Part of Dummanahalli Village, Jala Hobli, Bengaluru North, Yelahanka Taluk, Bengaluru Urban District, belonging to the Company on pari passu first charge with other banks

The rate of interest of Cash credit and overdraft from banks ranges from 10.55% to 18.00% p.a. (March 31, 2023: 9.7% to 12.84% p.a.).
The rate of interest of Packing credit loan from banks ranges from 5.00% to 6.65% p.a. (March 31, 2023: 2.26% to 8.22% p.a.).
The rate of interest of WCD loan is Nil (March 31, 2023: 11.65% p.a.).
The rate of interest of FCNR loan is Nil (March 31, 2023: 3.97% to 9.12% p.a).
The interest is payable on monthly basis

2. Cash credit / overdraft from banks amounting to Rs. 29.83 million (March 31, 2023: Rs. 1.94 million) was availed by Centum T&S Group SA. Also refer note 19(1) for details of security.
3. Customer's bill discounted / factored receivables carries interest rate of Nil (March 31, 2023: 0.09%) of the factored invoices including VAT and have recourse to Centum T&S Group SA and its subsidiaries. During the year ended March 31, 2024, Centum T&S Group SA and its subsidiaries have entered into factoring arrangement which carries interest rate of 0.09% of factored invoices excluding VAT and does not have recourse to Centum T&S Group SA and its subsidiaries. Also refer note 12.
4. The details of current maturities of long term borrowings are as follows:

Term loan	March 31, 2024	March 31, 2023
		(Rs. in million)
From banks		
Foreign currency term loan (secured)	18.44	36.48
Foreign currency term loan (unsecured)	180.15	146.30
Indian rupee term loan (secured)	51.70	-
Bonds (secured)	90.22	89.61
Interest free loan from Government (unsecured)	43.88	45.69
Total	**384.39**	**318.08**

24 Financial liabilities: Trade payables

	March 31, 2024	March 31, 2023
		(Rs. in million)
Trade payables	2,374.69	2,106.71
Trade payables to related parties (refer note 42)	3.00	3.00
	2,377.69	**2,109.71**

a) Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing
- For explanations on the Group's currency and liquidity risk management processes, refer to note 49(c).
- The dues to related parties are unsecured

b) The Holding Company has entered into an agreement with bank for the supply chain financing arrangement. As per the arrangement the suppliers may elect to factor their receivable from the Holding Company and receive the payment due from the bank before the due date. As per the arrangement the bank agrees to pay amounts which Holding Company owes to it's suppliers and the Holding Company agrees to pay the bank at a date later than suppliers are paid The nature and function of the liabilities remain the same even after factoring as the Holding Company is neither legally released from its original obligation to the supplier nor the terms of the original liability are amended in a way that is considered a substantial modification. Hence, the Holding Company has not derecognised the liabilities which are factored and disclosed the said amount within trade payables. The Holding Company has paid interest @ 9.05% p.a. to 9.81% p.a. on the amounts paid by the bank to the vendor. The interest is calculated for a period starting from the date of disbursement by the bank to the date of payment by the Holding Company to the bank which does not exceed 90 days. The amount payable under supply chain financing arrangement amounts to Rs. 155.80 millon as at March 31, 2024 (March 31, 2023: Rs 38.19 million).

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24.1 Trade payable ageing schedule

As at March 31, 2024

(Rs. in million)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed outstanding dues of creditors	433.16	1,869.44	53.62	9.90	6.43	2,372.55
Disputed outstanding dues of creditors	-	-	-	-	5.14	5.14
Total	**433.16**	**1,869.44**	**53.62**	**9.90**	**11.57**	**2,377.69**

As at March 31, 2023

(Rs. in million)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed outstanding dues of creditors	377.73	1,691.70	27.58	5.61	2.02	2,104.64
Disputed outstanding dues of creditors	-	-	-	-	5.07	5.07
Total	**377.73**	**1,691.70**	**27.58**	**5.61**	**7.09**	**2,109.71**

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25 Other current financial liabilities

(Rs. in million)

		March 31, 2024	March 31, 2023
At amortised cost			
Unpaid dividends		2.15	2.61
Accrued salaries and benefits (refer note 42)		360.28	306.54
Payable for capital goods		8.95	66.77
Put option liability[1]		-	141.12
	(A)	371.38	517.04
Derivative instruments at fair value through OCI			
Cash flow hedges			
Derivative liability (refer note 53)		0.22	-
	(B)	0.22	-
Total	(A+B)	371.60	517.04

Note:

1. Put option liability pertained to liabilities arising from options given to non controlling interest shareholders by one of the subsidiary of the Group as at the date of acquisition. Initially, the management of the Group recognised these liabilities at fair values in accordance with the binomial lattice model. The projections were based on estimates and assumptions which are considered reasonable by the management including volatility, up move and down move probabilities, risk free rate of return, etc, which were subsequently revalued during the year ended March 31, 2022.

During the year ended March 31, 2023, the management has settled a portion of put option liability, on exercise of options by non controlling interest shareholders.

During the year ended March 31, 2024, the management has settled entire outstanding put option liability, on exercise of options by non controlling interest shareholders.

26 Other liabilities

(Rs. in million)

	Non-current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Advance from customers	563.37	167.39	1,483.80	1,082.66
Withholding and other taxes / duties payable	108.80	-	591.92	675.95
Deferred revenue				
Related parties (refer note 42)	-	-	9.83	4.57
Others	-	-	409.02	481.34
Other liabilities	-	-	22.20	10.47
	672.17	167.39	2,516.77	2,254.99

27 Net current employee defined benefit liabilities

(Rs. in million)

	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for gratuity (refer note 43)	7.98	7.39
	7.98	7.39

28 Current provisions

(Rs. in million)

	March 31, 2024	March 31, 2023
Provision for compensated absences	286.90	269.70
Provision for loss making contracts (refer note 21)	23.65	15.41
Provision for litigations (refer note 21)	2.88	1.97
	313.43	287.08

29 Liabilities for current tax (net)

(Rs. in million)

	March 31, 2024	March 31, 2023
Provision for taxation, net of advance tax	51.11	116.64
	51.11	116.64

30 Revenue from operations

	March 31, 2024	March 31, 2023
		(Rs. in million)
Sale of products (refer note 42)	7,730.75	6,064.74
Sale of services	2,751.71	2,777.22
Other operating revenues		
Income from foreign subsidies	308.21	296.54
Management fees	110.09	79.95
Sales commission	7.44	11.24
Total revenue	**10,908.20**	**9,229.69**

Refer note 50 for disclosures under Ind AS 115

31 Other income

	March 31, 2024	March 31, 2023
		(Rs. in million)
Rental income (refer note 44)	-	2.27
Provisions / liabilities no longer required, written back (refer note 54)	28.32	20.87
Government grants (refer note 22)	8.16	10.50
Net gain on disposal of property, plant and equipment	1.07	0.58
Other non-operating income	8.36	3.03
	45.91	**37.25**

32 Finance income

	March 31, 2024	March 31, 2023
		(Rs. in million)
Interest income on bank deposits	18.67	14.04
Interest income on income tax refund	0.20	-
Interest income - others (refer note 42)	3.36	7.24
	22.23	**21.28**

33a Cost of materials consumed

	March 31, 2024	March 31, 2023
		(Rs. in million)
Inventory at the beginning of the year	2,056.06	1,688.40
Add: Purchases	5,818.06	4,514.26
	7,874.12	6,202.66
Inventory at the end of the year	(2,427.70)	(2,056.06)
Cost of materials consumed	**5,446.42**	**4,146.60**

33b (Increase)/ decrease in inventories of work-in-progress and finished goods

	March 31, 2024	March 31, 2023
		(Rs. in million)
Inventories at the beginning of the year	554.56	559.85
- Work-in-progress / finished goods		
Less: Inventories at the end of the year	746.07	554.56
- Work-in-progress / finished goods		
(Increase)/ decrease in inventories of work-in-progress and finished goods	**(191.51)**	**5.29**

34 Employee benefits expenses

	March 31, 2024	March 31, 2023
		(Rs. in million)
Salaries, wages and bonus (refer note 42)	2,816.52	2,540.90
Contribution to provident and other funds (refer note 43)	734.52	692.30
Employee share based compensation cost (refer note 47)	21.68	13.91
Gratuity expenses (refer note 43)	19.25	16.93
Staff welfare expenses	79.19	63.18
	3,671.16	**3,327.22**

35 Finance costs

	March 31, 2024	March 31, 2023
		(Rs. in million)
Interest on debt and borrowings	227.72	164.25
Interest on lease liabilities (refer note 44)	11.78	9.86
Other borrowing costs	94.31	64.71
Exchange differences regarded as an adjustment to borrowing cost	-	26.79
Interest on income tax	12.50	7.83
	346.31	**273.44**

36 Depreciation and amortisation expenses

	March 31, 2024	March 31, 2023
		(Rs. in million)
Depreciation of property, plant and equipment (refer note 3)	189.10	172.95
Amortisation of other intangible assets (refer note 4b)	152.55	144.39
Depreciation of right-of-use assets (refer note 44)	111.09	120.92
	452.74	**438.26**

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37 **Other expenses**

(Rs. in million)

	March 31, 2024	March 31, 2023
Rent and lease hire charges (refer note 44)	49.48	46.16
Rates and taxes	85.16	77.56
Power and fuel	94.36	89.34
Repairs and maintenance	167.70	150.98
Insurance	56.18	48.90
Legal and professional fees	134.64	120.91
Travelling and conveyance	172.85	139.57
Purchase of services	117.75	33.60
Corporate social responsibility expenditure	4.88	5.30
Freight outwards	34.55	33.21
Foreign exchange differences (net)	43.51	106.61
Provision for expected credit losses / bad debts written off/ doubtful advances (refer note 12)	4.58	44.33
Impairment of non-current investments (refer note 6)	13.26	-
Impairment allowance on contract assets (refer note 10)	34.29	-
Directors' sitting fees (refer note 42)	4.23	3.93
Miscellaneous expenses	106.23	88.09
	1,123.65	**988.49**

38 **Exceptional items (net)**

(Rs. in million)

	March 31, 2024	March 31, 2023
Employee severance costs[1]	48.79	-
	48.79	**-**

1 The Group has accounted severance costs for employees in it's overseas subsidiaries which has been disclosed as exceptional item in the consolidated Ind AS financial statements for the year ended March 31, 2024.

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39 **Income tax**

The domestic subsidiaries of the Group are subject to income tax in India on the basis of standalone financial statements. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

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 and its domestic subsidiary based on the current projections has chosen to adopt the reduced rates of tax as per the Income Tax Act, 1961 from the financial year 2020-21 and accordingly has accounted deferred tax asset based on the reduced applicable tax rates for domestic entities.

Income tax expenses in the consolidated Ind AS statement of profit and loss consist of the following:

(Rs. in million)

	March 31, 2024	March 31, 2023
Tax expenses		
(a) Current tax	158.21	126.51
(b) Adjustment of tax relating to earlier period	3.70	(10.32)
(c) Deferred tax (credit)/ expense	(55.58)	(61.77)
(d) Deferred tax expense / (credit) related to items recognized in OCI during the year	1.08	1.97
Total taxes	**107.41**	**56.39**

Reconciliation of estimated income tax to income tax expense is as below:

(Rs. in million)

	March 31, 2024	March 31, 2023
Profit/ (loss) before tax	**78.78**	**121.36**
Income tax expense at applicable tax rates applicable to individual profitable entities*	**124.70**	**74.60**
Tax effect on permanent non-deductible expenses	4.72	3.30
Adjustments in respect of current income tax of previous years	3.70	(10.32)
Tax effects on account of purchase price accounting for intangibles	(21.70)	(21.70)
Others	(4.01)	10.51
Total tax expenses	**107.41**	**56.39**

Note: Certain entities of the Group have incurred losses during the relevant period, which has resulted in reduction of profit / increase of losses in the consolidated Ind AS financial statements. However, the tax liability has been discharged by the respective entities on a standalone basis. Further, in view of absence of reasonable certainty, the Group has not recognised deferred tax asset in such companies.

* Does not include taxes in relation to non-recognition of deferred tax assets on loss making overseas subsidiaries.

40 **Earnings per share ('EPS')**

Basic EPS amounts are calculated by dividing the profit/ loss for the year attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2024	March 31, 2023
Face value of equity shares (Rs. per share)	10	10
Profit/ (loss) attributable to equity holders of the parent for basic / diluted earnings per share (Rs. in million)	17.75	98.16
Weighted average number of equity shares used for computing EPS (basic)	12,886,272	12,884,841
Add: Effect of dilutive issues of stock options	144,538	123,625
Weighted average number of equity shares used for computing EPS (diluted)	13,030,810	13,008,466
Earnings per share - Basic	1.38	7.62
Earnings per share - Diluted	1.36	7.55

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41 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include determining control over entities and accounting thereof, impairment of investments and goodwill, taxes, fair value measurement of financial instruments, contingencies, defined benefit plan (gratuity benefits), provision for inventory obsolescence, revenue recognition, leases - determining the lease term of contracts with renewal and termination options – Group as lessee and estimating the incremental borrowing rate and intangible assets under development.

(i) Estimates and assumptions:
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of investments and goodwill
Determining whether investments and goodwill are impaired requires an estimation of the value in use of the respective asset or the relevant cash generating units. The value in use calculation is based on Discounted Cashflows Model ("DCF model"). The cash flows projections are based on estimates and assumptions which are considered as reasonable by the management and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate (i.e. 11% p.a) used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles recognised by the Group (refer note 4a and 4b).

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 8 and 39 for further disclosures.
Centum T&S Group SA has carried forwarded tax losses. These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 49(a) for further disclosures.

Contingencies
Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Refer note 45(c) for further disclosures.

Defined benefit plans (gratuity benefits)
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 43.

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41 **Significant accounting judgements, estimates and assumptions (continued)**

Provision for inventory obsolescence

Inventory obsolescence provision are determined using policies framed by the Company and in accordance with the methodologies that the Company deems appropriate to the business. There is a significant level of judgment involved in assessing whether provision for obsolescence for slow moving, excess or obsolete inventory items should be recognized considering orders in hand, expected orders, alternative usage, etc.

Revenue recognition

The group uses the percentage-of-completion method in accounting for its fixed-price contract. Use of the percentage-of-completion method requires the Group to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date (refer note 10, 12 and 15).

Leases - Determining the lease term of contracts with renewal and termination options – Group as lessee and estimating the incremental borrowing rate

The Group determines the lease term as the non-cancellable term of the lease.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Intangible assets under development

The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. As at March 31, 2024, the carrying amount of intangible assets under development is Rs. 100.99 million (March 31, 2023: Rs. 227.56 million)

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42 Related parties

a) Names of related parties and description of relationship

Description of relationship	Name of related parties
Parties where control exists	Mr. Apparao V Mallavarapu (directly and indirectly exercises over 50% voting power in the Company)
Associate Company	Ausar Energy SAS
Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)	Centum Industries Private Limited
Key managerial personnel and their close members	Mr. Apparao V Mallavarapu - Chairman and Managing Director Mrs. Swarnalatha Mallavarapu - Director (resigned w.e.f. May 27, 2023) Mr. Nikhil Mallavarapu - Whole Time Director Mrs. Tanya Mallavarapu - Director (appointed w.e.f. May 27, 2023) Mr. Pranav Kumar Patel - Independent Director[1] Mr. Rajiv C Mody - Independent Director Mr. Manoj Nagrath - Independent Director Mr. Thiruvengadam P - Independent Director Mr. Tarun Sawhney - Independent Director (appointed w.e.f. May 22, 2024) Mrs. Kavitha Dutt - Independent Women Director Mr. K S Desikan - Chief Financial Officer Mrs. Indu H S - Company Secretary (appointed w.e.f. May 24, 2022)

1. Ceased to be a Director w.e.f. March 31, 2024, on completion of two terms as Independent Director.

b) Summary of transactions and outstanding balances with above related parties are as follows:

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
i) Sale of products		
Associate Companies		
- Ausar Energy SAS	26.75	24.00
ii) Interest income - others		
Associate Companies		
- Ausar Energy SAS	1.10	6.03
iii) Remuneration to key managerial personnel and their close members		
Employee benefit expenses (excluding employee share based payments)		
- Mr. Apparao V Mallavarapu	27.39	13.63
- Mr. Nikhil Mallavarapu	27.39	13.63
- Mr. K S Desikan	11.39	10.42
- Mrs. Indu H S	1.31	1.08
iv) Directors' sitting fees (including commission paid to non-executive directors)		
- Mrs. Tanya Mallavarapu	0.54	-
- Mr. Rajiv C Mody	0.65	0.53
- Mr. Pranav Kumar Patel	0.77	0.74
- Mr. Manoj Nagrath	0.77	0.74
- Mr. Thiruvengadam P	0.74	0.71
- Mrs.V Kavitha Dutt	0.65	0.62
-Mrs. Swarnalatha Mallavarapu	0.11	0.59
v) Exercise of share options		
Key managerial personnel		
- Mr. K S Desikan	0.23	-
vi) Outstanding balances as at the year ended:		
a) Trade receivables - Current		
Associate Companies		
- Ausar Energy SAS	93.44	74.74
b) Trade payables - Current		
Payable to key managerial personnel		
- Mr. Rajiv C Mody	0.50	0.50
- Mr. Pranav Kumar Patel	0.50	0.50
- Mr. Manoj Nagrath	0.50	0.50
- Mr. Thiruvengadam P	0.50	0.50
- Mrs.V Kavitha Dutt	0.50	0.50
- Mrs. Swarnalatha Mallavarapu	0.08	0.50
- Mrs. Tanya Mallavarapu	0.42	

42 **Related parties (continued)**

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
c) Other non current financial assets - Security deposits		
Enterprises where key managerial personnel and their close members exercise significant influence		
- Centum Industries Private Limited	0.45	0.45
d) Other current financial liabilities - Accrued salaries and benefits-payable		
- Mr. Apparao V Mallavarapu	18.38	5.13
- Mr. Nikhil Mallavarapu	16.90	3.74
- Mr. K S Desikan	3.00	2.15
- Mrs. Indu H S	0.15	0.12
e) Deferred revenue		
Associate Companies		
- Ausar Energy SAS	9.83	4.57

e) Key managerial personnel's interests in the share based payments plan:
Share options held by key managerial personnel under the share based payments plan to purchase equity shares are as follows:

Share based payments plan	Exercise price	March 31, 2024	March 31, 2023
		Number outstanding	Number outstanding
Centum ESOP - 2013 plan	Rs. 71.25	-	3,653
Centum ESOP - 2021 plan	Rs. 10.00	14,500	14,500

No share options have been granted to the non-executive members of the Board of Directors under the share based payments plans of the Group. Refer to note 47 for further details on the scheme.

Notes:
(i) As the liability for gratuity and leave encashment is provided on actuarial basis for the Group as a whole, the amount pertaining to the key managerial personnel's are not included.
(ii) Refer note 5 as regards investments in associates.

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43 Gratuity and other post-employment benefits plans

(a) Defined contribution plan

The Group contribution to provident fund, employees' state insurance, pension and other funds are considered as defined contribution plans. The contributions are charged to the consolidated Ind AS statement of profit and loss as they accrue. Contributions to provident and other funds included in employee benefits expenses (note 34) are as under:

Particulars	March 31, 2024	March 31, 2023
	(Rs. in million)	
Contribution to provident fund	35.99	33.29
Contribution to employees' state insurance	3.86	3.80
Contribution to pension fund	694.67	655.21
	734.52	692.30

(b) Defined benefit plans

The domestic entities in the Group has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The Gratuity plan is funded partially through contributions made to SBI Life Insurance Company Limited.

The following tables summarise the components of net benefit expense recognised in the consolidated Ind AS statement of profit or loss and amounts recognised in the consolidated Ind AS balance sheet for gratuity benefit:

i. Net benefit expenses (recognized in the consolidated Ind AS statement of profit and loss)

Particulars	March 31, 2024	March 31, 2023
	(Rs. in million)	
Current service cost	13.95	12.12
Interest cost on defined benefit obligation	5.30	4.81
Net benefit expenses	**19.25**	**16.93**

ii. Remeasurement (gains)/ loss recognised in other comprehensive income:

Particulars	March 31, 2024	March 31, 2023
	(Rs. in million)	
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(5.81)	(6.57)
Actuarial loss/ (gain) on obligations arising from changes in financial assumptions	1.53	(1.20)
Actuarial (gain)/ loss recognised in OCI	**(4.28)**	**(7.77)**

iii. Net defined benefit (liability)/ asset

Particulars	March 31, 2024	March 31, 2023
	(Rs. in million)	
Defined benefit obligation	(77.69)	(69.20)
Fair value of plan assets	16.59	-
(Liability)/ asset recognised in the consolidated Ind AS balance sheet	**(61.10)**	**(69.20)**

iv. Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2024	March 31, 2023
	(Rs. in million)	
Opening defined benefit obligation	69.20	64.79
Current service cost	13.95	12.12
Benefits paid	(6.48)	(4.75)
Interest cost on the defined benefit obligation	5.30	4.81
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(5.81)	(6.57)
Actuarial loss/ (gain) on obligations arising from changes in financial assumptions	1.53	(1.20)
Closing defined benefit obligation	**77.69**	**69.20**

v. Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2024	March 31, 2023
	(Rs. in million)	
Opening fair value of plan assets	-	-
Interest income on plan assets	-	-
Benefits paid	-	-
Contributions by the employer	16.59	-
Return on plan assets (lesser) / greater than discounted rate	-	-
Closing fair value of plan assets	**16.59**	**-**

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43 **Gratuity and other post-employment benefits plans (continued)**

vi. The following pay-outs are expected in future years:

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
Within next one year	7.98	7.39
Between 1 and 2 years	3.74	3.03
Between 2 and 3 years	3.54	4.46
Between 3 and 4 years	6.64	3.63
Between 4 and 5 years	5.61	6.49
Between 5 and 10 years	34.58	29.88

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.02 - 11.29 years (March 31, 2023: 9.94 - 10 years).

vii. The principal assumptions used in determining gratuity obligations for the group's plan are shown below:

Particulars	March 31, 2024	March 31, 2023
Discount rate (in %)	7.09%	7.30%
Salary escalation (in %)	10.00%	10.00%
Employee turnover	Age 21 - 30 Yrs : 15% Age 30 - 34 Yrs : 10% Age 35 - 44 Yrs : 5% Age 45 - 50 Yrs : 3% Age 51 - 54 Yrs : 2% Age 55 - 59 Yrs : 1%	Age 21 - 30 Yrs : 15% Age 30 - 34 Yrs : 10% Age 35 - 44 Yrs : 5% Age 45 - 50 Yrs : 3% Age 51 - 54 Yrs : 2% Age 55 - 59 Yrs : 1%
Retirement age	60 years	60 years
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate Table	Indian Assured Lives Mortality (2012-14) Ultimate Table

Notes:

i) The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

ii) Plan Characteristics and Associated Risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death or disability. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. Discount rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

b. Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

viii. A quantitative sensitivity analysis for significant assumption is as shown below:

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(6.83)	(6.07)
Impact on defined benefit obligation due to 1% decrease in discount rate	8.04	7.15
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	3.79	3.41
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(3.89)	(3.44)
Attrition rate		
Impact on defined benefit obligation due to 1% increase in attrition rate	(0.45)	(0.48)
Impact on defined benefit obligation due to 1% decrease in attrition rate	0.71	0.72

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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44 Leases

I. Company as a lessee

The Group has lease contracts for office facilities and equipment (including vehicles and computer). The lease term for office facilities is generally 3 to 12 years and for equipments is 2 to 8 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.
The Group also has certain leases of computer and computer equipment with low value. The Group applies the 'short term lease' and 'lease of low value assets' recognition exemption for the leases.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The carrying amounts of right-of-use assets recognised and the movements during the year is as follows:

(Rs. in million)

Particulars	Building	Plant and machinery	Vehicles	Leased computer	Total
Gross block					
As at March 31, 2022	**651.04**	**37.10**	**80.46**	**33.50**	**802.10**
Additions	111.37	-	12.89	17.18	141.44
Translation adjustment	39.82	-	5.27	1.74	46.83
Disposals / cancellations	(287.27)	-	(15.93)	(5.49)	(308.69)
As at March 31, 2023	**514.96**	**37.10**	**82.69**	**46.93**	**681.68**
Additions	120.44	-	17.66	35.58	173.68
Translation adjustment	3.22	-	0.56	0.27	4.05
Disposals / cancellations	-	-	(11.50)	(7.22)	(18.72)
As at March 31, 2024	**638.62**	**37.10**	**89.41**	**75.56**	**840.69**
Accumulated depreciation					
As at March 31, 2022	**251.79**	**8.61**	**41.61**	**19.02**	**321.03**
Charge for the year	86.86	4.62	20.56	8.88	120.92
Translation adjustment	20.39	-	4.24	1.42	26.05
Disposals / cancellations	(229.65)	-	(15.93)	(5.49)	(251.07)
As at March 31, 2023	**129.39**	**13.23**	**50.48**	**23.83**	**216.93**
Charge for the year	70.69	4.62	19.76	16.02	111.09
Translation adjustment	1.00	-	0.44	0.18	1.62
Disposals / cancellations	-	-	(11.50)	(7.22)	(18.72)
As at March 31, 2024	**201.08**	**17.85**	**59.18**	**32.81**	**310.92**
Net block as on March 31, 2024	**437.54**	**19.25**	**30.23**	**42.75**	**529.77**
Net block as on March 31, 2023	**385.56**	**23.87**	**32.21**	**23.10**	**464.74**

The carrying amounts of lease liabilities recognised and the movements during the year is as follows:

(Rs. in million)

Particulars	Amount
As at March 31, 2022	**475.57**
Additions	141.44
Accretion of interest	9.86
Translation adjustment	29.13
Modification of lease liabilities	(57.63)
Payments	(145.00)
As at March 31, 2023	**453.37**
Additions	173.68
Accretion of interest	11.78
Translation adjustment	2.36
Payments	(115.42)
As at March 31, 2024	**525.77**

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
Current	117.96	91.79
Non-current	407.81	361.58

The maturity analysis of lease liabilities are disclosed in note 49.
The effective interest rate for lease liabilities is 1.6% to 12 %.

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44 Leases (Continued)

The following are the amounts recognised in the consolidated Ind AS statement of profit and loss:

Particulars	March 31, 2024	March 31, 2023
		(Rs. in million)
Depreciation expense of right-of-use assets (refer note 36)	111.09	120.92
Interest expense on lease liabilities (refer note 35)	11.78	9.86
Expense relating to short-term leases and leases of low-value assets (included in other expenses) (refer note 37)	49.48	46.16
Total amount recognised in profit or loss	**172.35**	**176.94**

The Group had total cash outflows for leases of Rs 164.90 million in March 31, 2024 (March 31, 2023: 191.16 million).

II. **Company as a lessor**

The Company has entered into cancellable lease agreements for sub-lease of office space. The lease term is for 3 years with a cancellation clause of 3 months.

The following amounts recognised in the consolidated Ind AS statement of profit and loss

	March 31, 2024	March 31, 2023
		(Rs. in million)
Rental income (refer note 31)	-	2.27
	-	**2.27**

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45 Commitments and contingencies

(a) Capital commitments

(Rs. in million)

	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3.32	100.54

(b) Power purchase agreement

The Group has commitment in nature of variable lease payment towards purchase of solar and wind power with various parties whereby the Group has committed to purchase and supplier has committed to sell contracted quantity of solar and wind power for period as defined in the power purchase agreements.

(c) Contingent liabilities

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its consolidated Ind AS financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated Ind AS financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operation or cash flow.

(i)

(Rs. in million)

Particulars of guarantees	As at March 31, 2024	As at March 31, 2023
Corporate guarantees	-	43.91
Bank guarantees (refer note 13)*	29.60	29.21

* Excludes performance bank guarantees given to various customers as the management is of the view that the same is not required to be disclosed here.

(ii) The Hon'ble Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Group has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Group does not expect any material impact of the same.

(iii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the Code came into effect on May 03, 2023, the final rules/interpretation have not yet been issued. Based on a preliminary assessment, the Holding Company and its domestic subsidiaries believes the impact of the change will not be significant.

(iv) The Group is involved in legal proceedings, both as plaintiff and as defendant. The Group believes the following claims to be material.

(Rs. in million)

Disputes *	March 31, 2024	March 31, 2023
Matters relating to income tax under dispute:	46.44	46.44
Matters relating to indirect taxes under dispute:	136.85	143.34
Others:		
- Property tax	-	10.86
- Other claims against the Group not acknowledged as debts	9.91	9.78

* The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

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46 **Segment information - Disclosure pursuant to Ind AS 108 "Operating Segments"**

(a) Information about reportable segments

Basis of identifying operating segments / reportable segments:

(i) Basis of identifying operating segments:

Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Group's other components); (b) whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available. The accounting policies consistently used in the preparation of financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segment on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such items and accordingly such items are separately disclosed as 'unallocated'.

(ii) Reportable segments:

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

The Company along with its subsidiaries and an associate 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".

(b) Geographical information

(Rs. in million)

Particulars	Segment revenue*		Non-current assets**	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(i) India	3,120.50	2,573.72	1,171.80	1,198.71
(ii) Europe and UK	6,348.50	5,317.11	1,205.81	1,539.51
(iii) North America	1,320.31	1,195.57	183.90	83.58
(iv) Rest of the world	118.89	143.29	-	-
Total	**10,908.20**	**9,229.69**	**2,561.51**	**2,821.80**

*Revenue by geographical area are based on the geographical location of the customers.
**Non-current assets excludes financial instruments and tax assets.

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47 Share-based payments

A Description of the share based payment arrangements

The Holding Company has following share based payment arrangements:

(i) Share option plans (equity settled)

The Holding Company sponsers share option plan -

The Centum Employee Stock Option Plan ('ESOP') - 2013 plan. The details of the aforementioned plan are as follows:

(a) The Centum ESOP - 2013 plan was approved by the directors of the Holding Company in May 2013 and by the shareholders in August 2013. Centum ESOP - 2013 plan provides for the issue of 250,000 shares to the employees of the Holding Company and its subsidiaries (whether in India or outside India), who are in whole time employment with the Holding Company and/or it's subsidiaries.

The plan is administered by a Compensation committee. Options will be issued to employees of the Holding Company and/or it's subsidiaries at an exercise price, which shall not be less than the market price immediately preceding the date of grant. The equity shares covered under these options vest over a period ranging from twelve to forty eight months from the date of grant. The exercise period is ten years from the date of vesting.

The Centum Electronics Limited Restricted Stock Unit Plan 2021. The details of the aforementioned plan are as follows:

(a) The Centum Electronics Limited Restricted Stock Unit Plan 2021 was approved by the shareholders of the Holding Company in October 2021. Centum RSU - 2021 plan provides for the issue of 175,000 shares to the employees of the Holding Company and its subsidiaries (whether in India or outside India), who are in whole time employment with the Holding Company and/or it's subsidiaries.

The plan is administered by the Nomination and Remuneration committee. Options will be issued to employees of the Holding Company and/or it's subsidiaries at an exercise price, which shall be equal to the face value of the shares. RSUs granted under this Plan would vest not earlier than minimum vesting period of 1 (one) year or such other period as may be prescribed under applicable laws and not later than maximum vesting period of 8 (eight) years from the date of grant of such RSUs. The exercise period is 5 years from the date of last vesting of RSU.

B Measurement of fair values

The fair value of employee share options has been measured using Black Scholes model. The fair value of the options and the input used in the measurement of the grant- date fair values of both the plans are as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Centum ESOP - 2013	Centum ESOP - 2013
Fair value at grant date	Rs. 11.65 - Rs. 277.30	Rs. 11.65 - Rs. 277.30
Share price at grant date	Rs. 71.25 & Rs. 637.05	Rs. 71.25 & Rs. 637.05
Weighted average exercise price (WAEP)	Rs. 71.25	Rs. 71.25
Dividend yield (%)	10%	10%
Expected life of share options (years)	1- 4 years	1- 4 years
Risk free interest rate (%)	5.70 - 8.60%	5.70 - 8.60%
Expected volatility (%)	48.31%	48.31%

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
	Centum RSU Plan - 2021	Centum RSU Plan - 2021
Fair value at grant date	Rs. 420.08 / 730.13	Rs. 420.08
Share price at grant date	Rs. 455.65 / 814.61	Rs. 455.65
Weighted average exercise price (WAEP)	Rs. 10	Rs. 10.00
Dividend yield (%)	2.08% / 3.33%	2.08%
Expected life of share options (years)	1- 8 years	1- 8 years
Risk free interest rate (%)	7.12% / 7.30%	7.12%
Expected volatility (%)	56.15% / 52.48%	56.15%

C Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, Centum ESOP - 2013 plan during the year:

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Number of options	WAEP	Number of options	WAEP
Options outstanding at April 1,	12,026	71.25	12,026	71.25
Granted during the period	-	-	-	-
Forfeited / lapsed during the period	-	-	-	-
Exercised during the period	3,653	-	-	-
Expired during the period	-	-	-	-
Options outstanding at March 31,	**8,373**	**71.25**	**12,026**	**71.25**
Exercisable at March 31,	8,373	71.25	12,026	71.25

The options outstanding as at March 31, 2024 had an exercise price of Rs. 71.25 (March 31, 2023: Rs. 71.25) and the weighted average remaining contractual life of 2.62 years (March 31, 2023: 3.77 years).

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47 **Share-based payments (continued)**

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, Centum RSU - 2021 plan during the year:

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Number of options	WAEP	Number of options	WAEP
Options outstanding at April 1,	115,400	10.00	-	-
Granted during the period	27,500	-	130,400	10.00
Forfeited / lapsed during the period	5,300	-	15,000	10.00
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Options outstanding at March 31,	**137,600**	**10.00**	**115,400**	**10.00**
Exercisable at March 31,	137,600	10.00	-	10.00

The options outstanding as at March 31, 2024 had an exercise price of Rs.10 (March 31, 2023: Rs. 10) and the weighted average remaining contractual life of 6.15 years (March 31, 2023: 7.15 years).

D **Expense recognised in the consolidated Ind AS statement of profit and loss**

The expense recognised for employee services received during the year is shown in the following table :

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
Expense arising from equity settled share based payment transaction (refer note 34)	21.68	13.91

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48 Capital management

The Group's capital management is intended to create value for the shareholders by facilitating the meeting of long term and short term goals of the Group.

The Group determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and long term and short term bank borrowings.

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders of the Group.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenants are complied with.

(Rs. in million)

Particulars	**March 31, 2024**	**March 31, 2023**
Borrowings (refer note 19 and 23)	1,736.94	2,627.61
Less: Cash and cash equivalents (refer note 13)	481.21	352.71
Net debt (A)	**1,255.73**	**2,274.90**
Capital components		
Equity share capital (refer note 16)	128.88	128.85
Other equity (refer note 17)	1,903.84	1,978.32
Non-controlling interests	(65.62)	(66.60)
Total equity (B)	**1,967.10**	**2,040.57**
Capital and net debt (C = (A+B))	**3,222.83**	**4,315.47**
Gearing ratio (D=(A/C))	**39%**	**53%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and year ended March 31, 2023.

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49 Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments of the Group and provides additional information on balance sheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.3(b) and 2.3(o), to the consolidated Ind AS financial statements

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2024 and March 31, 2023.

As at March 31, 2024

(Rs. in million)

Particulars	Fair value through statement of profit or loss	Fair value through statement of other comprehensive income	Derivative instruments not in hedging relationship	Amortised cost	Total fair value	Total carrying value
Financial assets						
(i) Investments (other than investments in associates)	0.55	-	-	-	0.55	0.55
(ii) Trade receivables	-	-	-	2,279.77	2,279.77	2,279.77
(iii) Cash and cash equivalents	-	-	-	481.21	481.21	481.21
(iv) Bank balances other than cash and cash equivalents	-	-	-	381.73	381.73	381.73
(v) Other financial assets	-	-	-	569.31	569.31	569.31
Total	0.55	-	-	3,712.02	3,712.57	3,712.57
Financial liabilities						
(i) Borrowings	-	-	-	1,736.94	1,736.94	1,736.94
(ii) Lease liabilities	-	-	-	525.77	525.77	525.77
(iii) Trade payables	-	-	-	2,377.69	2,377.69	2,377.69
(iv) Other financial liabilities	-	0.22	-	371.38	371.60	371.60
Total	-	0.22	-	5,011.78	5,012.00	5,012.00

As at March 31, 2023

(Rs. in million)

Particulars	Fair value through statement of profit or loss	Fair value through statement of other comprehensive income	Derivative instruments not in hedging relationship	Amortised cost	Total fair value	Total carrying value
Financial assets						
(i) Investments (other than investments in associates)	13.81	-	-	-	13.81	13.81
(ii) Trade receivables	-	-	-	3,309.97	3,309.97	3,309.97
(iii) Cash and cash equivalents	-	-	-	352.71	352.71	352.71
(iv) Bank balances other than cash and cash equivalents	-	-	-	262.20	262.20	262.20
(v) Other financial assets	-	0.02	-	290.85	290.87	290.87
Total	13.81	0.02	-	4,215.73	4,229.56	4,229.56
Financial liabilities						
(i) Borrowings	-	-	-	2,627.61	2,627.61	2,627.61
(ii) Lease liabilities	-	-	-	453.37	453.37	453.37
(iii) Trade payables	-	-	-	2,109.71	2,109.71	2,109.71
(iv) Put option liability	-	-	141.12	-	141.12	141.12
(v) Other financial liabilities	-	-	-	375.92	375.92	375.92
Total	-	-	141.12	5,566.61	5,707.73	5,707.73

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49 Disclosures on Financial Instruments (continued)

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual fund investments

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

(Rs. in million)

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
March 31, 2024				
Financial assets				
Investments (other than investments in associates)	0.55	-	-	0.55
Financial liabilities				
Borrowings	1,736.94	-	1,736.94	-
Derivative liability	0.22	-	0.22	-
March 31, 2023				
Financial assets				
Investments (other than investments in associates)	13.81	-	-	13.81
Derivative assets	0.02	-	0.02	-
Financial liabilities				
Borrowings	2,627.61	-	2,627.61	-
Put option liability	141.12	-	141.12	-

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2024 and March 31, 2023.

(c) Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets including trade receivables, other financial assets and cash and bank balances derived from its operations.

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.
(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market risk
Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Market risk- Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in million)

Particulars	Increase / decrease in basis points	Effect on profit before tax
March 31, 2024		
	+50	(5.06)
	-50	5.06
March 31, 2023		
	+50	(5.27)
	-50	5.27

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

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49 **Disclosures on Financial instruments (continued)**

(b) Market risk- Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates

Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities excluding derivative assets. The Group's exposure to other currency is not material.

(Rs. in million)

Particulars	Change in currency	Effect on profit or loss	
		Strengthening	Weakening
March 31, 2024			
USD	5%	(14.46)	14.46
EURO	5%	0.53	(0.53)
March 31, 2023			
USD	5%	(32.28)	32.28
EURO	5%	3.74	(3.74)

The sensitivity analysis has been based on the composition of the financial assets and liabilities at March 31, 2024 and March 31, 2023 of entities within the Group having exposure other than their functional currency. The period end balances are not necessarily representative of the average debt outstanding during the period.

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, investments, cash and cash equivalents and derivatives

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 3,712.57 million and Rs. 4,229.56 million as at March 31, 2024 and March 31, 2023, respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments (other than investments in associates) and other financial assets.

Customer credit risk is managed by each entity / business unit based on the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Group does not hold collateral as security. Also refer note 12.

With respect to trade receivables, the Group has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required The Group creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Credit risk from balances with bank and financial institutions and in respect to loans and security deposits is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group have made certain strategic investments which have been approved by the Board of Directors.

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49 **Disclosures on Financial instruments (continued)**

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital limits from various banks. The Group invests its surplus funds in bank fixed deposit, which carry no or low market risk

The Group monitors its risk of a shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, etc. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be medium.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Group's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

(Rs. in million)

Particulars	0-1 years	1 to 5 years	> 5 years	Total
March 31, 2024				
Borrowings	1,290.23	446.71	-	1,736.94
Lease liabilities	127.62	335.16	88.86	551.64
Trade payables	2,377.69	-	-	2,377.69
Other financial liabilities	529.85	-	-	529.85
March 31, 2023				
Borrowings	2,047.99	577.58	2.04	2,627.61
Lease liabilities	91.79	267.80	114.08	473.67
Trade payables	2,109.71	-	-	2,109.71
Other financial liabilities	632.31	-	-	632.31
	4,881.80	**845.38**	**116.12**	**5,843.30**

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50 Disclosure under Ind AS 115

a) Timing of revenue recognition

March 31, 2024

(Rs. in million)

Particulars	Performance obligation satisfied at point in time	Performance obligation satisfied over time*	Total
Sale of products	7,730.75	-	7,730.75
Sale of services	-	2,751.71	2,751.71
Management fees	-	110.09	110.09
Sales commission	7.44	-	7.44
Income from foreign subsidies	-	308.21	308.21
Total	**7,738.19**	**3,170.01**	**10,908.20**

March 31, 2023

(Rs. in million)

Particulars	Performance obligation satisfied at point in time	Performance obligation satisfied over time*	Total
Sale of products	6,064.74	-	6,064.74
Sale of services	-	2,777.22	2,777.22
Management fees	-	79.95	79.95
Sales commission	11.24	-	11.24
Income from foreign subsidies	-	296.54	296.54
Total	**6,075.98**	**3,153.71**	**9,229.69**

* The Group recognises revenue from these sources over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

b) **Contract Balances:**

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
Trade receivables (including unbilled revenue) (refer note 12)		
- Current (gross)	2,309.50	3,408.60
- *Impairment allowance (allowance for bad and doubtful debts)*	(29.73)	(98.63)
Contract assets		
- Non-current (gross) (refer note 10)	66.88	321.31
- Current (gross) (refer note 15)	533.32	518.47
- *Impairment allowance on contract assets*	(47.44)	(34.48)
Contract Liabilities		
Deferred revenue (refer note 26)		
- Current	418.85	485.91
Advance from customers (refer note 26)		
- Non-current	563.37	167.39
- Current	1,483.80	1,082.66

c) **Revenue recognised during the year**

(Rs. in million)

	March 31, 2024	March 31, 2023
Arising out of contract liabilities as at the beginning of the year	1,047.40	670.26
	1,047.40	**670.26**

d) **Reconciliation of revenue recognised in the statement of profit and loss with the contracted price**

	March 31, 2024	March 31, 2023
Revenue as per contracted price	10,928.36	9,245.01
Less:		
Cash discount	(20.16)	(15.32)
Revenue from contract with customers	**10,908.20**	**9,229.69**

e) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to Rs 42.32 million (March 31, 2023 : Rs. 9.77 million).

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51 **Interests in material partly-owned subsidiaries**

Financial information of subsidiaries that have material non-controlling interests is provided below:

1 **Details of material partly-owned subsidiaries**

Particulars	Country of incorporation and operation	March 31, 2024	March 31, 2023
Centum T&S Group SA	France	90.08%	77.77%

2 **Accumulated balances of material non-controlling interest:**

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
Centum T&S Group SA*	(64.03)	(69.63)

* Before consolidation adjustments

3 **(Loss) / profit allocated to material non-controlling interest:**

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
Centum T&S Group SA*	(43.38)	(23.36)

* Before consolidation adjustments

4 **Summarised financial position**

The summarised financial position of the subsidiary is provided below. This information is based on amounts before inter-company eliminations and consolidation adjustments.

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
Non-current assets		
Property, plant and equipment	59.03	63.83
Other intangible assets	280.79	141.72
Intangible assets under development	100.99	227.56
Right-to-use assets	492.73	415.23
Financial and other assets	289.37	554.98
Total	**1,222.91**	**1,403.32**
Current assets		
Inventories	271.06	231.73
Financial and other assets	1,802.40	2,279.00
Total	**2,073.46**	**2,510.73**
Non-current liabilities		
Financial liabilities (including borrowings)	741.22	922.81
Other liabilities	123.31	23.67
Total	**864.53**	**946.48**
Current liabilities		
Financial liabilities (including borrowings)	1,618.62	1,799.22
Other liabilities	1,458.70	1,481.57
Total	**3,077.32**	**3,280.79**
Total equity	(645.48)	(313.23)
Attributable to:		
Equity holders of parent	(581.45)	(243.60)
Non-controlling interests	(64.03)	(69.63)

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51 **Interests in material partly-owned subsidiaries (continued)**

5 **Summarised statement of profit and loss**

The summarised financial statement of profit and loss of the subsidiary is provided below. This information is based on amounts before inter-company eliminations and consolidation adjustments.

(Rs. in million)

	Particulars	March 31, 2024	March 31, 2023
I	**Income**		
	Revenue from operations	4,602.05	4,204.14
	Other Income	-	7.49
	Finance Income	2.85	6.77
	Total Income	**4,604.90**	**4,218.39**
II	**Expenses**		
	Cost of materials consumed	1,565.79	1,145.28
	(Increase) / decrease in inventories of work-in-progress and finished goods	(52.54)	(0.77)
	Employee benefit expenses	2,477.90	2,384.96
	Finance costs	154.66	112.72
	Depreciation and amortisation expenses	197.89	206.47
	Other expenses	540.51	479.33
	Total Expenses	**4,884.21**	**4,327.99**
III	Share of profit / (loss) of associates (net)	-	12.44
IV	**(Loss) / profit before exceptional items and tax (I-II+III)**	(279.31)	(97.16)
V	Exceptional items	48.79	-
VI	**(Loss) / profit before tax expense (IV-V)**	(328.10)	(97.16)
VII	Tax Expenses	-	-
VIII	**(Loss) / profit after tax for the year (VI-VII)**	(328.10)	(97.16)
IX	**Other comprehensive income / (expense) (net of tax)**		
	(A) Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
	(i) Exchange differences on translation of foreign operations	(4.15)	(6.63)
X	**Total comprehensive income for the year (VIII + IX)**	(332.25)	(103.79)
	Attributable to non-controlling interest	(43.38)	(23.36)

6 **Summarised cashflow information:**

(Rs. in million)

Particulars	March 31, 2024	March 31, 2023
Cash flow from operating activities	1,190.85	519.53
Cash flow from investing activities	(107.61)	(104.87)
Cash flow from financing activities	(1,106.11)	(528.43)
Net (decrease) / increase in cash & cash equivalents	**(22.87)**	**(113.77)**

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52 MCA has amended the Rule 3 of the Companies (Accounts) Rules, 2014 (the "Accounts Rules") vide notification dated August 05, 2022, relating to the mode of keeping books of account and other books and papers in electronic mode. Back-ups of the books of account and other books and papers of the companies incorporated in India maintained in electronic mode are now required to be retained on a server located in India on daily basis (instead of back-ups on a periodic basis as provided earlier) as prescribed under Rule 3(5) of the Accounts Rules. With respect to the above, the Holding Company and its domestic subsidiary have complied with the requirement for all the IT applications.

53 Hedging activities and derivatives

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. These derivative instruments are not designated as cash flow / fair value hedges and are entered into for periods consistent with foreign currency exposure of underlying transactions. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

(Rs in million)

Particulars	March 31, 2024	March 31, 2023
Derivative liability (refer note 25)	0.22	-
Derivative assets (refer note 14)	-	0.02

54 As at March 31, 2024, trade payables amounting to Rs. 100.46 million (March 31, 2023: Rs. 82.54 million), advance from customers amounting to Rs 335.60 million (March 31, 2023: Rs. 141.62 million) and trade receivables amounting to Rs. 75.28 million (March 31, 2023: Rs. 60.16 million) towards purchase and sale of goods and services respectively, which are outstanding beyond permissible time period stipulated under the Master Circular on Import of Goods and Services and Master Circular on Export of Goods and Services issued by Reserve Bank of India ('the RBI'). Considering that the balances are outstanding for more than the stipulated time, the Company is in the process of intimating the appropriate regulatory authorities and seeking requisite approvals for extensions. During the year ended March 31, 2024, the Company has written back amount of Rs. 16.18 million towards advances received from foreign customers which were not refundable. The management is in the process of regularising the same with the appropriate regulatory authorities. The management is confident that required approvals would be received and penalties, if any that may be imposed on the Company would not be material. Accordingly, no adjustments have been made by the management to these consolidated Ind AS financial statements in this regard.

55 Other statutory information

(i) The Holding Company and its subsidiary incorporated in India does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Holding Company and its subsidiary incorporated in India does not have any transactions with companies struck off.

(iii) The Holding Company and its subsidiary incorporated in India does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Holding Company and its subsidiary incorporated in India has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) Following are the details of the funds advanced by the Holding Company to Intermediaries for further advancing to the Ultimate beneficiaries:

(Euro. in million)

Name of the intermediary to which the funds are advanced	Date of funds advanced	Amount of funds advanced	Date on which funds are invested by intermediaries to Ultimate Beneficiaries	Amount of funds further advanced to ultimate beneficiaries	Ultimate Beneficiary
Centum Electronics UK Limited	July 31, 2023	1.57	August 1, 2023	1.57	Shareholders of Centum T&S Group SA, France
	September 27, 2023	0.07	September 28, 2023	0.07	
	March 28, 2024	1.00	April 2, 2024	1.00	Centum T&S Group SA, France
	March 28, 2024	1.00	April 26, 2024	1.00	

The Holding Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and The Companies Act, 2013 for the above transactions and the transactions are not violative of the Prevention of Money laundering Act, 2022 (15 of 2003).

Complete details of the Intermediary and Ultimate Beneficiary:

Name of the entity	Registered Address	Government Identification Number	Relationship with the Company
Centum Electronics UK Limited	16 Great Queen Street, Covenat Garden, London, WC2B 5AH	10186046	Subsidiary

As detailed above, the Ultimate Beneficiaries are shareholders of Centum T&S Group SA from whom the Company through its step down subsidiary Centum Electronics UK Limited have further acquired additional stake of Centum T&S Group SA during the year.

(vi) The Holding Company and its subsidiary incorporated in India has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Holding Company and its subsidiary incorporated in India has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Group has not been declared as a wilful defaulter by any banks or financial institutions.

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Centum Electronics Ltd. Bangalore

56 The Holding Company and its domestic subsidiary have used certain accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that, audit trail feature is not enabled for certain changes made, if any, to data using privileged/ administrative access rights in so far it relates to the aforesaid applications. Further, no instances of audit trail feature being tampered with respect to the above accounting software has been noted where audit trail has been enabled. Further, the Holding Company and its domestic subsidiary have also used certain accounting softwares which are operated by a third-party software service providers, for maintaining its books of account which has complied with all the requirements for audit trail based on SOC 2- Type 2 report issued by an external expert.

57 **Events after the reporting period**
The board of directors have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting. Refer note 18 for details.

58 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these consolidated Ind AS financial statements have been rounded off or truncated as deemed appropriate by the management of the Group.

As per our report of even date.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru, India
Date : May 22, 2024

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Whole Time Director
DIN: 00288551

Indu H S
Company Secretary
Membership number: F12285

K.S. Desikan
Chief Financial Officer

Place: Bengaluru, India
Date : May 22, 2024

CENTUM ELECTRONICS LTD. BANGALORE

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru 560 001, India
Tel : +91 80 6648 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of Centum Electronics Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Centum Electronics Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and its associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Allowance for inventory obsolescence (as described in Note 2.3(m), 11 and 41 of the consolidated Ind AS financial statements)	
The Group held an inventory balance of Rs. 2,610.62 million as at March 31, 2023, as disclosed in Note 11 and is a material balance for the Group. Inventory obsolescence allowance is determined using policies/methodologies that the Group deems appropriate to the business. Significant judgement is exercised by the management in identifying the slow-moving and obsolete inventories and in assessing whether provision for obsolescence for slow moving, excess or obsolete inventory items should be recognized considering the production plan, forecast inventory usage, committed and expected orders, alternative usage, etc. Considering that the aforesaid assessment process is complex and involves significant estimates and judgements and the balance of inventory is material, we have identified this as a key audit matter.	Our procedures in relation to evaluate the allowance of inventories included: • We obtained an understanding of how the management identifies the slow-moving and obsolete inventories and assesses the amount of allowance for inventories; • We assessed and tested the design and operating effectiveness of the Company's internal financial controls over the allowance for inventory obsolescence. • We observed the inventory count performed by management and assessed the physical condition of the inventories; • We also assessed allowance policy based on historical sales performance of the products in their life cycle and comparing the actual loss to historical allowance recognized, on a sample basis; • We further tested the ageing of the inventories and the computation of the obsolescence level on a sample basis; • We have tested a sample of inventory items for significant components to assess the cost and tested the basis of determination of net realisable value of inventory, on a sample basis. • We also assessed the Group's disclosures concerning this in Note 41 on significant accounting estimates and judgements and

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	Note 11 on Inventories to the consolidated Ind AS financial statements.
Impairment of Goodwill and Intangible assets (as described in Note 2.3(j), 2.3(n), 4a, 4b, 4c and 41 of the consolidated Ind AS financial statements)	
The Group's balance sheet includes Rs 376.23 million of goodwill, Rs. 286.20 million of intangible assets and Rs. 227.56 million of intangible assets under development representing 8.30% of total Group assets. In accordance with Ind AS, these balances are allocated to Cash Generating Units (CGUs) which are tested annually for impairment using discounted cash-flow models of each CGU's recoverable value compared to the carrying value of the assets. A deficit between the recoverable value and the CGU's net assets would result in impairment. The determination of recoverable amounts, being the higher of fair value less cost to sale and value in use involves reliance on management's estimates of future cash flows and their judgment with respect to the CGU's performance. Significant judgements are required to determine the key assumptions used in the discounted cash flow models, such as revenue growth, price, terminal value and discount rates. Due to the uncertainty of forecasting and discounting future cash flows, being inherently subjective, the level of management's judgement involved and the materiality of the goodwill and intangible assets to the Group's consolidated Ind AS financial statements as a whole as at March 31, 2023, we have considered this as a key audit matter. The basis of impairment of goodwill and intangible assets is presented in the accounting policies in Note 2.3(j) and 2.3(n) to the consolidated Ind AS financial statements.	Our procedures in relation to evaluate the impairment of goodwill and intangible assets included: • We assessed whether the Company's accounting policy with respect to impairment is in accordance with Ind AS 36 "Impairment of assets". • We assessed the Group's methodology applied in determining the CGUs to which goodwill is allocated. • We have carried out assessment of forecasts of future cash flows prepared by the management, evaluating the assumptions and comparing the estimates to externally available industry, economic and financial data. • We have also assessed the valuation methodology and the key assumptions adopted in the cash flow forecasts with the support of our in-house valuation experts. • We also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were appropriate. • We discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same to assess their reasonableness. • We tested the arithmetical accuracy of the financial projection model. • We assessed the Group's disclosures concerning this in Note 41 on significant accounting estimates and judgements and Note 4a, 4b and 4c pertaining to the disclosures of goodwill, intangible assets and intangible assets under

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	development respectively to the consolidated Ind AS financial statements.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate

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the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors to express an opinion on the consolidated Ind AS financial statements. We are responsible for the

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direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the consolidated financial statements and other financial information, in respect of two subsidiaries located outside India (one of the said subsidiary has 6 underlying subsidiaries and 1 associate) whose consolidated financial statements (before adjustments for consolidation) include total assets of Rs 4,906.65 million as at March 31, 2023, and total revenue from operations of Rs 4,204.14 million and net cash outflows of Rs 113.93 million for the year ended on that date. These consolidated financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on t.he reports of such other auditors.

These subsidiaries and associate are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and

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affairs of such subsidiaries and associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

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(f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and its associate, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated Ind AS financial statements – Refer note 45(c)(iv) to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer note 21, 25, 28 and 53 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group and its associate.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary, incorporated in India during the year ended March 31, 2023.

iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, other than as disclosed in the note 55(v) to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to

S.R. Batliboi & Associates LLP Bengaluru

the best of its knowledge and belief and disclosed in the note 55(vi) to the consolidated Ind AS financial statements, no funds have been received by the respective Holding Company or any of such subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary company which is incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) As stated in the note 18 to the consolidated Ind AS financial statements, the final dividend paid during the year by the Holding company and the final dividend proposed by the Board of Directors for the year which is subject to approval of members at the ensuing Annual General Meeting, is in compliance with section 123 of the Act to the extent it applies to payment / declaration of dividend. No dividend has been declared or paid during the year by the subsidiary company incorporated in India.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiary companies incorporated in India, hence reporting under this clause is not applicable.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 23061207BGYKVF3193

S.R. Batliboi & Associates LLP Bengaluru

Place of Signature: Bengaluru
Date: May 27, 2023

Annexure 1 referred to in clause 1 of paragraph on the 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Centum Electronics Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, and based on the consideration of reports of auditors in respect of subsidiaries, we state that the qualifications or adverse remarks by the respective auditors in their reports on Companies (Auditor's Report) Order, 2020 of the companies included in the Consolidated Ind AS Financial Statements are:

Sl.No	Name	CIN	Holding company/ subsidiary	Clause number of the CARO report which is qualified or is adverse
1	Centum Electronics Limited	L85110KA1993PLC013869	Holding company	Clause 3(vii)(a)

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 23061207BGYKVF3193
Place of Signature: Bengaluru
Date: May 27, 2023

S.R. Batliboi & Associates LLP Bengaluru

Annexure II to the Independent Auditor's Report of even date on the consolidated Ind AS Financial Statements of Centum Electronics Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Centum Electronics Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary company, (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

S.R. Batliboi & Associates LLP Bengaluru

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, which have companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31,2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 23061207BGYKVF3193
Place of Signature: Bengaluru
Date: May 27, 2023

S.R. Batliboi & Associates LLP Bengaluru

Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Balance Sheet as at March 31, 2023

(Rs. in million)

	Notes	March 31, 2023	March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,071.27	1,119.54
(b) Capital work-in-progress	3a	54.09	0.09
(c) Goodwill on consolidation	4a	376.23	376.23
(d) Other intangible assets	4b	286.20	416.42
(e) Intangible assets under development	4c	227.56	120.14
(f) Right-of-use assets	44	464.74	481.07
(g) Financial assets			
(i) Investment in associates	5	82.47	59.15
(ii) Other investments	6	13.81	13.78
(iii) Trade receivables	12	286.83	269.12
(iv) Other financial assets	7	321.56	378.36
(h) Deferred tax assets (net)	8	69.68	31.58
(i) Non-current tax assets (net)	9	9.59	48.89
(j) Other assets	10	54.88	41.84
Total non-current assets		**3,318.91**	**3,356.21**
(2) Current assets			
(a) Inventories	11	2,610.62	2,248.25
(b) Financial assets			
(i) Trade receivables	12	3,828.44	2,499.02
(ii) Cash and cash equivalents	13	352.71	480.44
(iii) Bank balances other than cash and cash equivalents	13	69.25	93.66
(iv) Other financial assets	14	162.26	226.21
(c) Other assets	15	384.79	325.82
Total current assets		**7,408.07**	**5,873.40**
Total assets (1+2)		**10,726.98**	**9,229.61**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	128.85	128.85
(b) Other equity	17	1,978.32	1,910.83
Equity attributable to equity holders of the parent		**2,107.17**	**2,039.68**
Non-controlling interests		(66.60)	(54.48)
Total equity		**2,040.57**	**1,985.20**
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	579.62	815.74
(ii) Lease liabilities	44	361.58	355.54
(b) Deferred tax liabilities (net)	8	27.12	48.82
(c) Other liabilities	26	167.39	77.30
(d) Net employee defined benefit liabilities	20	61.81	58.28
(e) Provisions	21	23.67	70.35
(f) Government grants	22	24.43	26.57
Total non-current liabilities		**1,245.62**	**1,452.60**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	2,047.99	1,910.25
(ii) Lease liabilities	44	91.79	120.03
(iii) Trade payables	24	2,109.71	1,140.83
(iv) Other financial liabilities	25	517.04	598.56
(b) Other liabilities	26	2,254.99	1,701.28
(c) Government grants	22	8.16	7.87
(d) Net employee defined benefit liabilities	27	7.39	6.51
(e) Provisions	28	287.08	274.59
(f) Liabilities for current tax (net)	29	116.64	31.89
Total current liabilities		**7,440.79**	**5,791.81**
Total equity and liabilities (1+2+3)		**10,726.98**	**9,229.61**

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of the consolidated Ind AS financial statements.

As per our report of even date.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership number: 061207

S.R. Batliboi & Associates LLP Bengaluru

CENTUM ELECTRONICS LIMITED

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Whole Time Director
DIN: 00288551

Indu H S
Company Secretary
Membership number: F12285

K.S. Desikan
Chief Financial Officer

Place: Bengaluru, India
Date: May 27, 2023

Place: Bengaluru, India
Date: May 27, 2023

Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Statement of Profit and loss for the year ended March 31, 2023

(Rs. in million)

		Notes	March 31, 2023	March 31, 2022
I	**Income**			
	Revenue from operations	30	9,229.69	7,799.40
	Other income	31	37.25	47.05
	Finance income	32	21.28	33.19
	Total income		**9,288.22**	**7,879.64**
II	**Expenses**			
	Cost of materials consumed	33a	4,146.60	3,065.02
	Decrease / (increase) in inventories of work-in-progress and finished goods	33b	5.29	(45.44)
	Employee benefit expenses	34	3,327.22	3,199.02
	Finance costs	35	273.44	263.48
	Depreciation and amortisation expenses	36	438.26	431.93
	Other expenses	37	988.49	838.37
	Total expenses		**9,179.30**	**7,752.38**
III	**Profit / (loss) before share of profit/(loss) of associates, exceptional items and tax (I - II)**		**108.92**	**127.26**
IV	Share of profit / (loss) of associates (net)	5(ii)	12.44	(45.74)
V	**Profit / (loss) before exceptional items and tax (III - IV)**		**121.36**	**81.52**
VI	Exceptional items (net)	38	-	(603.54)
VII	**Profit / (loss) before tax (V - VI)**		**121.36**	**(522.02)**
VIII	**Tax expenses**			
	(a) Current tax	39	126.51	57.49
	(b) Adjustment of tax relating to earlier period	39	(10.32)	(11.05)
	(c) Deferred tax (credit) / expense	39	(61.77)	(33.81)
	Total tax expenses		**54.42**	**12.63**
IX	**Profit / (loss) for the year (VII - VIII)**		**66.94**	**(534.65)**
X	**Other comprehensive income**			
	(A) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	(i) (a) Exchange differences on translating the financial statements of foreign operations		1.24	16.85
	(b) Income tax effect on above		-	-
	(ii) (a) Net movement on effective portion of cash flow hedge		0.02	-
	(b) Income tax effect on above		(0.01)	-
	(B) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	(i) (a) Remeasurement gains / (losses) on defined benefit plans	43b(ii)	7.77	10.00
	(b) Income tax effect on above	39	(1.96)	(2.63)
	Other comprehensive income for the year, net of tax		**7.06**	**24.22**
	Profit / (loss) for the year		**66.94**	**(534.65)**
	Attributable to			
	a) Equity holders of the parent		98.16	(305.43)
	b) Non-controlling interests		(31.22)	(229.22)
	Other comprehensive income for the year		**7.06**	**24.22**
	Attributable to			
	a) Equity holders of the parent		8.44	19.89
	b) Non-controlling interests		(1.38)	4.33
	Total comprehensive income for the year (IX + X)		**74.00**	**(510.43)**
	Attributable to			
	a) Equity holders of the parent		106.60	(285.54)
	b) Non-controlling interests		(32.60)	(224.89)

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S.R. Batliboi & Associates LLP Bengaluru

Centum Electronics Limited

Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Statement of Profit and loss for the year ended March 31, 2023

		Notes	March 31, 2023	March 31, 2022
XI	**Earnings per equity share (nominal value of Rs 10 each)**			
	Earnings per share (Rs) Basic and diluted, computed on the basis of profit / (loss) attributable to equity holders of the parent (per equity share of Rs 10 each)	40		
	- Basic		7.62	(23.70)
	- Diluted		7.55	(23.70)
	Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated Ind AS financial statements

As per our report of even date

For S R Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number 101049W/E300004

per Sandeep Karnani
Partner
Membership number: 061207

S. R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru, India
Date: May 27, 2023

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN 00286308

Nikhil Mallavarapu
Whole Time Director
DIN 00288551

CENTUM ELECTRONICS LIMITED

Indu H S
Company Secretary
Membership number: F12285

K S. Desikan
Chief Financial Officer

Place: Bengaluru, India
Date: May 27, 2023

Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Statement of Cash Flows for the year ended March 31, 2023

(Rs. in million)

	March 31, 2023	March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax expenses	121.36	(522.02)
Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation and amortisation expenses	438.26	431.93
Provisions / liabilities no longer required, written back	(20.87)	(28.90)
Fair value (gain)/ loss on financial instruments	(0.02)	(0.15)
Net foreign exchange differences (unrealised)	23.89	5.24
Provision for expected credit losses / bad debts written off	44.33	83.81
Employee share based compensation cost	13.91	0.16
Provision for inventory obsolescence	95.11	-
Provision for onerous contract	15.41	-
Government grants	(10.50)	(7.87)
Provision for dimunition in the value of investment / receivables	-	372.77
(Gain)/ loss on disposal of property, plant and equipment	(0.58)	0.92
Provision for dimunition in the value of loans	-	6.06
Provision for settlement of claims	-	132.22
Provision for impairment of unbilled revenue	-	34.48
Finance income	(21.28)	(33.19)
Finance costs	246.65	229.57
Share of (profit) / loss of associates	(12.44)	45.74
Operating profit / (loss) before working capital changes	**933.23**	**750.77**
Working capital adjustments:		
(Increase) / decrease in inventories	(443.21)	(310.80)
(Increase) / decrease in trade receivables /non-current /current financial and other assets	(1,216.31)	184.48
Increase / (decrease) in trade payables, non-current /current provisions, financial liabilities and other liabilities	1,435.05	514.39
Cash generated from / (used in) operations	**708.76**	**1,138.84**
Direct taxes paid (net of refunds)	0.56	(103.97)
Net cash flow from / (used in) operating activities	**709.32**	**1,034.87**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including other intangible assets and capital advances	(217.56)	(187.53)
Proceeds from sale of property, plant and equipment	0.63	3.56
Proceeds from sale of non-current investments	-	9.31
Investment in bank deposits (having original maturity of more than three months) and other bank balances	72.18	6.28
Interest income received	23.61	19.06
Government grant received	8.65	-
Net cash flow (used in) / from investing activities	**(112.49)**	**(149.32)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition of non-controlling interests	(135.13)	-
Repayment of long term borrowings	(298.77)	(219.53)
Proceeds / (repayment) of short term borrowings (net)	95.07	(204.97)
Payment of principal portion of lease liabilities	(135.14)	(130.75)
Payment of interest portion of lease liabilities	(9.86)	(13.14)
Finance costs paid	(223.29)	(217.87)
Dividend paid (including amount transferred to Investor Education & Protection Fund)	(32.49)	(25.53)
Net cash flow (used in) / from financing activities	**(739.61)**	**(811.79)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(142.78)	73.76
Cash and cash equivalents at the beginning of the year	480.44	411.48
Effect of exchange differences on cash and cash equivalents held in foreign currency	15.05	(4.79)
Cash and cash equivalents at the end of the year	**352.71**	**480.44**
Total cash and cash equivalents (note 13)	**352.71**	**480.44**

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S.R. Batliboi & Associates LLP Bengaluru

CENTUM ELECTRONICS LIMITED

Explanatory notes to consolidated Ind AS statement of cash flows

1. Changes in liabilities arising from financing activities:-

(Rs. in million)

Particulars	Liabilities arising from financing activities				
	Long term borrowings (including current maturities of long term borrowings) (refer note 19 and 23)	Unpaid dividend on equity shares (refer note 25)	Short term borrowings excluding current maturities of long term borrowings (refer note 23)	Lease liabilities (including current portion of lease liabilities) (refer note 44)	Derivatives not designated as hedges - (refer note 53)
As at April 1, 2022	1,141.19	2.89	1,584.80	475.57	-
Cash flows	(298.77)	(32.49)	95.07	(145.00)	-
Non-cash changes					
Foreign exchange differences (gain) / loss	55.28	-	42.99	29.13	-
Interest accrued but not due	-	-	7.05	-	-
Changes in fair values	-	-	-	9.86	-
Reversal of lease liabilities	-	-	-	(57.63)	-
Recognition of lease liabilities	-	-	-	141.44	-
Dividend declared during the year	-	32.21	-	-	-
As at March 31, 2023	**897.70**	**2.61**	**1,729.91**	**453.37**	-
As at April 1, 2021	1,382.30	2.65	1,801.49	558.88	0.15
Cash flows	(219.53)	(25.53)	(204.97)	(143.89)	-
Non-cash changes					
Foreign exchange differences (gain) / loss	(21.58)	-	(7.06)	(9.29)	-
Interest accrued but not due	-	-	(4.66)	-	-
Changes in fair values	-	-	-	13.14	(0.15)
Reversal of lease liabilities	-	-	-	(73.55)	-
Recognition of lease liabilities	-	-	-	130.28	-
Dividend declared during the year	-	25.77	-	-	-
As at March 31, 2022	**1,141.19**	**2.89**	**1,584.80**	**475.57**	-

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of the consolidated Ind AS financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W / E300004

per Sandeep Karnani
Partner
Membership number: 061207

S.R. Batliboi & Associates LLP Bengaluru

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Whole Time Director
DIN: 00288551

CENTUM ELECTRONICS LIMITED

Indu H S

Indu H S
Company Secretary
Membership number: F12285

K.S. Desikan
Chief Financial Officer

Place: Bengaluru, India
Date: May 27, 2023

Place: Bengaluru, India
Date: May 27, 2023

Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Statement of Changes in Equity for the year ended March 31, 2023

(a) **Equity share capital**

Equity shares of Rs 10 each issued, subscribed and fully paid

Particulars	Number	Rs. in million
At April 01, 2021	12,884,841	128.85
Issue of share capital (refer note 16)	-	-
At March 31, 2022	12,884,841	128.85
Issue of share capital (refer note 16)	-	-
At March 31, 2023	12,884,841	128.85

(b) **Other equity**

(Rs. in million)

Particulars	Equity portion of put option liability (refer note 17)	Attributable to equity shareholders								Non-controlling interests (B)	Total equity (A+B)
		Reserves and surplus							Total Other equity (A)		
		Securities premium (refer note 17)	General reserve (refer note 17)	Retained earnings (refer note 17)	Effective portion of cash flow hedge (refer note 17)	Share based payments reserve (refer note 17)	Capital reserve (refer note 17)	Foreign currency translation reserve (refer note 17)			
For the year ended March 31, 2023											
As at April 01, 2022	(162.11)	28.07	440.26	1,541.28	-	0.32	48.30	14.71	1,910.83	(54.48)	1,856.35
Profit / (loss) for the year	-	-	-	98.16	-	-	-	-	98.16	(31.22)	66.94
Other comprehensive income/(loss) for the year (net of taxes)*	-	-	-	5.81	0.01	-	-	2.62	8.44	(1.38)	7.06
Exercise of put options by non-controlling interest shareholders	(20.48)	-	-	-	-	-	-	-	(20.48)	20.48	-
Dividends (refer note 18)	-	-	-	(32.21)	-	-	-	-	(32.21)	-	(32.21)
Compensation for options granted (refer note 47)	-	-	-	-	-	15.91	-	-	15.91	-	15.91
Others	-	-	-	(0.33)	-	-	-	-	(0.33)	-	(0.33)
As at March 31, 2023	(182.59)	28.07	440.26	1,612.71	0.01	14.23	48.30	17.33	1,978.32	(66.69)	1,911.72
For the year ended March 31, 2022											
As at April 01, 2021	(281.34)	28.07	440.26	1,864.35	-	2.11	46.35	2.19	2,101.99	170.41	2,272.40
(Loss)/ profit for the year	-	-	-	(305.43)	-	-	-	-	(305.43)	(229.22)	(534.65)
Other comprehensive income/(loss) for the year (net of taxes)*	-	-	-	7.37	-	-	-	12.52	19.89	4.33	24.22
Restatement of put options to fair value (refer note 25 (1))	119.23	-	-	-	-	-	-	-	119.23	-	119.23
Dividends (refer note 18)	-	-	-	(25.77)	-	-	-	-	(25.77)	-	(25.77)
Compensation for options granted (refer note 47)	-	-	-	-	-	0.16	-	-	0.16	-	0.16
Transferred to capital reserve on forfeiture of stock options	-	-	-	-	-	(1.95)	1.95	-	-	-	-
Others	-	-	-	0.76	-	-	-	-	0.76	-	0.76
As at March 31, 2022	(162.11)	28.07	440.26	1,541.28	-	0.32	48.30	14.71	1,910.83	(54.48)	1,856.35

*As required under Ind AS compliant Schedule III, the Company has recognised remeasurement gains/(losses) of defined benefit plans as part of retained earnings

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of the consolidated Ind AS financial statements

As per our report of even date

For S R Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Partner
Membership Number: 061207

Place: Bengaluru, India
Date: May 27, 2023

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Whole Time Director
DIN: 00288551

Indu H S
Company Secretary
Membership number: F12285

K S Desikan
Chief Financial Officer

Place: Bengaluru, India
Date: May 27, 2023

1. Corporate information

Centum Electronics Limited ("Centum" or "the Company" or "the Holding Company) is a public limited company domiciled in India. The registered office of the Company is located at Bangalore, India. Its equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India.

The Company along with its subsidiaries ("the Group") and an associate (hereinafter collectively referred to as "the Group"), are primarily involved in the design and manufacture of advanced microelectronics modules, systems, subsystems and printed circuit board assembly catering to the Defence, Aerospace, Transportation and Industrial electronics markets. Centum is headquartered in Bangalore, India.

The consolidated Ind AS financial statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on May 27, 2023.

The Holding Company has been registered under the provisions of Micro, Small and Medium Enterprise Development Act ("MSMED") Act, 2006 and has obtained the Udyam registration number ("URN") UDYAM - KR– 03-0005545 on August 12, 2020

2. Significant accounting policies

The significant accounting policies applied by the Group in the preparation of its consolidated Ind AS financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated Ind AS financial statements, unless otherwise indicated.

2.1. Basis of Consolidation

The consolidated Ind AS financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated Ind AS Financial Statement (CFS).

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

The functional and presentation currency of the Group is Indian Rupee ("Rs.") which is the currency of the primary economic environment in which the Group operates and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated Ind AS financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group

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member's financial statements in preparing the consolidated Ind AS financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated Ind AS financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated Ind AS financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when
- control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.2. Change in accounting policies and disclosures:

New standards and amendments:

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2022.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the

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contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period.

Prior to the application of the amendments, the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts. As a result of the amendments, the Group assessed whether certain other directly related costs are required to be included in determining the costs of fulfilling the contracts.

In accordance with the transitional provisions, the Group applies the amendments to contracts for which it has not yet fulfilled all of its obligations, at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application) and has not restated its comparative information.

These amendments had no significant impact on the consolidated Ind AS financial statements of the Group.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the consolidated Ind AS financial statements of the Group.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the consolidated Ind AS financial statements of the Group.

(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022 but do not apply to the Group as it is not a first-time adopter.

(v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated Ind AS financial statements of the Group.

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(vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments had no impact on the consolidated Ind AS financial statements of the Group.

2.3 Summary of significant accounting policies

a. Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method after making necessary adjustments to achieve uniformity in application of accounting policies. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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c. Current versus non-current classification

The Group presents assets and liabilities in the consolidated Ind AS balance sheet based on current/ non-current classification. An asset is treated as current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle,
ii. Held primarily for the purpose of trading,
iii. Expected to be realised within twelve months after the reporting period, or
iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
i. It is expected to be settled in normal operating cycle.
ii. It is held primarily for the purpose of trading.
iii. It is due to be settled within twelve months after the reporting period, or
iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

d. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated Ind AS financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments (including those carried at amortised cost)

e. Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products and services

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Fixed price contracts

These contracts which have a performance obligation either provide for the fixed price for the entire project or a price defined in a framework agreement for each type of service ordered by the customer as the project is performed. Revenues from fixed price contracts is recognised based on the stage of completion and the expected profit on completion. Depending on the contracts, the degrees of progress is determined according to the input method (notably according to the costs borne by the project and hours spent) or the output method (notably according to the deliverables made). In the event of an unexpected excess of total contract costs over total contract revenues, the expected losses on completion are provisioned.

Time and material contracts

These contracts, which are subject to best efforts clause, have a variable price determined according to the time spent and the seniority of the staff employed for these projects. Revenues generated by time and material contracts is recognised as the services are performed.

Scrip Sales
Export entitlements in the form of Merchandise Export from India (MEIS) are recognized in the consolidated Ind AS statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Management fees income

Income from management fees is recognised as per the terms of the agreement on the basis of services rendered.

Interest income

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group

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estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Rental income

Rental income from lease of premises under operating lease is recognized in the income statement on a straight line basis over the term of the lease.

Commission income

Commission income is recognised at the time when services are rendered in accordance with the rates as per the agreements entered into with the parties.

Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer (which consist of unbilled revenue). If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.
Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (q) Financial instruments.

Trade receivables
A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (q) Financial instruments.

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

f. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

g. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Group's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the consolidated Ind AS financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

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Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h. Non-current assets held for sale / disposal

The Group classifies non-current assets as held for sale / disposal if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,
b) An active programme to locate a buyer and complete the plan has been initiated,
c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated Ind AS balance sheet.

i. Property, plant and equipment ('PPE')

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at March 31, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 1, 2016.

Capital work in progress includes cost of property, plant and equipment under installation / under development net of accumulated impairment loss, if any, as at the balance sheet date. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

For domestic entities, the depreciation on the Property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of

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the Companies Act, 2013 except in case of certain Plant and equipment (including the related intellectual property), which the Group, based on technical assessment made by the technical expert and management estimate, depreciates over estimated useful lives of 8 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

Land is carried at historical cost and is not depreciated. Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Machinery spares are depreciated on a systematic basis over the period of the remaining useful life of the fixed assets for which they are utilised.

For overseas subsidiaries and associate, the Group provides depreciation based on estimated useful lives of the property, plant and equipment as determined by the management of such subsidiaries and associate. In view of different sets of environment in which such foreign subsidiaries and associate operate in their respective countries, depreciation is provided based on local laws and management estimates. These entities follow straight line method of depreciation spread over the useful life of each individual asset.

The estimated useful lives of the assets considered by aforementioned entities is as follows:

Asset category	**Years**	
	Minimum	**Maximum**
Plant & equipments	3	5
Electrical installation	5	10
Furniture & fixtures	5	10
Office equipments	3	8
Computer	3	5
Buildings	30	30

j. **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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A summary of the policies applied to the Group's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Goodwill (including goodwill arising on consolidation)	Indefinite	No amortisation	Acquired
Customer relationship	Definite (8 years)	Straight-line basis	Acquired
Computer software	Definite (5 years)	Straight-line basis	Acquired
Intellectual property rights	Definite (8 years)	Straight-line basis	Acquired

k. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Leases

The Group has lease contracts for office spaces various items of plant and machinery, computers and other equipments. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.
If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m. Inventories

Inventories are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a) Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Cost of raw materials, stores and spares work-in-progress and finished goods is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n. Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, intangible assets, including goodwill and investments in associate to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and
ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net fair value less costs of disposal and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by

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the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated Ind AS statement of profit and loss.

o. Provisions and contingent liabilities

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated Ind AS statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated Ind AS financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated Ind AS statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund and pension fund are defined contribution scheme. The Group has no obligation, other than the contribution payable. The Group recognizes contribution payable to provident fund and pension fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused

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entitlement that has accumulated at the reporting date. The Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Group presents the leave as a current liability in the consolidated Ind AS balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated Ind AS balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

a) The date of the plan amendment or curtailment, and
b) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated Ind AS statement of profit and loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b) Net interest expense or income.

q. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated Ind AS statement of profit and loss.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section 2.3.(e) Revenue recognition.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Investment in equity instruments issued by associate is measured at cost less impairment.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

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(i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets excluding investment in associates

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The Group recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Financial Instruments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.
If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in consolidated Ind AS statement of profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate

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method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the consolidated Ind AS statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

b) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated Ind AS statement of profit and loss.

Put Option Liability

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies to non-controlling interests are accounted for as financial liabilities when such options may only be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary. The financial liability for such put option is accounted for under IND AS 109.

The amount that may become payable under the option on exercise is initially recognised at fair value under other financial liabilities with a corresponding charge directly to equity. All subsequent changes in the carrying amount of the financial liability are recognised in other equity attributable to the parent. The entity recognises both the non-controlling interest and the financial liability under the NCI put. It continues to measure non-controlling interests at proportionate share of net assets.

If the put option is exercised, the entity accounts for an increase in its ownership interest. At the same time, the entity derecognises the financial liability and recognises an offsetting credit in the same component of equity reduced on initial recognition. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated Ind AS balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r. Derivative financial instruments

The Group uses derivative financial instruments, such as interest rate swaps to hedge its interest fluctuation risks, etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through consolidated Ind AS statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Refer to Note 53 for more details.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

s. Cash and cash equivalents

Cash and cash equivalent in the consolidated Ind AS balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

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t. Share-based payments

Certain employees of the Group are entitled to share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

u. Cash dividend

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v. Foreign currencies

The Group's consolidated Ind AS financial statements are presented in INR, which is also the holding company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances:

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated Ind AS financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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Group companies:

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated Ind AS statement of profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

w. Research and development expenditure

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale
ii. Its intention to complete the asset
iii. Its ability to use or sell the asset
iv. How the asset will generate future economic benefits
v. The availability of adequate resources to complete the development and to use or sell the asset
vi. The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset. The cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the consolidated Ind AS statement of profit and loss. During the period of development, the asset is tested for impairment annually.

x. Corporate social responsibility ('CSR') expenditure

The Group charges its CSR expenditure during the year to the consolidated Ind AS statement of profit and loss.

y. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the parent by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.4 Standard notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from April 01, 2023.

i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Group's consolidated Ind AS financial statements.

ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The amendments are not expected to have a material impact on the Group's consolidated Ind AS financial statements.

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2.5 The entities consolidated in the consolidated Ind AS financial statements are listed below:

Sl No.	Name of the entity	Country of Incorporation	Relationship as at March 31, 2023	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		Net Assets, i.e. total assets minus total liabilities*				Share in total comprehensive income*			
								March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022	
				March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	As a % of consolidated net assets	Rs. in million	As a % of consolidated net assets	Rs. in million	As % of total comprehensive income	Rs. in million	As % of total comprehensive income	Rs. in million
	Parent														
1	Centum Electronics Limited	India	Holding Company					83.56%	2,826.43	85.51%	2,645.23	115.74%	199.50	-25.91%	124.14
	Indian Subsidiaries														
2	Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited) ('CTNSI')	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.56%	18.94	0.01%	0.19	10.88%	18.75	-0.93%	4.46
	Foreign Subsidiaries														
3	Centum Electronics UK Limited	United Kingdom	Subsidiary	100.00%	100.00%	100.00%	100.00%	25.14%	850.28	21.25%	657.24	33.60%	57.91	2.61%	(12.52)
4	Centum Adetel Group SA[1]	France	Subsidiary	77.77%	64.66%	77.77%	64.66%	-9.26%	(313.23)	-6.77%	(209.09)	-60.21%	(103.79)	124.22%	(595.19)
5	Centum T&S (Centum Technologies ET Solutions) (formerly known as Centum Adeneo SAS)[1]	France	Subsidiary	77.77%	64.66%	100.00%	100.00%								
6	Centum R&D (Centum Recherche ET developement) (formerly known as Centum Adeneo CRD SAS)[1]	France	Subsidiary	77.77%	64.66%	100.00%	100.00%								
7	Centum Adetel Transportation System SAS[1]	France	Subsidiary	77.77%	64.66%	100.00%	100.00%								
8	Centum T&S (Centum Technologies ET Solutions) (formerly known as Centum Adetel Solution)[1]	Canada	Subsidiary	77.77%	64.66%	100.00%	100.00%								
9	Centum E&S (Centum Equipments ET Systemes) (formerly known as Centum Adetel Equipment)[1]	Canada	Subsidiary	77.77%	64.66%	100.00%	100.00%								
10	Centum T&S (Technologies & Solutions) Belgium SRL (formerly known as Centum Adetel Belgium)[1]	Belgium	Subsidiary	77.77%	64.66%	100.00%	100.00%								
	Foreign Associates														
11	Ausar Energy SAS[1]	France	Associate	23.68%	19.69%	30.45%	30.45%								
12	HOLIWATT (formerly known as Centum Adetel Transportation SAS)[2]	France	-	-	-	-	-								
	Subtotal							100.00%	3,382.42	100.00%	3,093.57	100.00%	172.37	100.00%	(479.11)
	Add / Less: Non controlling interests in all subsidiaries								(66.60)		(54.48)		32.60		224.89
	Consolidation adjustments/eliminations**								(1,275.25)		(1,053.89)		(98.37)		(31.32)
	Total								2,040.57		1,985.20		106.60		(285.54)

* The figures have been considered from the respective financial statements
** Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments

The financial statements of subsidiaries have been drawn up to the same reporting date as of the Company, i.e. March 31, 2023. There is a quarter lag in the reporting dates of the associates with that of the Parent Company whose management certified financial statements for the year / period ended on and as at December 31 were considered for the purpose of consolidated Ind AS financial statements of the Group

Notes:
1 The amounts for net assets / (liabilities) and net profit / (loss) of Centum Adetel Group SA and its subsidiaries, joint ventures and associates (refer Sl. No. 4 to 12 above) have been presented on a consolidated basis.
2 During the year ended March 31, 2022, the Commercial Court of Lyon has announced opening of judicial recovery based on which the entire shareholding has been transferred to Forsee Power and accordingly it has ceased to become an associate. Also refer note 5 and 38 for further details

3. Property, plant and equipment

(Rs. in million)

Particulars	Freehold land	Leasehold improvements	Building	Plant and equipments	Electrical installations	Computers	Office equipments	Furniture and fixtures	Vehicles	Leasehold land	Total
Gross block (at cost/deemed cost)											
As at April 01, 2021	5.73	15.01	537.72	943.93	207.07	55.56	67.61	57.67	16.79	114.61	2,021.70
Additions	-	-	3.81	71.76	18.22	4.43	1.33	0.95	22.38	-	122.88
Exchange differences - translation adjustment	(0.02)	-	(0.69)	1.19	(0.67)	(0.36)	(0.12)	-	0.02	-	(0.65)
Disposals	-	-	-	(4.96)	-	-	-	-	-	-	(4.96)
As at March 31, 2022	5.71	15.01	540.84	1,011.92	224.62	59.63	68.82	58.62	39.19	114.61	2,138.97
Additions	-	13.55	1.13	84.38	2.58	12.89	1.24	6.09	-	-	121.86
Exchange differences - translation adjustment	0.09	-	2.39	7.98	7.08	1.42	1.52	-	0.02	-	20.50
Disposals	-	-	-	(3.01)	-	-	-	-	-	-	(3.01)
As at March 31, 2023	5.80	28.56	544.36	1,101.27	234.28	73.94	71.58	64.71	39.21	114.61	2,278.32
Accumulated depreciation											
As at April 01, 2021	-	10.86	90.34	466.03	136.78	47.76	58.13	19.41	8.20	-	837.51
Charge for the year	-	3.92	19.26	122.76	15.54	4.86	6.67	5.55	4.69	-	183.25
Exchange differences - translation adjustment	-	-	(0.44)	0.40	(0.59)	(0.05)	(0.20)	-	0.02	-	(0.86)
Disposals	-	-	-	(0.47)	-	-	-	-	-	-	(0.47)
As at March 31, 2022	-	14.78	109.16	588.72	151.73	52.57	64.60	24.96	12.91	-	1,019.43
Charge for the year	-	0.77	18.89	116.90	15.39	5.51	1.56	5.84	8.09	-	172.95
Exchange differences - translation adjustment	-	-	1.57	7.48	5.82	1.34	1.45	-	0.02	-	17.68
Disposals	-	-	-	(3.01)	-	-	-	-	-	-	(3.01)
As at March 31, 2023	-	15.55	129.62	710.09	172.94	59.42	67.61	30.80	21.02	-	1,207.05
Net block											
As at March 31, 2023	5.80	13.01	414.74	391.18	61.34	14.52	3.97	33.91	18.19	114.61	1,071.27
As at March 31, 2022	5.71	0.23	431.68	425.20	72.89	7.06	4.22	33.66	26.28	114.61	1,119.54

Notes:

(a) Karnataka Industrial Area Development (KIADB) has allotted land to the Group on a lease cum sale basis i.e. 24,280.60 sq. mts at Plot No. 58-P Bengaluru Aerospace Park, Industrial Area for a period of 10 years w.e.f December 18, 2013. The aggregate capitalized cost of the land at the end of the year is Rs. 114.61 million (March 31, 2022: Rs. 114.61 million). The agreement gives a right to the Group to acquire land at the end of the lease term at an additional consideration, if any fixed by KIADB, after reducing the amount already paid.

(b) Property, plant and equipments and other intangible assets of the Group have been pledged / mortgaged as securities against borrowings. Refer note 19 and 23 for details of borrowings.

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CENTUM ELECTRONICS LIMITED

3a. Capital work-in-progress

(Rs. in million)

Particulars	Capital work-in-progress
As at April 01, 2021	**20.86**
Additions	102.13
Exchange differences - translation adjustment	(0.02)
Capitalised during the year	(122.88)
As at March 31, 2022	**0.09**
Additions	175.86
Exchange differences - translation adjustment	-
Capitalised during the year	(121.86)
As at March 31, 2023	**54.09**

Capital work-in-progress ageing schedule as at March 31, 2023:

(Rs. in million)

Particulars	Amount of capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	54.09	-	-	-	54.09
Projects temporarily suspended	-	-	-	-	-
	54.09	-	-	-	**54.09**

Capital work-in-progress ageing schedule as at March 31, 2022:

(Rs. in million)

Particulars	Amount of capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.09	-	-	-	0.09
Projects temporarily suspended	-	-	-	-	-
	0.09	-	-	-	**0.09**

The Group does not have any projects temporarily suspended or any CWIP which is overdue or has exceeded its cost compared to its original plan/ revised approved plan.

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Centum Electronics Limited

4a. Goodwill on consolidation

Particulars	(Rs. in million) Goodwill on consolidation
At cost	
As at April 01, 2021	**376.23**
Additions / disposals	-
As at March 31, 2022	**376.23**
Additions / disposals	-
As at March 31, 2023	**376.23**
Net block	
As at March 31, 2023	**376.23**
As at March 31, 2022	**376.23**

Notes:

The Company has investments in Centum Electronics UK Limited, which in turn has made investment in Centum Adetel Group SA. The Group has accounted a goodwill of Rs. 376.23 million and has a carrying value of intangible assets (including intangible assets under development) of Rs. 447.66 million, as at March 31, 2023 (March 31, 2022: Rs. 458.04 million) arising pursuant to the acquisition of Centum Adetel Group SA.

During the year ended March 31, 2023, the Board of Directors of the Company further acquired 13.11% stake of Centum Adetel Group SA through Centum Electronics UK Limited from other shareholders of Centum Adetel Group SA and has a stake of 77.77% as at March 31, 2023.

Centum Adetel Group SA and its underlying subsidiaries have incurred losses. However, based on internal assessment performed as at March 31, 2023 with regard to future operations and external valuation by an expert during the year ended March 31, 2022, the management of the Group is of the view that the carrying value of the aforesaid Goodwill on consolidation / intangible assets (including intangible assets under development) are appropriate. Also refer note 41.

4b. Other intangible assets (Rs. in million)

Particulars	Acquired goodwill	Computer software	Intellectual property rights (including R&D credits)	Customer relationships	Total
Gross block (at cost/deemed cost)					
As at April 01, 2021	**36.35**	**249.79**	**1,158.23**	**481.92**	**1,926.29**
Additions	-	3.99	125.77	-	129.76
Exchange differences - translation adjustment	-	(2.50)	(19.59)	-	(22.09)
Disposals	-	-	-	-	-
As at March 31, 2022	**36.35**	**251.28**	**1,264.41**	**481.92**	**2,033.96**
Additions	-	6.01	-	-	6.01
Exchange differences - translation adjustment	-	10.01	78.09	-	88.10
Disposals	-	-	-	-	-
As at March 31, 2023	**36.35**	**267.30**	**1,342.50**	**481.92**	**2,128.07**
Accumulated amortisation					
As at April 01, 2021	-	**190.77**	**1,040.17**	**286.14**	**1,517.08**
Charge for the year	-	19.18	42.47	60.24	121.89
Exchange differences - translation adjustment	-	(2.61)	(18.82)	-	(21.43)
Disposals	-	-	-	-	-
As at March 31, 2022	-	**207.34**	**1,063.82**	**346.38**	**1,617.54**
Charge for the year	-	15.28	68.87	60.24	144.39
Exchange differences - translation adjustment	-	10.01	69.93	-	79.94
Disposals	-	-	-	-	-
As at March 31, 2023	-	**232.63**	**1,202.62**	**406.62**	**1,841.87**
Net block					
As at March 31, 2023	**36.35**	**34.67**	**139.88**	**75.30**	**286.20**
As at March 31, 2022	**36.35**	**43.94**	**200.59**	**135.54**	**416.42**

Notes:

(a) The Group had entered into a business transfer agreement with Centum Industries Private Limited, an enterprise where key managerial personnel or their relatives exercise significant influence during the year ended March 31, 2016 for the purchase of business on slump sale. As per the terms of agreement, the Group had purchased the net assets pertaining to plastic and defence and space of Centum Industries Private Limited for an aggregate consideration Rs. 57.00 million, which was arrived at based on the business valuation done by an independent professional firm. The valuation ascribed to assets taken over by an independent professional valuer resulted in the aforesaid goodwill.

The aforementioned goodwill is tested for impairment annually. As at March 31, 2023 and March 31, 2022 the goodwill is not impaired.

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4c. Intangible assets under development

(Rs. in million)

Particulars	Intangible assets under development
As at April 01, 2021	**171.27**
Exchange differences - translation adjustment	(3.17)
Additions	81.80
Capitalised during the year	(129.76)
As at March 31, 2022	**120.14**
Exchange differences - translation adjustment	10.42
Additions	103.01
Capitalised during the year	(6.01)
As at March 31, 2023	**227.56**

Intangible assets under development ageing schedule as at March 31, 2023:

(Rs. in million)

Particulars	Amount of Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	101.32	48.61	44.39	33.24	227.56
Projects temporarily suspended	-	-	-	-	-
	101.32	**48.61**	**44.39**	**33.24**	**227.56**

Intangible assets under development ageing schedule as at March 31, 2022:

(Rs. in million)

Particulars	Amount of Intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	45.62	41.66	27.88	3.30	118.47
Projects temporarily suspended	-	-	-	1.68	1.68
	45.62	**41.66**	**27.88**	**4.98**	**120.14**

The Group has Intangible assets under development amounting to Rs. 137.30 million which is overdue or has exceeded its cost compared to its original plan/ revised approved plan

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5 Investment in Associates

(i) Details of Associates

Name of the Entity	Place of Business [2]	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting right held as at		Nature of Activities	Accounting Method
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022		
(a) Material associates: HOLIWATT (formerly known as Centum Adetel Transportation SAS)[4,5]	France	-	-	-	-	Engaged in engineering and manufacturing of energy conversion and storage systems for rolling stock railway markets.	Equity Method
(b) Other associates: Ausar Energy SAS[1,3]	France	23.68%	19.69%	30.45%	30.45%	Engaged in the consulting, engineering, research and development in Energy sector.	Equity Method

Notes:
1. Aggregate amount of unquoted investment in associates Rs. 82.47 million (March 31, 2022: Rs. 59.15 million).
2. The country of incorporation of the above entity is same as its principal place of business.
3. There is a quarter lag in the reporting dates of the associates with that of the parent company whose management certified financial statements for the year / period ended on and as at December 31, were considered for the purpose of consolidated Ind AS financial statements of the Group.
4. Refer note 38
5. During the year ended March 31, 2020, the management of the Group, had entered into an agreement for sale of 65% stake in HOLIWATT (formerly known as Centum Adetel Transportation SAS), subsidiary of Centum Adetel Group SA.

The management of the Group had a put option to sell its remaining 35% stake at a fixed price amounting to EUR 3.96 million plus interest at the rate of 6% p.a and other receivables of EUR 0.5 million . Further the management had assessed that they exercised significant influence / control over HOLIWATT and had accordingly treated the same as investment in associates in the consolidated Ind AS financial statements of the Group during the year ended March 31, 2021.

During the quarter ended June 30, 2021, HOLIWATT had been placed in specific insolvency statutes, allowing HOLIWATT to commence negotiation with other parties including its shareholders. During the year ended March 31, 2022, the Commercial Court of Lyon announced the opening of judicial recovery process and accordingly based on the internal assessment, the management of the Group had provided the carrying value of its investment and receivables in HOLIWATT amounting to Rs. 436.84 million and the same had been disclosed as exceptional item in the consolidated Ind AS financial statements during the year ended March 31, 2022.

During the year ended March 31, 2022, the Group had accounted Rs. 25.97 million in regard to the commission to the recruited bankers for the sale of HOLIWATT shares and the same had been disclosed as exceptional item in the consolidated Ind AS financial statements during the year ended March 31, 2022.

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5 Investment in Associates (continued)

(ii) Financial information in respect of other associates

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Aggregate carrying amount of investments in equity shares of individually immaterial associates	-	-
Investment at amortised cost		
Investment in 800,000 (March 31, 2022: 800,000) unquoted bonds of Euro 1 in Ausar Energy SAS*	82.47	59.15
Total investment in other associates	82.47	59.15
Aggregate amount of group's share of :		
- Profit (loss) for the year	12.44	(45.74)
- Other comprehensive income for the year	5.08	(0.23)
- Total comprehensive income for the year	17.52	(45.97)

*During the year ended March 31, 2023, the Group has accrued interest on bonds amounting to Rs. 14.94 million (March 31, 2022: Rs. 9.14 million) which has been included in the carrying value of investment

(iii) Contingent liabilities of associates
The associate had no contingent liabilities as at March 31, 2023 and March 31, 2022. The Group has no contingent liabilities relating to its interests in its associates.

(iv) Commitments of / towards associates
The associate had no commitments as at March 31, 2023. The Group has no commitments relating to its interests in its associates.

(v) Carrying amount of investments in associates and others

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Material associates	-	-
Other associates	82.47	59.15
Total	**82.47**	**59.15**

(vi) Share in profits / (loss) of associates (net)

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Material associates	-	-
Other associates	12.44	(45.74)
Total	**12.44**	**(45.74)**

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CENTUM ELECTRONICS LIMITED

6 Financial assets: Other investments

(Rs. in million)

	March 31, 2023	March 31, 2022
Unquoted equity shares		
Investment carried at fair value through consolidated statement of profit or loss		
Investments in equity shares of Qulsar Inc. [1] 74,184 (March 31, 2022: 74,184) equity shares of USD 0.01 each, fully paid up.	13.26	13.26
Investments in other companies	0.55	0.52
Total other investments	**13.81**	**13.78**
Aggregate value of unquoted investments	13.81	13.78

1. The Group has investments in Qulsar Inc. 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 Group's investment in Qulsar Inc. approximates the fair value as on the reporting dates.

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7 **Other non - current financial assets**

(Rs. in million)

	March 31, 2023	March 31, 2022
Unsecured, considered good unless otherwise stated		
Carried at amortised cost		
Security deposits - others (refer note 42)	48.69	39.49
Subsidy receivable	79.92	98.72
Non-current bank balance (refer note 13)	192.95	240.15
	321.56	**378.36**

8 **Deferred tax**

(Rs. in million)

		March 31, 2023		March 31, 2022	
		Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Deferred tax liability					
Property, plant and equipments and Intangible assets Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting		-	(27.12)	-	(48.82)
Sub - total	(A)	-	**(27.12)**	-	**(48.82)**
Deferred tax liability (net)			**(27.12)**		**(48.82)**
Deferred tax asset					
Property, plant and equipments and Intangible assets Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting		-	(25.66)	-	(32.43)
Right-of-use assets		-	(4.33)	-	(3.02)
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis		30.12	-	33.52	-
Impact on account of provision for expected credit losses		12.79	-	10.06	-
Impact of deferred revenue		24.61	-	16.83	-
Impact on account of provision for inventory obsolescence		23.94	-	-	-
Others		8.21	-	6.62	-
Sub - total	(B)	**99.67**	**(29.99)**	**67.03**	**(35.45)**
Deferred tax assets (net)		**69.68**		**31.58**	
Total	(A+B)	**99.67**	**(57.11)**	**67.03**	**(84.27)**
Deferred tax assets / (Deferred tax liability) (net)		42.56		(17.24)	
Movement for the year		59.80		31.18	
Reconciliation to the consolidated Ind AS statement of profit and loss					
(Credit)/ expense during the year as above		(59.80)		(31.18)	
Tax expense / (income) during the year recognized in OCI		1.97		2.63	
(Credit) / expense during the year		(61.77)		(33.81)	

9 **Non-current tax assets (net)**

(Rs. in million)

	March 31, 2023	March 31, 2022
Advance income tax (net of provision for current tax and including tax paid under protest)	9.59	48.89
	9.59	**48.89**

10 **Other non-current assets**

(Rs. in million)

		March 31, 2023	March 31, 2022
Capital advances			
Unsecured, considered good		10.39	-
	(A)	**10.39**	-
Prepaid expenses		40.06	37.84
	(B)	**40.06**	**37.84**
Balances with statutory / government authorities			
Unsecured, considered good		4.43	4.00
	(C)	**4.43**	**4.00**
Total other non-current assets	(A+B+C)	**54.88**	**41.84**

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11 Inventories (valued at lower of cost and net realisable value)

(Rs. in million)

	March 31, 2023	March 31, 2022
Raw materials	2,054.37	1,687.62
[Includes raw material in transit Rs 174.41 million (March 31, 2022 Rs 109.56 million)]		
Work-in-progress	511.12	495.27
Finished goods	43.44	64.58
Stores and spares	1.69	0.78
Total inventories (valued at lower of cost and net realisable value)	**2,610.62**	**2,248.25**

During the year ended March 31, 2023, Rs 98.32 million (March 31, 2022 Rs 7.82 million) was recognised as an expense in regard to provision for inventory obsolescence

12 Trade receivables

(Rs. in million)

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Carried at amortised cost				
Receivables from related parties (refer note 42)	-	-	74.74	101.95
Other trade receivables	286.83	269.12	3,753.70	2,397.07
Total trade receivables	**286.83**	**269.12**	**3,828.44**	**2,499.02**

Break-up for security details:

(Rs. in million)

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Trade receivables:				
Unsecured, considered good	286.83	269.12	3,805.36	2,492.58
Trade receivables which have significant increase in credit risk	-	-	121.71	100.46
Trade receivables - credit impaired	-	-	-	-
	286.83	**269.12**	**3,927.07**	**2,593.04**
Impairment allowance (allowance for bad and doubtful debts)				
Unsecured, considered good	-	-	-	-
Trade receivables which have significant increase in credit risk	-	-	(98.63)	(94.02)
Trade receivables - credit impaired	-	-	-	-
Total trade receivables	**286.83**	**269.12**	**3,828.44**	**2,499.02**

- The carrying amount of trade receivables include receivables amounting to Rs 904.32 million (March 31, 2022, Rs. 856.98 million) which are subject to factoring arrangement entered into with the factoring agency / bank. Under this arrangement, the Group has transferred the relevant receivables to the bank in exchange of cash and transferred all rights and actions attached to the aforementioned receivables. As the risk for non recovery lies with the Group, it continues to recognise the transferred assets in its entirety in balance sheet. The amount repayable under the factoring arrangement is presented as unsecured borrowing in note 23

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member

- Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days

- The following table summarises the changes in the loss allowance measured using ECL

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Opening balance	94.02	78.89
Amount provided/ (reversed) during the year	44.33	12.52
Amount utilised during the year	(44.46)	3.66
Exchange differences - translation adjustment	4.74	(1.06)
Closing balance	**98.63**	**94.02**

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12.1 Trade receivables ageing schedule

As at March 31, 2023 (Rs. in million)

Particulars	Unbilled*	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables - considered good	805.59	2,310.60	822.57	85.82	2.71	35.10	29.80	4,092.19
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	13.98	50.87	24.74	32.12	121.71
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**805.59**	**2,310.60**	**822.57**	**99.80**	**53.58**	**59.84**	**61.92**	**4,213.90**

As at March 31, 2022 (Rs. in million)

Particulars	Unbilled*	Current but not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables - considered good	775.35	1,449.81	320.20	121.43	67.29	0.85	26.76	2,761.70
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	25.35	26.54	9.25	39.32	100.46
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**775.35**	**1,449.81**	**320.20**	**146.78**	**93.83**	**10.10**	**66.09**	**2,862.16**

*Unbilled revenue consists of contract assets, that primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to the receivables when the rights become unconditional and is current but not due.

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CENTUM ELECTRONICS LIMITED

13 Cash and cash equivalents and other bank balances

(Rs. in million)

		March 31, 2023	March 31, 2022
Balances with banks			
- On current accounts[3]		213.33	413.41
- On exchange earners foreign currency (EEFC) accounts		138.33	4.56
Deposits with original maturity of less than three months		-	62.00
Cash on hand		1.05	0.47
Total cash and cash equivalents	(A)	**352.71**	**480.44**
Bank balances other than cash and cash equivalents			
Balance with banks			
- On current account[1]		2.61	2.89
- On margin money accounts[2]		259.59	330.92
		262.20	**333.81**
Less: Amount disclosed under other non current financial assets (refer note 7)		(192.95)	(240.15)
Total bank balance other than cash and cash equivalent	(B)	**69.25**	**93.66**
	(A+B)	**421.96**	**574.10**

1. Includes balance in unclaimed dividend account Rs 2.61 million (March 31, 2022: Rs. 2.89 million)
2. A charge has been created over the deposits towards various guarantees in favour of customer, statutory authorities and letter of credit facility. Refer note 45 (c) for further details
3. Balances with banks on current accounts does not earn interest

14 Other current financial assets

(Rs. in million)

		March 31, 2023	March 31, 2022
Unsecured considered good unless otherwise stated			
Security deposits	(A)	0.32	0.66
Staff advances		2.39	1.08
Interest accrued on fixed deposits		3.26	11.23
Subsidy receivables		156.27	170.17
Scrips receivables		-	43.07
	(B)	**161.92**	**225.55**
Derivative instruments at fair value through OCI			
Cash flow hedges			
Derivative assets (refer note 53)		0.02	-
	(C)	**0.02**	-
Total other current financial assets	(A+B+C)	**162.26**	**226.21**

15 Other current assets

(Rs. in million)

	March 31, 2023	March 31, 2022
Unsecured considered good		
Prepaid expenses	119.51	111.22
Balances with statutory / government authorities	108.84	57.51
Advance to suppliers and other advances	156.44	157.09
Total other current assets	**384.79**	**325.82**

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CENTUM ELECTRONICS LIMITED

16. Equity share capital

	Equity shares of Rs. 10 each	
	In Numbers	**(Rs. in million)**
Authorised share capital:		
At April 01, 2021	15,500,000	155.00
Increase / (decrease) during the year	-	-
At March 31, 2022	15,500,000	155.00
Increase / (decrease) during the year	-	-
At March 31, 2023	15,500,000	155.00

(a) Issued equity share capital:
Equity shares of Rs 10 each issued, subscribed and fully paid

	In Numbers	(Rs. in million)
At April 01, 2021	12,884,841	128.85
Changes during the period	-	-
At March 31, 2022	12,884,841	128.85
Changes during the period	-	-
At March 31, 2023	12,884,841	128.85

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share The Company declares and pays dividend in Indian rupees The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts The distribution will be in proportion to the number of equity shares held by the equity shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	March 31, 2023		March 31, 2022	
	No. of shares held	% holding in class	No. of shares held	% holding in class
Equity shares of Rs 10 each fully paid				
Apparao V Mallavarapu*	6,604,715	51.26%	6,604,715	51.26%
Nikhil Mallavarapu*	589,929	4.58%	589,929	4.58%
Swarnalatha Mallavarapu*	369,150	2.86%	369,150	2.86%
M S Swarnakumari*	12,684	0.10%	12,684	0.10%
HDFC Trustee Company Limited	667,637	5.18%	777,740	6.04%

*Represents shareholders in promoter's group. There is no change in the share holding of the promoter's group in the last two years

(d) Shares reserved for issue under options

For details of shares reserved for issue under the share based payment plan of the Holding Company, refer note 47.

17. Other equity

		(Rs. in million)
Securities premium		
Balance as at April 01, 2021		28.07
Balance as at March 31, 2022		28.07
Balance as at March 31, 2023	(A)	28.07
General reserve		
Balance as at April 01, 2021		440.26
Balance as at March 31, 2022		440.26
Balance as at March 31, 2023	(B)	440.26
Retained earnings		
Balance as at April 01, 2021		1,864.35
Loss/ (profit) for the year		(305.43)
Less Dividends		(25.77)
Add Other comprehensive income for the year		7.37
Others		0.76
Balance as at March 31, 2022		1,541.28
Profit / (loss) for the year		98.16
Less Dividends		(32.21)
Add Other comprehensive income for the year		5.81
Others		(0.33)
Balance as at March 31, 2023	(C)	1,612.71
Effective portion of cash flow hedge (net of tax)		
Balance as at April 01, 2021		-
Balance as at March 31, 2022		-
Gain/(loss) on cash flow hedge		0.01
Balance as at March 31, 2023	(D)	0.01

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17. Other equity (continued)

		(Rs. in million)
Share based payments reserve		
Balance as at April 01, 2021		2.11
Add: Compensation for options granted		0.16
Less: Transferred to capital reserve on forfeiture of stock options		(1.95)
Balance as at March 31, 2022		**0.32**
Add: Compensation for options granted		13.91
Balance as at March 31, 2023	(E)	**14.23**
Capital reserve		
Balance as at April 01, 2021		46.35
Add: Amount transferred on forfeiture of stock options		1.95
Balance as at March 31, 2022		**48.30**
Balance as at March 31, 2023	(F)	**48.30**
Equity portion of put option liability reserve (refer note 25)		
Balance as at April 01, 2021		**(281.34)**
Add: Fair value changes during the year		119.23
Balance as at March 31, 2022		**(162.11)**
Add: Exercise of put options by non-controlling interest shareholders		(20.48)
Balance as at March 31, 2023	(G)	**(182.59)**
Foreign currency translation difference account (FCTR)		
Balance as at April 01, 2021		**2.19**
Movement during the year		12.52
Balance as at March 31, 2022		**14.71**
Movement during the year		2.62
Balance as at March 31, 2023	(H)	**17.33**
Total other equity	(A+B+C+D+E+F+G+H)	
Balance as at March 31, 2022		**1,910.83**
Balance as at March 31, 2023		**1,978.32**

Nature and purpose of reserves

Securities premium
Securities premium reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013

General reserve
The Company created a general reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits was required to be transferred to General reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to general reserve is not mandatory. General reserve is a free reserve available to the Company.

Retained earnings
Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to consolidated Ind AS statement of profit and loss.

Effective portion of cash flow hedge

The Group uses hedging instruments as part of its management of foreign currency risk. For hedging foreign currency, the Group uses foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges

Share based payments reserve
The share-based payment reserve is used to recognise the value of equity-settled share-based options provided to employees, including key management personnel, as part of their remuneration. Refer to Note 47 for further details of these plans

Capital reserve
The Group recognizes the exercise or cancellation / lapse of vested options of the Group's equity-settled share-based payments to capital reserve

Foreign currency translation difference account (FCTR)
Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. INR) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve

18. Distribution made and proposed

		(Rs. in million)
	March 31, 2023	**March 31, 2022**
Dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2022: Rs 2.50 per share (March 31, 2021: Rs. 2 per share)	32.21	25.77
	32.21	**25.77**
Proposed dividend on equity shares[1,2]		
Final dividend for the year ended on March 31, 2023: Rs 4.00 per share (March 31, 2022: Rs. 2.50 per share)	51.54	32.21
	51.54	**32.21**

1. Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31st.

2. The Board of Directors of the Holding Company at its meeting held on May 27, 2023 had recommended a final dividend of 40% (i.e. Rs. 4.00 per equity share) for the year ended March 31, 2023 which is in compliance with Section 123 of the Companies Act, 2013

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CENTUM ELECTRONICS LIMITED *

19 Non-current financial liabilities: Borrowings

(Rs. in million)

	March 31, 2023	March 31, 2022
Term loan		
From banks		
Foreign currency term loan (secured) (refer note 23 for details of current maturities of long term borrowings)[1]	25.84	43.87
Foreign currency term loan (unsecured) (refer note 23 for details of current maturities of long term borrowings)[2a, 2b]	440.40	549.77
Bonds (secured) (refer note 23 for details of current maturities of long term borrowings)[3]	-	84.09
Interest free loan from Government (unsecured) (refer note 23 for details of current maturities of long term borrowings)[4]	113.38	138.01
	579.62	**815.74**
The above amount includes		
Secured borrowings	25.84	127.96
Unsecured borrowings	553.78	687.78
	579.62	**815.74**

1 Foreign currency term loans availed by Centum Adetel Group SA and its subsidiaries amounting to Rs 62.32 million (March 31, 2022 Rs 118.39 million) (including current maturities of long term borrowings amounting to Rs 36.48 million (March 31, 2022 Rs 74.52 million)) carries interest rate ranging from 0% to 8.35% p.a. (March 31, 2022 0% to 8.35% p.a.) and is secured by way of pledge of respective receivables and all other assets present and future of the borrowers along with the bank guarantee

2a Foreign currency term loan availed by Centum Adetel Group SA and its subsidiaries, amounting to Rs 452.29 million (March 31, 2022 Rs 546.59 million) (including current maturities of long term borrowings amounting to Rs 144.99 million (March 31, 2022 Rs. 122.95 million)) carries interest at 0% p.a for the first year and thereafter carries interest rate between 0.7% to 0.8% upto end of the tenure and both the loans are guaranteed to the extent of 90% by the French government within framework of the COVID -19 health crisis The term loan is repayable in forty eight equal installments commencing from 2022 till 2026

2b Foreign currency term loan availed by Centum Adetel Group SA and its subsidiaries, amounting to Rs 134.41 million (March 31, 2022: Rs 126.13 million) (including current maturities of long term borrowings amounting to Rs 1.31 million (March 31, 2022: Rs Nil)) which carries interest at 0% p.a for the first year and thereafter shall carry interest rate between 0.7% and 2.35% upto the end of the tenure and will be repaid over the term of 4 years starting from 2023 till 2027

3 Bonds amounting to Rs 89.61 million (March 31, 2022 Rs 168.18 million) (including current maturities amounting to Rs 89.61 million (March 31, 2022 Rs 84.09 million)) have a coupon rate of 4% p.a and is secured by way of mortage of immovable properties, plant and machinery and other moveable assets of Centum Adetel Group SA The bond amounting to Rs 89.61 million is payable in December 2023

4. Interest free loan from government amounting to Rs. 159.07 million (March 31, 2022. Rs. 181.90 million) (including current maturities of long term borrowings amounting to Rs 45.69 million (March 31, 2022 Rs 43.89 million)) has been provided to carry out research and development activities and is payable on the successful outcome of the research and development

20 Net non-current employee defined benefit liabilities

(Rs. in million)

	March 31, 2023	March 31, 2022
Provision for employee benefits		
Provision for gratuity (refer note 43)	61.81	58.28
	61.81	**58.28**

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21 Non-current provisions

(Rs. in million)

	March 31, 2023	March 31, 2022
Provision for employee benefits		
Provision for pension (refer note 43)	15.55	10.84
Other provisions		
Provisions for litigations and contingencies	-	50.45
Provisions for loss making contracts*	8.12	9.06
	23.67	**70.35**

(Rs. in million)

Particulars	Provisions for litigations and contingencies	Provisions for loss making contracts*
As at April 1, 2021	-	15.40
Provision made / (reversed) during the year and amount utilised during the year (net) (refer note 38)	128.40	(6.34)
As at March 31, 2022	**128.40**	**9.06**
Provision made / (reversed) during the year and amount utilised during the year (net)	(126.43)	14.47
As at March 31, 2023	**1.97**	**23.53**
Current	1.97	15.41
Non-current	-	8.12

*The provision for losses includes provision for estimated losses on onerous contracts

22 Government grants

(Rs. in million)

	March 31, 2023	March 31, 2022
Government grants		
At April 1	34.44	42.31
Government grant received during the year	8.65	-
Released to consolidated Ind AS statement of profit and loss	(10.50)	(7.87)
As at March 31	32.59	34.44
Current	8.16	7.87
Non - current	24.43	26.57

Government grants have been received towards the purchase and construction of certain items of property, plant and equipment under Modified Special Incentive Package Scheme (M-SIPS) as notified by Ministry of Communications and Information Technology, Department of Information Technology. As per the scheme, the Company is required to abide by all terms and conditions of M-SIPS policy, guidelines and amendments issued from time to time. The Company vide its letter of undertaking dated May 02, 2018 has agreed to comply with all terms and conditions of M-SIPS policy, guidelines and amendments issued from time to time

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CENTUM ELECTRONICS LIMITED

23 **Current financial liabilities: Borrowings**

(Rs. in million)

	March 31, 2023	March 31, 2022
From banks		
Indian rupee short term loan from banks (secured)[1]	-	70.00
Cash credit and overdraft from banks (secured) [2,3]	182.92	78.51
Packing credit loan from banks (secured) [2]	600.75	545.14
Foreign currency non-repatriable (FCNR) loan (secured) [2]	172.66	283.70
Working Capital Demand (WCD) loan (secured)[2]	100.00	-
Current maturities of long term borrowings[5] (refer note 19)	318.08	325.45
Interest payable	18.73	11.68
Customers bill discounted / factored (secured) [4]	654.85	595.77
	2,047.99	1,910.25
The above amount includes		
Secured borrowings	1,856.00	1,743.41
Unsecured borrowings	191.99	166.84
	2,047.99	1,910.25

1 Secured Indian rupee short term loan from a bank carried interest at 8.70% p.a. as on March 31, 2022. The loan was secured by way of:
(a) Charge on current assets including stock and receivables of the Company,
(b) Charge on plant and machinery and furniture and fixture of the Company, and
(c) Charge by way of equitable mortgage on Land and building situated at i) No. 44, KHB Industrial Area, Yelahanka, Bangalore - 560 106 and ii) Plot No. 58-P, Bengaluru Aerospace Park Industrial Area, Sy. No. 8 - Part of Unachur Village & Sy.No. 8 - Part of Dummanahalli Village, Jala Hobli, Bengaluru North, Yelahanka Taluk, Bengaluru Urban District
(d) Cash collateral to the tune of Rs. 50.00 million
The loan has been repaid during the year ended March 31, 2023

2 Cash credit and overdraft from banks, packing credit, FCNR loan and WCD loan from banks are payable on demand and are secured by way of
(a) Hypothecation of entire current assets viz. stock of raw materials/stores and spares/work-in-progress/finished goods, receivables / book debts and other current assets / moveable fixed assets on pari passu first charge with other banks.
(b) Hypothecation of present and future fixed assets pari passu first charge with other banks,
(c) Equitable mortgage of factory land and building at No. 44, KHB Industrial Area, Yelahanka, Bangalore - 560 106 belonging to the Company, on pari passu first charge with other banks, and
(d) Equitable mortgage on leasehold rights of factory land and equitable mortgage of building at Plot No. 58-P, Bengaluru Aerospace Park Industrial Area, Sy. No. 8 - Part of Unachur Village & Sy No. 8 - Part of Dummanahalli Village, Jala Hobli, Bengaluru North, Yelahanka Taluk, Bengaluru Urban District, belonging to the Company on pari passu first charge with other banks

The rate of interest of Cash credit and overdraft from banks ranges from 9.7% to 12.84% p.a. (March 31, 2022: 9.70% to 9.85% p.a.)
The rate of interest of Packing credit loan from banks ranges from 2.26% to 8.22% p.a. (March 31, 2022: 2.15% to 3.35% p.a.)
The rate of interest of WCD loan is 11.65% (March 31, 2022: Nil).
The rate of interest of FCNR loan ranges from 3.97% to 9.12% p.a. (March 31, 2022: 3.82% to 4.31% p.a.)
The interest is payable on monthly basis

3 Cash credit / overdraft from banks amounting to Rs. 1.94 million (March 31, 2022: Rs. 0.09 million) was availed by Centum Adetel Group SA
4 Customer's bill discounted / factored receivables carries interest rate of 0.09% (March 31, 2022: 0.09%) of the factored invoices including VAT and have recourse to Centum Adetel Group S.A and its subsidiaries

5 The details of current maturities of long term borrowings are as follows:

(Rs. in million)

Term loan	March 31, 2023	March 31, 2022
From banks		
Foreign currency term loan (secured)	36.48	74.52
Foreign currency term loan (unsecured)	146.30	122.95
Bonds (secured)	89.61	84.09
Interest free loan from Government (unsecured)	45.69	43.89
Total	**318.08**	**325.45**

6 The quarterly returns or statements filed by the Holding Company with banks or financial institutions towards sanction of working capital limits are in agreement with the books of account of the Holding Company

7. The Holding Company has not been declared as a wilful defaulter by any banks or financial institutions
8 The Group has not defaulted in repayment of borrowings or in the payment of interest thereon to banks or financial institutions

24 **Financial liabilities: Trade payables**

(Rs. in million)

	March 31, 2023	March 31, 2022
Trade payables	2,106.71	1,137.64
Trade payables to related parties (refer note 42)	3.00	3.19
	2,109.71	1,140.83

a) Terms and conditions of the above financial liabilities
- Trade payables are non-interest bearing
- For explanations on the Group's currency and liquidity risk management processes, refer to note 49(c)
- The dues to related parties are unsecured

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CENTUM ELECTRONICS LIMITED

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Notes to the consolidated Ind AS financial statements for the year ended March 31, 2023

24.1 Trade payable ageing schedule

As at March 31, 2023

(Rs. in million)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed outstanding dues of creditors	377.73	1,691.70	27.58	5.61	2.02	2,104.64
Disputed outstanding dues of creditors	-	-	-	-	5.07	5.07
Total	**377.73**	**1,691.70**	**27.58**	**5.61**	**7.09**	**2,109.71**

As at March 31, 2022

(Rs. in million)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed outstanding dues of creditors	287.73	828.32	6.53	2.19	11.40	1,136.17
Disputed outstanding dues of creditors	-		-	-	4.66	4.66
Total	**287.73**	**828.32**	**6.53**	**2.19**	**16.06**	**1,140.83**

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25 **Other current financial liabilities**

(Rs. in million)

	March 31, 2023	March 31, 2022
At amortised cost		
Unpaid dividends	2.61	2.89
Accrued salaries and benefits (refer note 42)	306.54	322.05
Payable for capital goods	66.77	-
Interest others	-	0.68
Put option liability[1]	141.12	272.94
	517.04	**598.56**

Note:

1 Put option liability pertains to liabilities arising from options given to non controlling interest shareholders by one of the subsidiary of the Group as at the date of acquisition. Initially, the management of the Group recognised these liabilities at fair values in accordance with the binomial lattice model. The projections were based on estimates and assumptions which are considered reasonable by the management including volatility, up move and down move probabilities, risk free rate of return, etc.

During the year ended March 31, 2022, the put option liability has been revalued from EUR 27.00 to EUR 18.90 per option based on the fair value assessment carried out by an independent external valuer.

During the year ended March 31, 2023, the management has settled a portion of put option liability, on exercise of options by non controlling interest shareholders.

26 **Other liabilities**

(Rs. in million)

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Advance from customers	167.39	77.30	1,082.66	755.38
Withholding and other taxes / duties payable	-	-	675.95	549.75
Deferred revenue				
Related parties (refer note 42)	-	-	4.57	9.14
Others	-	-	481.34	376.06
Other liabilities	-	-	10.47	10.95
	167.39	**77.30**	**2,254.99**	**1,701.28**

27 **Net current employee defined benefit liabilities**

(Rs. in million)

	March 31, 2023	March 31, 2022
Provision for employee benefits		
Provision for gratuity (refer note 43)	7.39	6.51
	7.39	**6.51**

28 **Current provisions**

(Rs. in million)

	March 31, 2023	March 31, 2022
Provision for compensated absences	269.70	196.64
Provision for loss making contracts (refer note 21)	15.41	-
Provision for litigations (refer note 21)	1.97	77.95
	287.08	**274.59**

29 **Liabilities for current tax (net)**

(Rs. in million)

	March 31, 2023	March 31, 2022
Provision for taxation, net of advance tax	116.64	31.89
	116.64	**31.89**

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30 Revenue from operations

	(Rs. in million)	
	March 31, 2023	March 31, 2022
Sale of products (refer note 42)	6,008.73	4,571.95
Sale of services	2,833.23	2,761.81
Other operating revenues		
Income from foreign subsidies	296.54	344.04
Management fees	79.95	105.10
Sale of scrips	-	4.29
Sales commission	11.24	12.21
Total revenue	**9,229.69**	**7,799.40**

Refer note 50 for disclosures under Ind AS 115

31 Other income

	(Rs. in million)	
	March 31, 2023	March 31, 2022
Rental income (refer note 44)	2.27	3.03
Provisions / liabilities no longer required, written back	20.87	28.90
Gain on account of foreign exchange fluctuations (net)	-	3.49
Government grants (refer note 22)	10.50	7.87
Net gain on disposal of property, plant and equipment	0.58	-
Fair value gain on financial instruments	-	0.15
Other non-operating income	3.03	3.61
	37.25	**47.05**

32 Finance income

	(Rs. in million)	
	March 31, 2023	March 31, 2022
Interest income on bank deposits	14.04	14.42
Interest income on income tax refund	-	11.20
Interest income - others (refer note 42)	7.24	7.57
	21.28	**33.19**

33a Cost of materials consumed

	(Rs. in million)	
	March 31, 2023	March 31, 2022
Inventory at the beginning of the year	1,688.40	1,427.47
Add: Purchases (refer note 42)	4,514.26	3,325.95
	6,202.66	4,753.42
Inventory at the end of the year	(2,056.06)	(1,688.40)
Cost of materials consumed	**4,146.60**	**3,065.02**

33b Decrease / (increase) in inventories of work-in-progress and finished goods

	(Rs. in million)	
	March 31, 2023	March 31, 2022
Inventories at the beginning of the year		
- Work-in-progress / finished goods	559.85	514.41
Less: Inventories at the end of the year		
- Work-in-progress / finished goods	554.56	559.85
Decrease / (increase) in inventories of work-in-progress and finished goods	**5.29**	**(45.44)**

34 Employee benefits expenses

	(Rs. in million)	
	March 31, 2023	March 31, 2022
Salaries, wages and bonus (refer note 42)	2,540.90	2,458.74
Contribution to provident and other funds (refer note 43)	692.30	665.12
Employee share based compensation cost (refer note 47)	13.91	0.16
Gratuity expenses (refer note 43)	16.93	18.48
Staff welfare expenses	63.18	56.52
	3,327.22	**3,199.02**

35 Finance costs

	(Rs. in million)	
	March 31, 2023	March 31, 2022
Interest on debt and borrowings	164.25	142.25
Interest on lease liabilities (refer note 44)	9.86	13.14
Other borrowing costs	64.71	71.15
Exchange differences regarded as an adjustment to borrowing cost	26.79	33.91
Interest on income tax	7.83	3.03
	273.44	**263.48**

36 Depreciation and amortisation expenses

	(Rs. in million)	
	March 31, 2023	March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	172.95	183.25
Amortisation of other intangible assets (refer note 4b)	144.39	121.89
Depreciation of right-of-use assets (refer note 44)	120.92	126.79
	438.26	**431.93**

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37 Other expenses

(Rs. in million)

	March 31, 2023	March 31, 2022
Rent and lease hire charges (refer note 42 and 44)	46.16	50.21
Rates and taxes	77.56	95.13
Power and fuel	89.34	55.51
Repairs and maintenance	150.98	118.50
Insurance	48.90	44.93
Legal and professional fees	120.91	133.90
Travelling and conveyance	139.57	154.35
Purchase of services	33.60	39.80
Corporate social responsibility expenditure	5.30	6.81
Freight outwards	33.21	16.48
Foreign exchange differences (net)	106.61	-
Loss on sale/ discard of property, plant and equipment	-	0.92
Provision for expected credit losses / bad debts written off	44.33	25.80
Directors' sitting fees (refer note 42)	3.93	4.33
Miscellaneous expenses	88.09	91.70
	988.49	**838.37**

38 Exceptional items (net)

(Rs. in million)

	March 31, 2023	March 31, 2022
Provision for diminution in value of investment and receivables (refer note 42)[1]	-	436.84
Provision for settlement of claims[1,2]	-	132.22
Provision for impairment of unbilled revenue[2]	-	34.48
	-	**603.54**

1 During the year ended March 31, 2020, the management of the Group had entered into an agreement for sale of 65% stake in HOLIWATT (formerly known as Centum Adetel Transportation SAS), subsidiary of Centum Adetel Group SA

The management of the Group had a put option to sell its remaining 35% stake at a fixed price amounting to EUR 3.96 million plus interest at the rate of 6% p.a and other receivables of EUR 0.5 million. Further the management had assessed that they exercised significant influence / control over Centum Adetel Transportation System SAS and had accordingly treated the same as investment in associates in the consolidated Ind AS financial statements of the Group during the year ended March 31, 2021

During the year ended March 31, 2022, HOLIWATT had been placed in specific insolvency statutes, allowing HOLIWATT to commence negotiation with other parties including its shareholders and the Commercial Court of Lyon announced the opening of judicial recovery process and accordingly based on the internal assessment, the management of the Group had provided the carrying value of its investment and receivables in HOLIWATT amounting to Rs. 436.84 million and the same had been disclosed as exceptional item in the consolidated Ind AS financial statements during the year ended March 31, 2022.

During the year ended March 31, 2022, the Group had accounted Rs. 25.97 million in regard to the commission to the recruited bankers for the sale of HOLIWATT shares and the same had been disclosed as exceptional item in the consolidated Ind AS financial statements during the year ended March 31, 2022.

2 During the year ended March 31, 2022, the Group had been levied a claim by one of its customers on account of certain damages in the equipment supplied to the customer. Accordingly, the Group had accounted cost of Rs. 106.25 million towards such claim which had been disclosed as exceptional item in the consolidated Ind AS financial statements during the year ended March 31, 2022

Further the Group had made provision for aged unbilled revenue in relation to certain projects amounting to Rs. 34.48 million which had been disclosed as exceptional item in the consolidated Ind AS financial statements during the year ended March 31, 2022

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39 **Income tax**

The domestic subsidiaries of the Group are subject to income tax in India on the basis of standalone financial statements. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

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 and its domestic subsidiary based on the current projections has chosen to adopt the reduced rates of tax as per the Income Tax Act, 1961 from the financial year 2020-21 and accordingly has accounted deferred tax asset based on the reduced applicable tax rates for domestic entities.

Income tax expenses in the consolidated Ind AS statement of profit and loss consist of the following:

(Rs. in million)

	March 31, 2023	March 31, 2022
Tax expenses		
(a) Current tax	126.51	57.49
(b) Adjustment of tax relating to earlier period	(10.32)	(11.05)
(c) Deferred tax (credit)/ expense	(61.77)	(33.81)
(d) Deferred tax expense / (credit) related to items recognized in OCI during the year	1.97	2.63
Total taxes	**56.39**	**15.26**

Reconciliation of estimated income tax to income tax expense is as below:

(Rs. in million)

	March 31, 2023	March 31, 2022
Profit/ (loss) before tax	**121.36**	**(522.02)**
Income tax expense at applicable tax rates applicable to individual entities	**56.43**	**(83.12)**
Tax effect on permanent non-deductible expenses	3.30	2.36
Adjustments in respect of current income tax of previous years	(10.32)	(11.05)
Others *	6.98	107.07
Total tax expenses	**56.39**	**15.26**
Income tax expenses reported in the consolidated Ind AS statement of profit and loss	56.39	15.26
	-	-

Note: Certain entities of the Group have incurred losses during the relevant period, which has resulted in reduction of profit / increase of losses in the consolidated Ind AS financial statements. However, the tax liability has been discharged by the respective entities on a standalone basis. Further, in view of absence of reasonable certainty, the Group has not recognised deferred tax asset in such companies.

* Others primarily include non-recognition of deferred tax assets on loss making overseas subsidiaries.

40 **Earnings per share ('EPS')**

Basic EPS amounts are calculated by dividing the profit/ loss for the year attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2023	March 31, 2022
Profit/ (loss) attributable to equity holders of the parent for basic / diluted earnings per share (Rs. in million)	98.16	(305.43)
Weighted average number of equity shares used for computing EPS (basic)	12,884,841	12,884,841
Add: Effect of dilutive issues of stock options	123,625	10,279
Weighted average number of equity shares used for computing EPS (diluted)	13,008,466	12,895,120
Earnings per share - Basic	7.62	(23.70)
Earnings per share - Diluted *	7.55	(23.70)

* Considering that the Group had incurred losses during the year ended March 31, 2022, the allotment of stock options would decrease the loss per share for the year ended March 31, 2022 and accordingly had not been considered for the purpose of calculation of diluted earnings per share.

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41 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include determining control over entities and accounting thereof, discontinued operations, impairment of investments and goodwill, taxes, fair value measurement of financial instruments, contingencies, defined benefit plan (gratuity benefits), provision for inventory obsolescence, revenue recognition, leases - determining the lease term of contracts with renewal and termination options – Group as lessee and estimating the incremental borrowing rate and intangible assets under development.

(i) Judgments:
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated Ind AS financial statements:

(a) Determination of control and accounting thereof:
As detailed in the accounting policy, consolidation principles under Ind AS necessitates assessment of control of the subsidiaries independent of the majority shareholding. Consolidation principles under Ind AS are different from the previous GAAP, especially with respect to assessment of control of the subsidiaries. Based on the assessment made, the management of the Group believes that it has control over Centum Adetel Group SA and its underlying subsidiaries. Further, the management of the Group assessed that it exercises significant influence in Ausar Energy SAS, based on their assessment of the share purchase agreement.

(ii) Estimates and assumptions:
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of investments and goodwill
Determining whether investments and goodwill are impaired requires an estimation of the value in use of the respective asset or the relevant cash generating units. The value in use calculation is based on Discounted Cashflows Model ("DCF model"). The cash flows projections are based on estimates and assumptions which are considered as reasonable by the management and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate (i.e. 11.20% p.a) used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles recognised by the Group (refer note 4a and 4b).

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 8 and 39 for further disclosures.
Centum Adetel Group SA has carried forwarded tax losses. These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

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41 Significant accounting judgements, estimates and assumptions (continued)

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 49(a) for further disclosures.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Refer note 45(c) for further disclosures.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 43.

Provision for inventory obsolescence

Inventory obsolescence provision are determined using policies framed by the Company and in accordance with the methodologies that the Company deems appropriate to the business. There is a significant level of judgment involved in assessing whether provision for obsolescence for slow moving, excess or obsolete inventory items should be recognized considering orders in hand, expected orders, alternative usage, etc.

Revenue recognition

The group uses the percentage-of-completion method in accounting for its fixed-price contract. Use of the percentage-of-completion method requires the Group to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Leases - Determining the lease term of contracts with renewal and termination options – Group as lessee and estimating the incremental borrowing rate

The Group determines the lease term as the non-cancellable term of the lease.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Intangible assets under development

The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. As at March 31, 2023, the carrying amount of intangible assets under development is Rs. 227.56 million (March 31, 2022: Rs. 120.14 million)

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CENTUM ELECTRONICS LIMITED

42 Related parties

a) Names of related parties and description of relationship

Description of relationship	Name of related parties
Parties where control exists	Mr. Apparao V Mallavarapu (directly and indirectly exercises over 50% voting power in the Company)
Subsidiary Companies	Centum Electronics UK Limited Centum Adetel Group SA, France Centum T&S (Centum Technologies ET Solutions), France (formerly known as Centum Adeneo SAS) Centum R&D (Centum Recherche ET development), France (formerly known as Centum Adeneo CRD SAS) Centum T&S (Centum Technologies ET Solutions), Canada (formerly known as Centum Adetel Solution) Centum E&S (Centum Equipments ET Systemes), Canada (formerly known as Centum Adetel Equipment) Centum Adetel Transportation System SAS, France Centum Adetel Synergies SARL** Centum T&S Private Limited, India (formerly known as Centum Adeneo India Private Limited) Centum T&S (Technologies & Solutions) Belgium SRL (formerly known as Centum Adeneo Belgium)
Associate Companies	HOLIWATT (formerly known as Centum Adetel Transportation SAS)* Ausar Energy SAS
Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)	Centum Industries Private Limited
Key managerial personnel and their relatives	Mr. Apparao V Mallavarapu - Chairman and Managing Director Mrs. Swarnalatha Mallavarapu - Director (resigned w.e.f. May 27, 2023) Mr. Nikhil Mallavarapu - Whole Time Director Mrs. Tanya Mallavarapu - Director (appointed w.e.f. May 27, 2023) Mr. S Krishnan - Independent Director (retired w.e.f. August 14, 2021) Mr. Pranav Kumar Patel - Independent Director Mr. Rajiv C Mody - Independent Director Mr. Manoj Nagrath - Independent Director Mr. Thiruvengadam P - Independent Director Mrs. Kavitha Dutt - Independent Women Director Mr. K S Desikan - Chief Financial Officer Mr. Nagaraj K.V- Company Secretary (resigned w.e.f. March 10, 2022) Mrs. Indu H S - Company Secretary (appointed w.e.f. May 24, 2022)

* The Group has divested its stake during the year ended March 31, 2020 and accordingly it has ceased to be a subsidiary and has become an associate w.e.f March 31, 2020. Further, during the year ended March 31, 2022, the Commercial Court of Lyon has announced opening of judicial recovery based on which the entire shareholding has been transferred to Forsee Power and accordingly it has ceased to become an associate.

** Centum Adetel Synergies SARL has been merged with Centum T&S (Centum Technologies ET Solutions) (formerly known as Centum Adeneo SAS) w.e.f. April 01, 2021

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CENTUM ELECTRONICS LIMITED

42 **Related parties (continued)**

b) Summary of transactions and outstanding balances with above related parties are as follows:

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
i) Sale of products		
Associate Companies		
- Ausar Energy SAS	24.00	16.85
ii) Other income / Finance income		
Associate Companies		
- Ausar Energy SAS	6.03	2.66
iii) Lease rental paid		
Enterprises where key managerial personnel or their relatives exercise significant influence		
- Centum Industries Private Limited		0.57
iv) Exceptional items- Provision for dimunition in value of investment and receivables		
Associate Companies		
- HOLIWATT	-	436.84
v) Remuneration to key managerial personnel and their relatives		
Employee benefit expenses (excluding employee share based payments)		
- Mr. Apparao V Mallavarapu	13.63	8.97
- Mr. Nikhil Mallavarapu	13.63	10.42
- Mr. K S Desikan	10.42	8.43
- Mrs. Indu H S	1.08	-
- Mr. Nagaraj K.V	-	1.67
vi) Directors' sitting fees (including commission paid to non-executive directors)		
- Mr. S Krishnan	-	0.28
- Mr. Rajiv C Mody	0.53	0.59
- Mr. Pranav Kumar Patel	0.74	0.74
- Mr. Manoj Nagrath	0.74	0.74
- Mr. Thiruvengadam P	0.71	0.74
- Mrs.V Kavitha Dutt	0.62	0.62
-Mrs. Swarnalatha Mallavarapu	0.59	0.62
vii) Outstanding balances as at the year ended:		
a) Trade receivables - Current		
Associate Companies		
- Ausar Energy SAS	74.74	101.95
b) Trade payables - Current		
Payable to key managerial personnel		
- Mr. S Krishnan	-	0.19
- Mr. Rajiv C Mody	0.50	0.50
- Mr. Pranav Kumar Patel	0.50	0.50
- Mr. Manoj Nagrath	0.50	0.50
- Mr. Thiruvengadam P	0.50	0.50
- Mrs.V Kavitha Dutt	0.50	0.50
- Mrs. Swarnalatha Mallavarapu	0.50	0.50

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42 **Related parties (continued)**

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
c) Other non current financial assets - Security deposits		
Enterprises where key managerial personnel or their relatives exercise significant influence		
- Centum Industries Private Limited	0.45	0.45
d) Other current financial liabilities - Accrued salaries and benefits-payable		
- Mr. Apparao V Mallavarapu	5.13	0.48
- Mr. Nikhil Mallavarapu	3.74	0.54
- Mr. K S Desikan	2.15	1.71
- Mrs. Indu H S	0.12	-
- Mr. Nagaraj K.V	-	0.15
e) Deferred Revenue		
Associate Companies		
- Ausar Energy SAS	4.57	9.14

e) Key managerial personnel's interests in the share based payments plan:

Share options held by key managerial personnel under the share based payments plan to purchase equity shares are as follows:

Share based payments plan	Exercise price	March 31, 2023	March 31, 2022
		Number outstanding	Number outstanding
Centum ESOP - 2013 plan	Rs. 71.25	3,653	3,653
Centum ESOP - 2021 plan	Rs. 10.00	14,500	-

No share options have been granted to the non-executive members of the Board of Directors under the share based payments plans of the Group. Refer to note 47 for further details on the scheme.

Notes:

(i) As the liability for gratuity and leave encashment is provided on actuarial basis for the Group as a whole, the amount pertaining to the key managerial personnel's are not included.

(ii) Refer note 5 as regards investments in associates.

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43 Gratuity and other post-employment benefits plans

(a) Defined contribution plan

The Group contribution to provident fund, employees' state insurance, pension and other funds are considered as defined contribution plans. The contributions are charged to the consolidated Ind AS statement of profit and loss as they accrue. Contributions to provident and other funds included in employee benefits expenses (note 34) are as under:

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Contribution to provident fund	33.29	31.03
Contribution to employees' state insurance	3.80	4.30
Contribution to pension fund	655.21	629.79
	692.30	665.12

(b) Defined benefit plans

The domestic entities in the Group has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The Gratuity plan is unfunded.

The following tables summarise the components of net benefit expense recognised in the consolidated Ind AS statement of profit or loss and amounts recognised in the consolidated Ind AS balance sheet for gratuity benefit:

i. Net benefit expenses (recognized in the consolidated Ind AS statement of profit and loss)

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Current service cost	12.12	14.06
Interest cost on defined benefit obligation	4.81	4.42
Net benefit expenses	**16.93**	**18.48**

ii. Remeasurement (gains)/ loss recognised in other comprehensive income:

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(6.57)	(4.21)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(1.20)	(5.79)
Actuarial (gain)/ loss recognised in OCI	**(7.77)**	**(10.00)**

iii. Net defined benefit asset/ (liability)

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Defined benefit obligation	(69.20)	(64.79)
Fair value of plan assets	-	-
Asset / (liability) recognised in the consolidated Ind AS balance sheet	**(69.20)**	**(64.79)**

iv. Changes in the present value of the defined benefit obligation are as follows:

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Opening defined benefit obligation	64.79	63.49
Current service cost	12.12	14.06
Benefits paid	(4.75)	(7.18)
Interest cost on the defined benefit obligation	4.81	4.42
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(6.57)	(4.21)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(1.20)	(5.79)
Closing defined benefit obligation	**69.20**	**64.79**

v. The following pay-outs are expected in future years:

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Within next one year	7.39	6.51
Between 1 and 2 years	3.03	2.83
Between 2 and 3 years	4.46	2.92
Between 3 and 4 years	3.63	4.07
Between 4 and 5 years	6.49	3.39
Between 5 and 10 years	29.88	27.07

The average duration of the defined benefit plan obligation at the end of the reporting period is 9.94 - 10 years (March 31, 2022: 10 years).

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43 Gratuity and other post-employment benefits plans (continued)

vi. The principal assumptions used in determining gratuity obligations for the group's plan are shown below:

Particulars	March 31, 2023	March 31, 2022
Discount rate (in %)	7.30%	7.12%
Salary escalation (in %)	10.00%	10.00%
Employee turnover	Age 21 - 30 Yrs : 15% Age 30 - 34 Yrs : 10% Age 35 - 44 Yrs : 5% Age 45 - 50 Yrs : 3% Age 51 - 54 Yrs : 2% Age 55 - 59 Yrs : 1%	Age 21 - 30 Yrs : 15% Age 30 - 34 Yrs : 10% Age 35 - 44 Yrs : 5% Age 45 - 50 Yrs : 3% Age 51 - 54 Yrs : 2% Age 55 - 59 Yrs : 1%
Retirement age	60 years	60 years
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate Table	Indian Assured Lives Mortality (2012-14) Ultimate Table

Notes:

i) The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

ii) Plan Characteristics and Associated Risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death or disability. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. Discount rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

b. Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

vii. A quantitative sensitivity analysis for significant assumption is as shown below:

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(6.07)	(5.78)
Impact on defined benefit obligation due to 1% decrease in discount rate	7.15	6.85
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	3.41	3.33
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(3.44)	(3.33)
Attrition rate		
Impact on defined benefit obligation due to 1% increase in attrition rate	(0.48)	(0.25)
Impact on defined benefit obligation due to 1% decrease in attrition rate	0.72	0.44

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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44 Leases

I. Company as a lessee

The Group has lease contracts for office facilities and equipment (including vehicles and computer). The lease term for office facilities is generally 3 to 12 years and for equipments is 2 to 6 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.
The Group also has certain leases of computer and computer equipment with low value. The Group applies 'lease of low value assets' recognition exemption for the leases

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).
The carrying amounts of right-of-use assets recognised and the movements during the year is as follows:

(Rs. in million)

Particulars	Building	Plant and machinery	Vehicles	Leased computer	Total
Gross block					
As at April 1, 2021	**731.97**	**37.10**	**73.70**	**68.47**	**911.24**
Additions	98.47	-	21.47	10.34	130.28
Translation adjustment	(12.79)	-	(1.37)	(1.14)	(15.30)
Disposals / cancellations	(166.61)	-	(13.34)	(44.17)	(224.12)
As at March 31, 2022	**651.04**	**37.10**	**80.46**	**33.50**	**802.10**
Additions	111.37	-	12.89	17.18	141.44
Translation adjustment	39.82	-	5.27	1.74	46.83
Disposals / cancellations	(287.27)	-	(15.93)	(5.49)	(308.69)
As at March 31, 2023	**514.96**	**37.10**	**82.69**	**46.93**	**681.68**
Accumulated depreciation					
As at April 1, 2021	**276.84**	**3.87**	**36.77**	**37.82**	**355.30**
Charge for the year	88.12	4.74	17.94	15.99	126.79
Translation adjustment	(7.12)	-	(2.34)	(1.02)	(10.48)
Disposals / cancellations	(106.05)	-	(10.76)	(33.77)	(150.58)
As at March 31, 2022	**251.79**	**8.61**	**41.61**	**19.02**	**321.03**
Charge for the year	86.86	4.62	20.56	8.88	120.92
Translation adjustment	20.39	-	4.24	1.42	26.05
Disposals / cancellations	(229.65)	-	(15.93)	(5.49)	(251.07)
As at March 31, 2023	**129.39**	**13.23**	**50.48**	**23.83**	**216.93**
Net block as on March 31, 2023	**385.56**	**23.87**	**32.21**	**23.10**	**464.74**
Net block as on March 31, 2022	**399.25**	**28.49**	**38.85**	**14.48**	**481.07**

The carrying amounts of lease liabilities recognised and the movements during the year is as follows:

(Rs. in million)

Particulars	Amount
As at April 1, 2021	**558.88**
Additions	130.28
Accretion of interest	13.14
Translation adjustment	(9.29)
Reversal of lease liabilities on disposal of asset	(73.55)
Payments	(143.89)
As at March 31, 2022	**475.57**
Additions	141.44
Accretion of interest	9.86
Translation adjustment	29.13
Reversal of lease liabilities on disposal of asset	(57.63)
Payments	(145.00)
As at March 31, 2023	**453.37**

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Current	91.79	120.03
Non-current	361.58	355.54

The maturity analysis of lease liabilities are disclosed in note 49.
The effective interest rate for lease liabilities is 1.6% to 12 %.

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44 Leases (Continued)

The following are the amounts recognised in the consolidated Ind AS statement of profit and loss:

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Depreciation expense of right-of-use assets (refer note 36)	120.92	126.79
Interest expense on lease liabilities (refer note 35)	9.86	13.14
Expense relating to short-term leases and leases of low-value assets (included in other expenses) (refer note 37)	46.16	50.21
Total amount recognised in profit or loss	**176.94**	**190.14**

The Group had total cash outflows for leases of Rs 191.16 million in March 31, 2023 (March 31, 2022: 194.10 million).

II. Company as a lessor

The Company has entered into cancellable lease agreements for sub-lease of office space. The lease term is for 3 years with a cancellation clause of 3 months.

The following amounts recognised in the consolidated Ind AS statement of profit and loss

(Rs. in million)

	March 31, 2023	March 31, 2022
Rental income (refer note 31)	2.27	3.03
	2.27	**3.03**

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45 Commitments and contingencies

(a) Capital commitments

(Rs. in million)

	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	100.54	7.96

(b) Power purchase agreement

The Group has commitment in nature of variable lease payment towards purchase of solar and wind power with various parties whereby the Group has committed to purchase and supplier has committed to sell contracted quantity of solar and wind power for period as defined in the power purchase agreements.

(c) Contingent liabilities

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its consolidated Ind AS financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated Ind AS financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operation or cash flow.

(Rs. in million)

(i) Particulars of guarantees	As at March 31, 2023	As at March 31, 2022
Corporate guarantees	43.91	331.31
Bank guarantees (refer note 13)*	29.21	29.19

* Excludes performance bank guarantees given to various customers as the management is of the view that the same is not required to be disclosed here.

(ii) The Hon'ble Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Group has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Group does not expect any material impact of the same.

(iii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Holding Company and its domestic subsidiaries will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(iv) The Group is involved in legal proceedings, both as plaintiff and as defendant. The Group believes the following claims to be material.

(Rs. in million)

Disputes *	March 31, 2023	March 31, 2022
Matters relating to income tax under dispute:	46.44	46.44
Matters relating to indirect taxes under dispute:	143.34	143.34
Others:		
- Stamp duty levy	16.28	16.28
- Property tax	10.86	5.89
- Other claims against the Group not acknowledged as debts	8.11	11.75

* The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

The Group is subject to legal proceeding and claims, which have arisen in the ordinary course of business. The Group has reviewed all its pending litigations and proceedings and is not carrying provisions for all the above mentioned amounts in its books of account, as the Group's Management is confident of successfully litigating the matters and these are disclosed as contingent liability, where applicable in its consolidated Ind AS financial statements. The Group's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial condition.

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46 Segment information - Disclosure pursuant to Ind AS 108 "Operating Segments"

(a) Information about reportable segments

Basis of identifying operating segments / reportable segments:

(i) Basis of identifying operating segments:

Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Group's other components); (b) whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.The accounting policies consistently used in the preparation of financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segment on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such items and accordingly such items are separately disclosed as 'unallocated'.

(ii) Reportable segments:

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

The Company along with its subsidiaries and an associate 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".

(b) Geographical information

(Rs. in million)

Particulars	**Segment revenue***		**Non-current assets****	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
(i) India	2,573.72	2,126.95	1,198.71	1,170.25
(ii) Europe and UK	5,317.11	5,005.85	1,252.68	1,271.98
(iii) North America	1,195.57	562.02	83.58	113.10
(iv) Rest of the world	143.29	104.58	-	-
Total	**9,229.69**	**7,799.40**	**2,534.97**	**2,555.33**

*Revenue by geographical area are based on the geographical location of the customers.
**Non-current assets excludes financial instruments and tax assets.

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47 Share-based payments

A Description of the share based payment arrangements

The Holding Company has following share based payment arrangements:

(i) Share option plans (equity settled)

The Holding Company sponsers share option plan -

The Centum Employee Stock Option Plan ('ESOP') - 2013 plan. The details of the aforementioned plan are as follows:

(a) The Centum ESOP - 2013 plan was approved by the directors of the Holding Company in May 2013 and by the shareholders in August 2013. Centum ESOP - 2013 plan provides for the issue of 250,000 shares to the employees of the Holding Company and its subsidiaries (whether in India or outside India), who are in whole time employment with the Holding Company and/or it's subsidiaries.

The plan is administered by a Compensation committee. Options will be issued to employees of the Holding Company and/or it's subsidiaries at an exercise price, which shall not be less than the market price immediately preceding the date of grant. The equity shares covered under these options vest over a period ranging from twelve to forty eight months from the date of grant. The exercise period is ten years from the date of vesting.

The Centum Electronics Limited Restricted Stock Unit Plan 2021. The details of the aforementioned plan are as follows:

(a) The Centum Electronics Limited Restricted Stock Unit Plan 2021 was approved by the shareholders of the Holding Company in October 2021. Centum RSU - 2021 plan provides for the issue of 1,75,000 shares to the employees of the Holding Company and its subsidiaries (whether in India or outside India), who are in whole time employment with the Holding Company and/or it's subsidiaries.

The plan is administered by the Nomination and Remuneration committee. Options will be issued to employees of the Holding Company and/or it's subsidiaries at an exercise price, which shall be equal to the face value of the shares. RSUs granted under this Plan would vest not earlier than minimum vesting period of 1 (one) year or such other period as may be prescribed under applicable laws and not later than maximum vesting period of 8 (eight) years from the date of grant of such RSUs. The exercise period is 5 years from the date of last vesting of RSU.

B Measurement of fair values

The fair value of employee share options has been measured using Black Scholes model. The fair value of the options and the input used in the measurement of the grant- date fair values of both the plans are as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Centum ESOP - 2013	Centum ESOP - 2013
Fair value at grant date	Rs. 11.65 - Rs. 277.30	Rs. 11.65 - Rs. 277.30
Share price at grant date	Rs. 71.25 & Rs. 637.05	Rs. 71.25 & Rs. 637.05
Weighted average exercise price (WAEP)	Rs. 71.25	Rs. 71.25
Dividend yield (%)	10%	10%
Expected life of share options (years)	1- 4 years	1- 4 years
Risk free interest rate (%)	5.70 - 8.60%	5.70 - 8.60%
Expected volatility (%)	48.31%	48.31%

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Centum RSU Plan - 2021	Centum RSU Plan - 2021
Fair value at grant date	Rs. 420.08	-
Share price at grant date	Rs. 455.65	-
Weighted average exercise price (WAEP)	Rs. 10.00	-
Dividend yield (%)	2.08%	-
Expected life of share options (years)	1- 8 years	-
Risk free interest rate (%)	7.12%	-
Expected volatility (%)	56.15%	-

C Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, Centum ESOP - 2013 plan during the year:

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options	WAEP	Number of options	WAEP
Options outstanding at April 1,	12,026	71.25	19,026	279.42
Granted during the period	-	-	-	-
Forfeited / lapsed during the period	-	-	7,000	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Options outstanding at March 31,	**12,026**	**71.25**	**12,026**	**71.25**
Exercisable at March 31,	12,026	71.25	12,026	71.25

The options outstanding as at March 31, 2023 had an exercise price of Rs. 71.25 (March 31, 2022: Rs. 71.25) and the weighted average remaining contractual life of 3.77 years (March 31, 2022: 4.77 years).

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47 Share-based payments (continued)

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, Centum RSU - 2021 plan during the year:

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of options	WAEP	Number of options	WAEP
Options outstanding at April 1,	-	-	-	-
Granted during the period	130,400	10.00	-	-
Forfeited / lapsed during the period	15,000	10.00	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Options outstanding at March 31,	**115,400**	**10.00**	-	-
Exercisable at March 31,	-	10.00	-	-

The options outstanding as at March 31, 2023 had an exercise price of Rs.10 (March 31, 2022: Nil) and the weighted average remaining contractual life of 7.15 years (March 31, 2022: Nil).

D Expense recognised in the consolidated Ind AS statement of profit and loss

The expense recognised for employee services received during the year is shown in the following table :

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Expense arising from equity settled share based payment transaction (refer note 34)	13.91	0.16

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48 Capital management

The Group's capital management is intended to create value for the shareholders by facilitating the meeting of long term and short term goals of the Group.

The Group determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and long term and short term bank borrowings

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders of the Group.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenants are complied with.

(Rs. in million)

Particulars	**March 31, 2023**	**March 31, 2022**
Borrowings (refer note 19 and 23)	2,627.61	2,725.99
Less: Cash and cash equivalents (refer note 13)	352.71	480.44
Net debt (A)	**2,274.90**	**2,245.55**
Capital components		
Equity share capital (refer note 16)	128.85	128.85
Other equity (refer note 17)	1,978.32	1,910.83
Total capital (B)	**2,107.17**	**2,039.68**
Capital and net debt (C = (A+B))	**4,382.07**	**4,285.23**
Gearing ratio (D=(A/C))	**52%**	**52%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and year ended March 31, 2022.

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CENTUM ELECTRONICS LIMITED

49 Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments of the Group and provides additional information on balance sheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.3(b) and 2.3(o), to the consolidated Ind AS financial statements

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2023 and March 31, 2022

As at March 31, 2023 (Rs. in million)

Particulars	Fair value through statement of profit or loss	Fair value through statement of other comprehensive income	Derivative instruments not in hedging relationship	Amortised cost	Total fair value	Total carrying value
Financial assets						
(i) Investments (other than investments in associates)	13.81	-	-	-	13.81	13.81
(ii) Trade receivables	-	-	-	4,115.27	4,115.27	4,115.27
(iii) Cash and cash equivalents	-	-	-	352.71	352.71	352.71
(iv) Bank balances other than cash and cash equivalents	-	-	-	262.20	262.20	262.20
(v) Other financial assets	-	0.02	-	290.85	290.87	290.87
Total	**13.81**	**0.02**	-	**5,021.03**	**5,034.86**	**5,034.86**
Financial liabilities						
(i) Borrowings	-	-	-	2,627.61	2,627.61	2,627.61
(ii) Lease liabilities	-	-	-	453.37	453.37	453.37
(iii) Trade payables	-	-	-	2,109.71	2,109.71	2,109.71
(iv) Put option liability	-	-	141.12	-	141.12	141.12
(v) Other financial liabilities	-	-	-	375.92	375.92	375.92
Total	-	-	**141.12**	**5,566.61**	**5,707.73**	**5,707.73**

As at March 31, 2022 (Rs. in million)

Particulars	Fair value through statement of profit or loss	Fair value through statement of other comprehensive income	Derivative instruments not in hedging relationship	Amortised cost	Total fair value	Total carrying value
Financial assets						
(i) Investments (other than investments in associates)	13.78	-	-	-	13.78	13.78
(ii) Trade receivables	-	-	-	2,768.14	2,768.14	2,768.14
(iii) Cash and cash equivalents	-	-	-	480.44	480.44	480.44
(iv) Bank balances other than cash and cash equivalents	-	-	-	333.81	333.81	333.81
(v) Other financial assets	-	-	-	364.42	364.42	364.42
Total	**13.78**	-	-	**3,946.81**	**3,960.59**	**3,960.59**
Financial liabilities						
(i) Borrowings	-	-	-	2,725.99	2,725.99	2,725.99
(ii) Lease liabilities	-	-	-	475.57	475.57	475.57
(iii) Trade payables	-	-	-	1,140.83	1,140.83	1,140.83
(iv) Put option liability	-	-	272.94	-	272.94	272.94
(v) Other financial liabilities	-	-	-	325.62	325.62	325.62
Total	-	-	**272.94**	**4,668.01**	**4,940.95**	**4,940.95**

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49 **Disclosures on Financial instruments (continued)**

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

(Rs. in million)

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
March 31, 2023				
Financial assets				
Investments (other than investments in associates)	13.81	-	-	13.81
Derivative assets	0.02	-	0.02	-
Financial liabilities				
Borrowings	2,627.61	-	2,627.61	-
Put option liability	141.12	-	141.12	-
March 31, 2022				
Financial assets				
Investments (other than investments in associates)	13.78	-	-	13.78
Financial liabilities				
Borrowings	2,725.99	-	2,725.99	-
Put option liability	272.94	-	272.94	-

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2023 and March 31, 2022

(c) Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets including trade receivables, other financial assets and cash and bank balances derived from its operations

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to.

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan
(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance

Market risk
Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy

(a) Market risk- Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in million)

Particulars	Increase / decrease in basis points	Effect on profit before tax
March 31, 2023		
	+50	(5.27)
	-50	5.27
March 31, 2022		
	+50	(4.89)
	-50	4.89

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

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49 **Disclosures on Financial instruments (continued)**

(b) Market risk- Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates

Foreign currency exposure
The following table demonstrate the unhedged exposure in USD / EURO exchange rates as at March 31, 2023 and March 31, 2022 The group's exposure to foreign currency changes for all other currencies are not material

(Amount in million)

Particulars	Currency	March 31, 2023	March 31, 2022
Trade payables and borrowings (including short term borrowing and long term borrowing)	USD	(20.02)	(18.06)
Trade receivables and cash and cash equivalents	USD	10.77	5.69
Net assets / (liabilities) in USD in million	USD	(9.25)	(12.37)
Net assets / (liabilities) in Rs. in million	INR	(760.52)	(934.77)

(Amount in million)

Particulars	Currency	March 31, 2023	March 31, 2022
Trade payables and borrowings (including short term borrowing and long term borrowing)	EUR	(2.71)	(1.39)
Trade receivables and cash and cash equivalents	EUR	1.46	1.88
Net assets / (liabilities) in EUR in million	EUR	(1.25)	0.49
Net assets / (liabilities) in Rs. in million	INR	(111.59)	41.02

Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities excluding derivative assets The Group's exposure to other currency is not material

(Rs. in million)

Particulars	Change in currency	Effect on profit or loss	
		Strengthening	Weakening
March 31, 2023			
USD	5%	(38.03)	38.03
EURO	5%	(5.58)	5.58
March 31, 2022			
USD	5%	(46.74)	46.74
EURO	5%	2.05	(2.05)

The sensitivity analysis has been based on the composition of the financial assets and liabilities at March 31, 2023 and March 31, 2022 of entities within the Group having exposure other than their functional currency The period end balances are not necessarily representative of the average debt outstanding during the period

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, investments, cash and cash equivalents and derivatives.

The carrying value of financial assets represents the maximum credit risk The maximum exposure to credit risk was Rs 5,034.86 million and Rs 3,960.59 million as at March 31, 2023 and March 31, 2022, respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments (other than investments in associates) and other financial assets

Customer credit risk is managed by each entity / business unit based on the Group's established policy, procedures and control relating to customer credit risk management An impairment analysis is performed at each reporting date on an individual basis for major customers The Group does not hold collateral as security Also refer note 12

With respect to trade receivables, the Group has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required The Group creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix

Credit risk from balances with bank and financial institutions and in respect to loans and security deposits is managed by the Group's treasury department in accordance with the Group's policy Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments

The Group have made certain strategic investments which have been approved by the Board of Directors

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S.N. Sabboi & Associates LLP Bengaluru

CENTUM ELECTRONICS LIMITED *

49 Disclosures on Financial instruments (continued)

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital limits from various banks. The Group invests its surplus funds in bank fixed deposit, which carry no or low market risk.

The Group monitors its risk of a shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, etc. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be medium.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Group's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

(Rs. in million)

Particulars	0-1 years	1 to 5 years	> 5 years	Total
March 31, 2023				
Borrowings	2,047.99	577.58	2.04	2,627.61
Lease liabilities	91.79	267.80	114.08	473.67
Trade payables	2,109.71	-	-	2,109.71
Other financial liabilities	517.04	-	-	517.04
	4,766.53	845.38	116.12	5,728.03
March 31, 2022				
Borrowings	1,910.25	815.74	-	2,725.99
Lease liabilities	120.03	267.35	107.80	495.18
Trade payables	1,140.83	-	-	1,140.83
Other financial liabilities	598.56	-	-	598.56
	3,769.67	1,083.09	107.80	4,960.56

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Centum Electronics Limited
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2023

50 Disclosure under Ind AS 115

a) Timing of revenue recognition

March 31, 2023 (Rs. in million)

Particulars	Performance obligation satisfied at point in time	Performance obligation satisfied over time*	Total
Sale of products	6,008.73	-	6,008.73
Sale of services	-	2,833.23	2,833.23
Management fees	-	79.95	79.95
Sales commission	11.24	-	11.24
Income from foreign subsidies	-	296.54	296.54
Total	**6,019.97**	**3,209.72**	**9,229.69**

March 31, 2022 (Rs. in million)

Particulars	Performance obligation satisfied at point in time	Performance obligation satisfied over time*	Total
Sale of products	4,571.95	-	4,571.95
Sale of services	-	2,761.81	2,761.81
Management fees	-	105.10	105.10
Sale of scrips	4.29	-	4.29
Sales commission	12.21	-	12.21
Income from foreign subsidies	-	344.04	344.04
Total	**4,588.45**	**3,210.95**	**7,799.40**

* The Group recognises revenue from these sources over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

b) Contract Balances:

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Trade receivables (including unbilled revenue) (refer note 12)		
- Non-current (gross)	286.83	269.12
- Current (gross)	3,927.07	2,593.04
- *Impairment allowance (allowance for bad and doubtful debts)*	(98.63)	(94.02)
Contract Liabilities		
Deferred revenue (refer note 26)		
- Current	485.91	385.20
Advance from customers (refer note 26)		
- Non-current	167.39	77.30
- Current	1,082.66	755.38

c) Revenue recognised during the year

(Rs. in million)

	March 31, 2023	March 31, 2022
Arising out of contract liabilities as at the beginning of the year	670.26	390.00
	670.26	**390.00**

d) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to Rs Nil (March 31, 2022: Rs. Nil)

S.R. Batliboi & Associates LLP Bengaluru

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Centum Electronics Limited

51 Interests in material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

1 Details of material partly-owned subsidiaries

(Rs. in million)

Particulars	Country of incorporation and operation	March 31, 2023	March 31, 2022
Centum Adetel Group SA	France	77.77%	64.66%

2 Accumulated balances of material non-controlling interest:

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Centum Adetel Group SA*	(69.63)	(73.89)

* Before consolidation adjustments

3 (Loss) / profit allocated to material non-controlling interest:

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Centum Adetel Group SA*	(23.36)	(210.34)

* Before consolidation adjustments

4 Summarised financial position

The summarised financial position of the subsidiary is provided below. This information is based on amounts before inter-company eliminations and consolidation adjustments.

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Non-current assets		
Property, plant and equipment	63.83	85.46
Other intangible assets	141.72	196.82
Intangible assets under development	227.56	120.14
Right-to-use assets	415.23	432.59
Financial and other assets	554.98	525.99
Total	**1,403.32**	**1,360.99**
Current assets		
Inventories	231.73	234.36
Financial and other assets	2,279.00	2,398.64
Total	**2,510.73**	**2,632.99**
Non-current liabilities		
Financial liabilities (including borrowings)	922.81	1,153.98
Other liabilities	23.67	70.35
Total	**946.48**	**1,224.33**
Current liabilities		
Financial liabilities (including borrowings)	1,799.22	1,612.98
Other liabilities	1,481.57	1,365.77
Total	**3,280.79**	**2,978.75**
Total equity	(313.23)	(209.09)
Attributable to:		
Equity holders of parent	(243.60)	(135.20)
Non-controlling interests	(69.63)	(73.89)

51 Interests in material partly-owned subsidiaries (continued)

5 Summarised statement of profit and loss

The summarised financial statement of profit and loss of the subsidiary is provided below. This information is based on amounts before inter-company eliminations and consolidation adjustments.

(Rs. in million)

	Particulars	March 31, 2023	March 31, 2022
I	**Income**		
	Revenue from operations	4,204.14	4,556.35
	Other Income	7.49	23.94
	Finance Income	6.77	7.28
	Total Income	**4,218.39**	**4,587.57**
II	**Expenses**		
	Cost of materials consumed	1,145.28	1,332.04
	(Increase) / decrease in inventories of work-in-progress and finished goods	(0.77)	(3.69)
	Employee benefit expenses	2,384.96	2,423.62
	Finance costs	112.72	114.55
	Depreciation and amortisation expenses	206.47	193.72
	Other expenses	479.33	503.84
	Total Expenses	**4,327.99**	**4,564.09**
III	Share of profit / (loss) of associates (net)	12.44	(45.74)
IV	**(Loss) / profit before exceptional items and tax (I-II+III)**	(97.16)	(22.26)
V	Exceptional items	-	585.19
VI	**(Loss) / profit before tax expense (IV-V)**	(97.16)	(607.45)
VII	Tax Expenses	-	-
VIII	**(Loss) / profit after tax for the year (VI-VII)**	(97.16)	(607.45)
IX	**Other comprehensive income / (expense) (net of tax)**		
	(A) Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
	(i) Exchange differences on translation of foreign operations	(6.63)	12.26
X	**Total comprehensive income for the year (VIII + IX)**	(103.79)	(595.19)
	Attributable to non-controlling interest	(23.36)	(210.34)

6 Summarised cashflow information:

(Rs. in million)

Particulars	March 31, 2023	March 31, 2022
Cash flow from operating activities	519.53	334.30
Cash flow from investing activities	(104.87)	(104.06)
Cash flow from financing activities	(528.43)	(225.94)
Net (decrease) / increase in cash & cash equivalents	**(113.77)**	**4.30**

S.R. Batliboi & Associates LLP Bengaluru

CENTUM ELECTRONICS LIMITED

52 Previous year numbers have been reclassified/regrouped wherever necessary to confirm to current year classifications.

53 Hedging activities and derivatives

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. These derivative instruments are not designated as cash flow / fair value hedges and are entered into for periods consistent with foreign currency exposure of underlying transactions. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

(Rs in million)

Particulars	**March 31, 2023**	**March 31, 2022**
Derivative assets (refer note 14)	0.02	-

54 As at March 31, 2023, trade payables amounting to Rs. 82.54 million, advance from customers amounting to Rs 141.62 million and trade receivables amounting to Rs. 60.16 million towards purchase and sale of goods and services respectively, which are outstanding beyond permissible time period stipulated under the Master Circular on Import of Goods and Services and Master Circular on Export of Goods and Services issued by Reserve Bank of India ('the RBI'). Considering that the balances are outstanding for more than the stipulated time, the Company is in the process of intimating the appropriate regulatory authorities and seeking requisite approvals for extensions. The management is confident that required approvals would be received and penalties, if any that may be imposed on the Company would not be material. Accordingly, no adjustments have been made by the management to these consolidated Ind AS financial statements in this regard.

55 Other statutory information

(i) The Holding Company and its subsidiary incorporated in India does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Holding Company and its subsidiary incorporated in India does not have any transactions with companies struck off.

(iii) The Holding Company and its subsidiary incorporated in India does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory

(iv) The Holding Company and its subsidiary incorporated in India has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) Following are the details of the funds advanced by the Holding Company to Intermediaries for further advancing to the Ultimate beneficiaries:

(Euro, in million)

Name of the	**Date of funds**	**Amount of funds**	**Date on which**	**Amount of funds**	**Ultimate**
Centum Electronics UK Limited	May 04, 2022	1.60	June 16, 2022	1.60	Shareholders of Centum Adetel Group SA
	November 04, 2022	0.08	November 07, 2022	0.08	

The Holding Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and The Companies Act, 2013 for the above transactions and the transactions are not violative of the Prevention of Money laundering Act, 2022 (15 of 2003).

Complete details of the Intermediary and Ultimate Beneficiary:

Name of the entity	**Registerd**	**Government**	**Relationship with**
Centum Electronics UK Limited	16 Great Queen Street, Covenat Garden, London,	10186046	Subsidiary

As detailed above, the Ultimate Beneficiaries are shareholders of Centum Adetal Group from whom the Company through its step down subsidiary Centum Electronics UK Limited have further acquired additional stake of Centum Adetal Group during the year.

(vi) The Holding Company and its subsidiary incorporated in India has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Holding Company and its subsidiary incorporated in India has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Group has not been declared as a wilful defaulter by any banks or financial institutions.

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56 **Events after the reporting period**
The board of directors have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting. Refer note 18 for details.

57 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these consolidated Ind AS financial statements have been rounded off or truncated as deemed appropriate by the management of the Group.

As per our report of even date.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207

S. R. Batliboi & Associates LLP Bengaluru

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Whole Time Director
DIN: 00288551

Indu H S
Company Secretary
Membership number: F12285

K.S. Desikan
Chief Financial Officer

Place: Bengaluru, India
Date: May 27, 2023

Place: Bengaluru, India
Date: May 27, 2023

CENTUM ELECTRONICS LIMITED

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of Centum Electronics Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Centum Electronics Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and its associates, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2022, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group and its associates in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to the note no 54 to the accompanying consolidated Ind AS financial statements for the year ended March 31, 2022 which describes the uncertainties and management assessment of the financial impact of the outbreak of Corona virus (COVID-19) on the business operations, liquidity position 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 opinion is not modified in respect of this matter.

S.R. Batliboi & Associates LLP
Bengaluru

S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identity No. AAB-4295
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Allowance for inventory obsolescence (as described in Note 2.3(m), 11 and 41 of the consolidated Ind AS financial statements)	
The Group held an inventory balance of Rs. 2,248.25 million as at March 31, 2022, as disclosed in Note 11 and is a material balance for the Group. Inventory obsolescence allowance is determined using policies/methodologies that the Group deems appropriate to the business. Significant judgement is exercised by the management in identifying the slow-moving and obsolete inventories and in assessing whether provision for obsolescence for slow moving, excess or obsolete inventory items should be recognized considering the production plan, forecast inventory usage, committed and expected orders, alternative usage, etc. Considering that the aforesaid assessment process is complex and involves significant estimates and judgements and the balance of inventory is material, we have identified this as a key audit matter.	• Our procedures in relation to evaluate the allowance of inventories included: • We obtained an understanding of how the management identifies the slow-moving and obsolete inventories and assesses the amount of allowance for inventories; • We assessed and tested the design and operating effectiveness of the Company's internal financial controls over the allowance for inventory obsolescence. • We observed the inventory count performed by management and assessed the physical condition of the inventories; • We also assessed allowance policy based on historical sales performance of the products in their life cycle and comparing the actual loss to historical allowance recognized, on a sample basis; • We further tested the ageing of the inventories and the computation of the obsolescence level on a sample basis; • We have tested a sample of inventory items for significant components to assess the cost and tested the basis of determination of net realisable value of inventory, on a sample basis.

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<table>
<tr><td></td><td>We also assessed the Group's disclosures concerning this in Note 41 on significant accounting estimates and judgements and Note 11 on Inventories to the consolidated Ind AS financial statements.</td></tr>
<tr><td colspan="2"><u>Impairment of Goodwill and Intangible assets</u> (as described in Note 2.3(j), 2.3(n), 4a, 4b, 4c and 41 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Group's balance sheet includes Rs 376.23 million of goodwill, Rs. 416.42 million of intangible assets and Rs. 120.14 million of intangible assets under development representing 9.89% of total Group assets. In accordance with Ind AS, these balances are allocated to Cash Generating Units (CGUs) which are tested annually for impairment using discounted cash-flow models of each CGU's recoverable value compared to the carrying value of the assets. A deficit between the recoverable value and the CGU's net assets would result in impairment.

The determination of recoverable amounts, being the higher of fair value less cost to sale and value in use involves reliance on management's estimates of future cash flows and their judgment with respect to the CGU's performance. Significant judgements are required to determine the key assumptions used in the discounted cash flow models, such as revenue growth, price, terminal value and discount rates. Due to the uncertainty of forecasting and discounting future cash flows, being inherently subjective, the level of management's judgement involved and the materiality of the goodwill and intangible assets to the Group's consolidated Ind AS financial statements as a whole as at March 31, 2022, we have considered this as a key audit matter.

The basis of impairment of goodwill and intangible assets is presented in the accounting policies in Note 2.3(j) and 2.3(n) to the consolidated Ind AS financial statements.</td><td>Our procedures in relation to evaluate the impairment of goodwill and intangible assets included:
We assessed whether the Company's accounting policy with respect to impairment is in accordance with Ind AS 36 "Impairment of assets".
We assessed the Group's methodology applied in determining the CGUs to which goodwill is allocated.
We have carried out assessment of forecasts of future cash flows prepared by the management, evaluating the assumptions and comparing the estimates to externally available industry, economic and financial data.
We have also assessed the valuation methodology and the key assumptions adopted in the cash flow forecasts with the support of our in-house valuation experts.
We also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used.
We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were appropriate.
We discussed with senior management personnel, the justification for the key assumptions underlying the cashflow projections and performed sensitivity analysis on the same to assess their reasonableness.
We tested the arithmetical accuracy of the financial projection model.
We assessed the Group's disclosures concerning this in Note 41 on significant accounting estimates and judgements and Note 4a, 4b and 4c pertaining to the disclosures of goodwill, intangible assets and intangible assets under development respectively to the consolidated Ind AS financial statements.</td></tr>
</table>

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Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is

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not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial

S.R. Batliboi & Associates LLP Bengaluru

year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the consolidated financial statements and other financial information, in respect of two subsidiaries located outside India (one of the said subsidiary has 6 underlying subsidiaries and 2 associates) whose consolidated financial statements (before adjustments for consolidation) include total assets of Rs 4,925.59 million as at March 31, 2022, and total revenue from operations of Rs 4,556.30 million and net cash outflows of Rs 1.06 million for the year ended on that date. These consolidated financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of such other auditors.

These subsidiaries and associates are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements 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 audited these conversion adjustments made by the Holding Company's management. Our opinion 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 audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

S.R. Batliboi & Associates LLP Bengaluru

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matter described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group and its associates;

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company and its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and its associates, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated Ind AS financial statements – Refer note 45(c)(iv) to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer note 21, 25 and 53 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group and its associates

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary , incorporated in India during the year ended March 31, 2022.

S.R. Batliboi & Associates LLP Bengaluru

iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, other than as disclosed in the note 56(v) to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, other than as disclosed in the note 56(vi) to the consolidated Ind AS financial statements, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) As stated in the note 18 to the consolidated Ind AS financial statements,the final dividend paid during the year by the Holding company and the final dividend proposed by the Board of Directors for the year which is subject to approval of members at the ensuing Annual General Meeting, is in compliance with section 123 of the Act to the extent it applies to payment / declaration of dividend.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sandeep Karnani

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 22061207AJNQWR9475
Place of Signature: Bengaluru
Date: May 24, 2022

S.R. Batliboi & Associates LLP
Bengaluru

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Annexure I referred to in clause 1 of paragraph on the 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Centum Electronics Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, and based on the consideration of reports of auditors in respect of subsidiaries, we state that the qualifications or adverse remarks by the respective auditors in their reports on Companies (Auditor's Report) Order, 2020 of the companies included in the Consolidated Ind AS Financial Statements are:

Sl.No	Name	CIN	Holding company/ subsidiary	Clause number of the CARO report which is qualified or is adverse
1	Centum Electronics Limited	L85110KA1993PLC013869	Holding company	Clause 3(vii)(a)

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 22061207AJNQWR9475
Place of Signature: Bengaluru
Date: May 24, 2022

S.R. Batliboi & Associates LLP Bengaluru

Annexure II to the Independent Auditor's Report of even date on the consolidated Ind AS Financial Statements of Centum Electronics Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Centum Electronics Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary company, (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

S.R. Batliboi & Associates LLP Bengaluru

Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31,2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. Batliboi & Associates LLP Bengaluru

per Sandeep Karnani
Partner
Membership Number: 061207
UDIN: 22061207AJNQWR9475
Place of Signature: Bengaluru
Date: May 24, 2022

Consolidated Ind AS Balance Sheet as at March 31, 2022

(Rs. in million)

	Notes	March 31, 2022	March 31, 2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,119.54	1,184.19
(b) Capital work-in-progress	3a	0.09	20.86
(c) Goodwill on consolidation	4a	376.23	376.23
(d) Other intangible assets	4b	416.42	409.21
(e) Intangible assets under development	4c	120.14	171.27
(f) Right-of-use assets	44	481.07	555.94
(g) Financial assets			
(i) Investment in associates	5	59.15	464.83
(ii) Other investments	6	13.78	23.11
(iii) Other financial assets	7	552.28	335.04
(h) Deferred tax assets (net)	8	31.58	22.10
(i) Non-current tax assets (net)	9	48.89	33.54
(j) Other non-current assets	10	41.84	14.36
Total non-current assets		3,261.01	3,610.68
(2) Current assets			
(a) Inventories	11	2,248.25	1,941.88
(b) Financial assets			
(i) Trade receivables	12	1,992.79	2,161.21
(ii) Cash and cash equivalents	13	480.44	411.48
(iii) Bank balances other than cash and cash equivalents	13	93.66	187.08
(iv) Other financial assets	14	827.64	1,105.94
(c) Other current assets	15	325.82	386.43
Total current assets		5,968.60	6,194.02
Total assets (1+2)		9,229.61	9,804.70
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	128.85	128.85
(b) Other equity	17	1,910.83	2,101.99
Equity attributable to equity holders of the parent		2,039.68	2,230.84
Non-controlling interests		(54.48)	170.41
Total equity		1,985.20	2,401.25
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	815.74	1,088.62
(ii) Lease liabilities	44	355.54	419.24
(b) Deferred tax liabilities (net)	8	48.82	70.52
(c) Net employee defined benefit liabilities	20	58.28	57.22
(d) Provisions	21	70.35	32.28
(e) Government grants	22	26.57	34.44
Total non-current liabilities		1,375.30	1,702.32
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	1,910.25	2,095.17
(ii) Lease liabilities	44	120.03	139.64
(iii) Trade payables	24	1,140.83	1,086.69
(iv) Other financial liabilities	25	598.56	733.20
(b) Other current liabilities	26	1,778.58	1,322.96
(c) Government grants	22	7.87	7.87
(d) Net employee defined benefit liabilities	27	6.51	6.27
(e) Provisions	28	274.59	227.70
(f) Liabilities for current tax (net)	29	31.89	82.23
Total current liabilities		5,869.11	5,701.13
Total equity and liabilities (1+2+3)		9,229.61	9,804.70

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of the consolidated Ind AS financial statements.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

S.R. Batliboi & Associates LLP Bengaluru

per Sandeep Karnani
Partner
Membership number: 061207

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Director
DIN: 00288551

Indu H S
Company Secretary
Membership number: A35396

K.S. Desikan
Chief Financial Officer

Place: Bengaluru
Date: May 24, 2022

Place: Bengaluru
Date: May 24, 2022

Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Statement of Profit and loss for the year ended March 31, 2022

(Rs. in million)

		Notes	March 31, 2022	March 31, 2021
I	**Income**			
	Revenue from operations	30	7,799.40	8,174.30
	Other income	31	47.05	38.39
	Finance income	32	33.19	19.52
	Total income		**7,879.64**	**8,232.21**
II	**Expenses**			
	Cost of materials consumed	33a	3,065.02	3,275.18
	(Increase) / decrease in inventories of work-in-progress and finished goods	33b	(45.44)	179.02
	Employee benefit expenses	34	3,194.85	3,018.39
	Finance costs	35	263.48	295.21
	Depreciation and amortisation expenses	36	431.93	453.01
	Other expenses	37	842.54	806.40
	Total expenses		**7,752.38**	**8,027.21**
III	**Profit / (loss) before share of profit/(loss) of associates, exceptional items and tax (I - II)**		**127.26**	**205.00**
IV	Share of (loss) / profit of associates (net)	5a	(45.74)	(10.71)
V	**Profit / (loss) before exceptional items and tax (III - IV)**		**81.52**	**194.29**
VI	Exceptional items (net)	38	(603.54)	-
VII	**(Loss) / profit before tax (V - VI)**		**(522.02)**	**194.29**
VIII	**Tax expenses**	39		
	(a) Current tax		57.49	85.09
	(b) Adjustment of tax relating to earlier period		(11.05)	2.69
	(c) Deferred tax (credit) / expense		(33.81)	(13.88)
IX	**(Loss) / profit for the year (VII - VIII)**		**(534.65)**	**120.39**
X	**Other comprehensive income (net of tax)**			
	(A) Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	(i) Exchange differences on translation of foreign operations		16.85	(7.70)
	(ii) Income tax effect		-	-
	(B) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	(i) Remeasurement gains / (losses) on defined benefit plans	43b(ii)	10.00	1.52
	(ii) Income tax effect	39	(2.63)	(0.44)
	Other comprehensive income for the year, net of tax		**24.22**	**(6.62)**
	(Loss) / profit for the year		**(534.65)**	**120.39**
	Attributable to			
	a) Equity holders of the parent		(305.43)	171.56
	b) Non-controlling interests		(229.22)	(51.17)
	Other comprehensive income for the year		**24.22**	**(6.62)**
	Attributable to			
	a) Equity holders of the parent		19.89	(13.77)
	b) Non-controlling interests		4.33	7.15
	Total comprehensive income for the year (IX + X)		**(510.43)**	**113.77**
	Attributable to			
	a) Equity holders of the parent		(285.54)	157.79
	b) Non-controlling interests		(224.89)	(44.02)

Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Statement of Profit and loss for the year ended March 31, 2022

(Rs. in million)

		Notes	March 31, 2022	March 31, 2021
XI	**Earnings per equity share (nominal value of Rs 10 each)**			
	Earnings per share (Rs.) :	40		
	Basic and diluted, computed on the basis of profit / (loss) attributable to equity holders of the parent (per equity share of Rs.10 each)			
	- Basic		(23.70)	13.31
	- Diluted		(23.70)	13.30
	Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the consolidated Ind AS financial statements

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership number: 061207

S.R. Batliboi & Associates LLP Bengaluru

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Director
DIN: 00288551

Indu H S
Company Secretary
Membership number: A35306

K.S. Desikan
Chief Financial Officer

Place: Bengaluru
Date: May 24, 2022

Place: Bengaluru
Date: May 24, 2022

Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Statement of Cash Flows for the year ended March 31, 2022

(Rs. in million)

	March 31, 2022	March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before tax expenses	(522.02)	194.29
Non-cash adjustments to reconcile profit (loss) before tax to net cash flows:		
Depreciation and amortisation expenses	431.93	453.01
Provisions / liabilities no longer required, written back	(28.90)	(8.61)
Fair value (gain) / loss on financial instruments	(0.15)	(2.17)
Net foreign exchange differences (unrealised)	5.24	4.31
Provision for expected credit losses / bad debts written off	83.81	101.05
Employee share based compensation cost	0.16	0.49
Government grants	(7.87)	(9.95)
Provision for dimunition in the value of investment / receivables	372.77	-
Loss on sale / discard of property, plant and equipment	0.92	-
Provision for dimunition in the value of loans	6.06	-
Provision for settlement of claims	132.22	-
Provision for impairment of unbilled revenue	34.48	-
Finance income	(33.19)	(19.52)
Finance costs	229.57	292.63
Share of loss / (profit) of associates	45.74	10.71
Operating profit / (loss) before working capital changes	**750.77**	**1,016.24**
Working capital adjustments:		
(Increase) / decrease in inventories	(310.80)	421.32
Decrease / (increase) in trade receivables non-current/current financial and other assets	184.48	389.44
Increase / (Decrease) in trade payables, provisions and other liabilities	514.39	(930.49)
Cash generated from / (used in) operations	**1,138.84**	**896.51**
Direct taxes paid (net of refunds)	(103.97)	(90.48)
Net cash flow from / (used in) operating activities	**1,034.87**	**806.03**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets and capital advances	(187.53)	(246.18)
Proceeds from sale of property, plant and equipment	3.56	-
Proceeds from sale of investments	-	527.54
Sale / (purchase) of investments	9.31	(222.64)
Loan to related party	-	(5.80)
Investment in bank deposit (having original maturity of more than three months) and other bank balances	6.28	16.51
Interest received	19.06	17.90
Government grant received	-	32.12
Net cash flow (used in) / from investing activities	**(149.32)**	**119.45**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / repayments of long term borrowings (net)	(219.53)	118.60
Proceeds / repayment of short term borrowings (net)	(204.97)	(257.74)
Payment of lease liabilities	(143.89)	(176.00)
Finance costs paid	(217.87)	(286.35)
Dividend paid (including amount transferred to Investor Education & Protection Fund)	(25.53)	(58.18)
Net cash flow (used in) / from financing activities	**(811.79)**	**(659.67)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	73.76	265.81
Cash and cash equivalents at the beginning of the year	411.48	136.02
Effect of exchange differences on cash and cash equivalents held in foreign currency	(4.79)	9.65
Cash and cash equivalents at the end of the year	**480.44**	**411.48**
Total cash and cash equivalents (Note 13)	**480.44**	**411.48**

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Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS Statement of Cash Flows for the year ended March 31, 2022

Explanatory notes to statement of cash flows

1. Changes in liabilities arising from financing activities.-

(Rs. in million)

Particulars	Liabilities arising from financing activities				
	Long term borrowings (including current maturities of long term borrowings) (refer note 19 and 23)	**Unpaid dividend on equity shares (refer note 25)**	**Short term borrowings excluding current maturities of long term borrowings (refer note 23)**	**Lease liabilities (refer note 44)**	**Derivatives not designated as hedges - Interest rate swap (refer note 53)**
As at April 1, 2021	1,382.30	2.65	1,801.49	558.88	0.15
Cash flows	(219.53)	(25.53)	(204.97)	(143.89)	-
Non-cash changes					
Foreign exchange fluctuations (gain) / loss	(21.58)	-	(7.06)	(9.29)	-
Interest accrued but not due	-	-	(4.66)	-	-
Changes in fair values	-	-	-	13.14	(0.15)
Reversal of lease liabilties	-	-	-	(73.55)	-
Additions to lease liabilities (refer note 44)	-	-	-	130.28	-
Dividend declared during the year	-	25.77	-	-	-
As at March 31, 2022	**1,141.19**	**2.89**	**1,584.80**	**475.57**	**-**
As at April 1, 2020	1,221.49	2.85	2,024.71	477.78	2.00
Cash flows	118.60	(58.18)	(257.74)	(176.00)	-
Non-cash changes					
Foreign exchange fluctuations (gain) / loss	42.21	-	18.18	15.04	-
Interest accrued but not due	-	-	16.34	-	-
Changes in fair values	-	-	-	15.68	(1.85)
Additions to lease liabilities (refer note 44)	-	-	-	226.38	-
Dividend declared during the year	-	57.98	-	-	-
As at March 31, 2021	**1,382.30**	**2.65**	**1,801.49**	**558.88**	**0.15**

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of the consolidated Ind AS financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W / E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership number: 061207

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Director
DIN: 00288551

Indu H S
Company Secretary
Membership number: A35306

K.S. Desikan
Chief Financial Officer

Place: Bengaluru
Date: May 24, 2022

Place: Bengaluru
Date: May 24, 2022

Centum Electronics Limited
Corporate Identity Number (CIN): L85110KA1993PLC013869
Consolidated Ind AS statement of changes in equity for the year ended March 31, 2022

(a Equity share capital

Equity shares of Rs 10 each issued, subscribed and fully paid

Particulars	Number	Rs. in million
At April 01, 2020	12,884,841	128.85
Issue of share capital (refer note 16)	-	-
At March 31, 2021	12,884,841	128.85
Issue of share capital (refer note 16)	-	-
At March 31, 2022	12,884,841	128.85

(b Other equity

(Rs. in million)

Particulars	Equity portion of put option liability (refer note 17)	Attributable to equity shareholders						Total Other equity (A)	Non-controlling interests (B)	Total equity (A+B)
		Reserves and surplus								
		Securities premium (refer note 17)	General reserve (refer note 17)	Retained earnings (refer note 17)	Share based payments reserve (refer note 17)	Capital reserve (refer note 17)	Foreign currency translation reserve (refer note 17)			
For the year ended March 31, 2022										
As at April 01, 2021	(281.34)	28.07	440.26	1,864.35	2.11	46.35	2.19	2,101.99	170.41	2,272.40
(Loss) profit for the year	-	-	-	(305.43)	-	-	-	(305.43)	(229.22)	(534.65)
Other comprehensive income*	-	-	-	7.37	-	-	12.52	19.89	4.33	24.22
Restatement of put options to fair value (refer note 25 (1))	119.23	-	-	-	-	-	-	119.23	-	119.23
Cash dividends (refer note 18)	-	-	-	(25.77)	-	-	-	(25.77)	-	(25.77)
Share based payment (refer note 47)	-	-	-	-	0.16	-	-	0.16	-	0.16
Transferred to capital reserve on forfeiture of stock options	-	-	-	-	(1.95)	1.95	-	-	-	-
Others	-	-	-	0.76	-	-	-	0.76	-	0.76
As at March 31, 2022	(162.11)	28.07	440.26	1,541.28	0.32	48.30	14.71	1,910.83	(54.48)	1,856.35
For the year ended March 31, 2021										
As at April 01, 2020	(344.97)	28.07	440.26	1,750.13	1.62	46.35	1.08	1,922.54	248.25	2,170.79
(Loss) profit for the year	-	-	-	171.56	-	-	-	171.56	(51.17)	120.39
Other comprehensive income*	-	-	-	1.08	-	-	(14.85)	(13.77)	7.15	(6.62)
Exercise of put options by non-controlling interest shareholders	63.63	-	-	-	-	-	-	63.63	(33.82)	29.81
Transfer of exchange loss to statement of profit - (loss) on exercise of put options	-	-	-	-	-	-	15.96	15.96	-	15.96
Cash dividends (refer note 18)	-	-	-	(57.98)	-	-	-	(57.98)	-	(57.98)
Share based payment (refer note 47)	-	-	-	-	0.49	-	-	0.49	-	0.49
Others	-	-	-	(0.44)	-	-	-	(0.44)	-	(0.44)
As at March 31, 2021	(281.34)	28.07	440.26	1,864.35	2.11	46.35	2.19	2,101.99	170.41	2,272.40

*As required under Ind AS compliant Schedule III, the Company has recognised remeasurement gains (losses) of defined benefit plans as part of retained earnings

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of the consolidated Ind AS financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership Number: 061207

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: May 24, 2022

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Director
DIN: 00288551

Indu H S
Company Secretary
Membership number: A35306

K.S. Desikan
Chief Financial Officer

Place: Bengaluru
Date: May 24, 2022

1. Corporate information

Centum Electronics Limited ("Centum" or "the Company" or "the Holding Company) is a public limited company domiciled in India. The registered office of the Company is located at Bangalore, India. Its equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India.

The Company along with its subsidiaries ("the Group") and its associates (hereinafter collectively referred to as "the Group"), are primarily involved in the design and manufacture of advanced microelectronics modules, systems, subsystems and printed circuit board assembly catering to the Defence, Aerospace, Transportation and Industrial electronics markets. Centum is headquartered in Bangalore, India.

The consolidated Ind AS financial statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on May 24, 2022.

The Holding Company has been registered under the provisions of Micro, Small and Medium Enterprise Development Act ("MSMED") Act, 2006 and has obtained the Udyam registration number ("URN") UDYAM - KR– 03-0005545 on August 12, 2020

2. Significant accounting policies

The significant accounting policies applied by the Group in the preparation of its consolidated Ind AS financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated Ind AS financial statements, unless otherwise indicated.

2.1. Basis of Consolidation

The consolidated Ind AS financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Consolidated Ind AS Financial Statement (CFS).

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

The functional and presentation currency of the Group is Indian Rupee ("Rs.") which is the currency of the primary economic environment in which the Group operates and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee):
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated Ind AS financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group

S.R. Batliboi & Associates LLP
Bengaluru

member's financial statements in preparing the consolidated Ind AS financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated Ind AS financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated Ind AS financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when
- control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.2. Changes in accounting policies and disclosures:

<u>New standards and amendments</u>:

(i) Interest Rate Benchmark Reform - Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments have no impact on the consolidated Ind AS financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

S.R. Batliboi & Associates LLP Bengaluru

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI.

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e., definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the consolidated Ind AS financial statements of the Company.

(iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no significant impact on the consolidated Ind AS financial statements of the Group.

(iv) Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the consolidated financial statements of the Group.

(v) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the consolidated Ind AS financial statements of the Group.

2.3 Summary of significant accounting policies

a. Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

S.R. Batliboi & Associates LLP Bengaluru

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method after making necessary adjustments to achieve uniformity in application of accounting policies. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c. Current versus non-current classification

The Group presents assets and liabilities in the consolidated Ind AS balance sheet based on current/ non-current classification. An asset is treated as current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle.
ii. Held primarily for the purpose of trading,
iii. Expected to be realised within twelve months after the reporting period, or
iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
i. It is expected to be settled in normal operating cycle.
ii. It is held primarily for the purpose of trading.
iii. It is due to be settled within twelve months after the reporting period, or
iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Advance tax paid is classified as non-current assets.

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The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

d. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities:

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable: and

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated Ind AS financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments (including those carried at amortised cost)

e. Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

<u>Sale of products and services</u>

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

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Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Fixed price contracts

These contracts which have a performance obligation either provide for the fixed price for the entire project or a price defined in a framework agreement for each type of service ordered by the customer as the project is performed. Revenues from fixed price contracts is recognised based on the stage of completion and the expected profit on completion. Depending on the contracts, the degrees of progress is determined according to the input method (notably according to the costs borne by the project and hours spent) or the output method (notably according to the deliverables made). In the event of an unexpected excess of total contract costs over total contract revenues, the expected losses on completion are provisioned.

Time and material contracts

These contracts, which are subject to best efforts clause, have a variable price determined according to the time spent and the seniority of the staff employed for these projects. Revenues generated by time and material contracts is recognised as the services are performed.

Scrip Sales
Export entitlements in the form of Merchandise Export from India (MEIS) are recognized in the consolidated Ind AS statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Management fees income

Income from management fees is recognised as per the terms of the agreement on the basis of services rendered.

Interest income

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Rental income

Rental income from lease of premises under operating lease is recognized in the income statement on a straight line basis over the term of the lease.

Commission income

Commission income is recognised at the time when services are rendered in accordance with the rates as per the agreements entered into with the parties.

Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer (which consist of unbilled revenue). If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.
Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (q) Financial instruments.

Trade receivables
A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (q) Financial instruments.

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Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

f. **Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

g. **Taxes on income**

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Group's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment..

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the consolidated Ind AS financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h. **Non-current assets held for sale / disposal**

The Group classifies non-current assets as held for sale / disposal if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets,

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its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset.
b) An active programme to locate a buyer and complete the plan has been initiated.
c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value.
d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated Ind AS balance sheet.

i. Property, plant and equipment ('PPE')

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at March 31, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 1, 2016.

Capital work in progress includes cost of property, plant and equipment under installation / under development net of accumulated impairment loss, if any, as at the balance sheet date. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

For domestic entities, the depreciation on the Property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013 except in case of certain Plant and equipment (including the related intellectual property), which the Group, based on technical assessment made by the technical expert and management estimate, depreciates over estimated useful lives of 8 years which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

Land is carried at historical cost and is not depreciated. Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Machinery spares are depreciated on a systematic basis over the period of the remaining useful life of the fixed assets for which they are utilised.

For overseas subsidiaries and associates, the Group provides depreciation based on estimated useful lives of the property, plant and equipment as determined by the management of such subsidiaries and associates. In view of different sets of environment in which such foreign subsidiaries and associates operate in their respective countries, depreciation is provided based on local laws and management estimates. These entities follow straight line method of depreciation spread over the useful life of each individual asset.

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The estimated useful lives of the assets considered by aforementioned entities is as follows:

Asset category	Years	
	Minimum	Maximum
Plant & equipments	3	5
Electrical installation	5	10
Furniture & fixtures	5	10
Office equipments	3	8
Computer	3	5
Buildings	30	30

j. **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

A summary of the policies applied to the Group's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Goodwill (including goodwill arising on consolidation)	Indefinite	No amortisation	Acquired
Customer relationship	Definite (8 years)	Straight-line basis	Acquired
Computer software	Definite (5 years)	Straight-line basis	Acquired
Intellectual property rights	Definite (8 years)	Straight-line basis	Acquired

k. **Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. **Leases**

The Group has lease contracts for office spaces various items of plant and machinery, computers and other equipments. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.
If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

ii)Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m. Inventories

Inventories are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

a) Raw materials and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
b) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Cost of raw materials, stores and spares work-in-progress and finished goods is determined on a weighted average basis.

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Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

n. Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, intangible assets, including goodwill and investments in associates to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and
ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net fair value less costs of disposal and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

o. Provisions and contingent liabilities

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated Ind AS statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated Ind AS financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated Ind AS statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund and pension fund are defined contribution scheme. The Group has no obligation, other than the contribution payable. The Group recognizes contribution payable to provident fund and pension fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

The Group presents the leave as a current liability in the consolidated Ind AS balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated Ind AS balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

a) The date of the plan amendment or curtailment, and
b) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated Ind AS statement of profit and loss:

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a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b) Net interest expense or income.

q. **Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated Ind AS statement of profit and loss.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section 2.3.(e) Revenue recognition.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Investment in equity instruments issued by associates are measured at cost less impairment.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(i) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets excluding investment in associates

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit and loss.

The Group recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Financial Instruments.

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For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.
If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in consolidated Ind AS statement of profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the consolidated Ind AS statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

b) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated Ind AS statement of profit and loss.

Put Option Liability

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies to non-controlling interests are accounted for as financial liabilities when such options may only be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary. The financial liability for such put option is accounted for under IND AS 109.

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The amount that may become payable under the option on exercise is initially recognised at fair value under other financial liabilities with a corresponding charge directly to equity. All subsequent changes in the carrying amount of the financial liability are recognised in other equity attributable to the parent. The entity recognises both the non-controlling interest and the financial liability under the NCI put. It continues to measure non-controlling interests at proportionate share of net assets.

If the put option is exercised, the entity accounts for an increase in its ownership interest. At the same time, the entity derecognises the financial liability and recognises an offsetting credit in the same component of equity reduced on initial recognition. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated Ind AS balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r. Derivative financial instruments

The Group uses derivative financial instruments, such as interest rate swaps to hedge its interest fluctuation risks, etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through consolidated Ind AS statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Refer to Note 53 for more details.

s. Cash and cash equivalents

Cash and cash equivalent in the consolidated Ind AS balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

t. Share-based payments

Certain employees of the Group are entitled to share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

u. Cash dividend

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v. Foreign currencies

The Group's consolidated Ind AS financial statements are presented in INR, which is also the Holding company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each

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entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances:

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated Ind AS financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies:

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated Ind AS statement of profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

w. Research and development expenditure

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale
ii. Its intention to complete the asset
iii. Its ability to use or sell the asset
iv. How the asset will generate future economic benefits
v. The availability of adequate resources to complete the development and to use or sell the asset
vi. The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the consolidated Ind AS statement of profit and loss. During the period of development, the asset is tested for impairment annually.

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x. **Corporate social responsibility ('CSR') expenditure**

The Group charges its CSR expenditure during the year to the consolidated Ind AS statement of profit and loss.

y. **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the parent by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.4 Standard notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022.

i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Group.

iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company.

iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Group.

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2.5 The entities consolidated in the consolidated Ind AS financial statements are listed below:

Sl No.	Name of the Entity	Country of Incorporation	Relationship as at March 31, 2022	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		Net Assets, i.e. total assets minus total liabilities*				Share in total comprehensive income*			
								March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021	
				March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	As a % of consolidated net assets	Rs. in million	As a % of consolidated net assets	Rs. in million	As % of total comprehensive income	Rs. in million	As % of total comprehensive income	Rs. in million
	Parent														
1	Centum Electronics Limited	India	Holding Company					85.51%	2,645.23	71.48%	2,546.70	-27.92%	124.14	120.00%	249.83
	Indian Subsidiaries														
2	Centum Adeneo India Private Limited ('CAIPL')	India	Subsidiary	100.00%	100.00%	100.00%	100.00%	0.01%	0.19	-0.12%	(4.27)	-1.00%	4.46	2.83%	5.68
	Foreign Subsidiaries														
3	Centum Electronics UK Limited	United Kingdom	Subsidiary	100.00%	100.00%	100.00%	100.00%	21.25%	657.24	18.80%	669.76	2.82%	(12.52)	6.39%	12.82
4	Centum Adetel Group SA[1]	France	Subsidiary	64.66%	64.66%	64.66%	64.66%								
5	Centum Adeneo SAS[1]	France	Subsidiary	64.66%	64.66%	100.00%	100.00%								
6	Centum Adeneo CRD SAS[1]	France	Subsidiary	64.66%	64.66%	100.00%	100.00%								
7	Centum Adetel Transportation System SAS[1]	France	Subsidiary	64.66%	64.66%	100.00%	100.00%								
8	Centum Adetel Synergies SARL[1]	France	Subsidiary	0.00%	64.66%	0.00%	100.00%								
9	Centum Adetel Solution[1]	Canada	Subsidiary	64.66%	64.66%	100.00%	100.00%								
10	Centum Adetel Equipment[1]	Canada	Subsidiary	64.66%	64.66%	100.00%	100.00%	-6.77%	(209.09)	9.85%	350.79	126.10%	(560.71)	-29.22%	(58.64)
11	Centum Adetel Belgium[1]	Belgium	Subsidiary	64.66%	64.66%	100.00%	100.00%								
	Foreign Associates														
12	Aucar Energy SAS[1]	France	Associate	19.69%	19.69%	30.45%	30.45%								
13	HOLIWATT (formerly known as Centum Adetel Transportation SAS)[1,2]	France	-	0.00%	22.63%	0.00%	35.00%								
	Sub Total							**100.00%**	**3,093.57**	**100.00%**	**3,562.98**	**100.00%**	**(444.63)**	**100.00%**	**209.67**
	Add / Less: Non controlling interests in all subsidiaries								54.48		(170.41)		224.89		44.42
	Consolidation adjustments/ eliminations**								(1,162.85)		(991.32)		(65.80)		(96.30)
	Total								1,985.20		2,401.25		(285.54)		157.79

* The figures have been considered from the respective financial statement

** Consolidation adjustments/ eliminations include intercompany eliminations and consolidation adjustmen

The financial statements of subsidiaries have been drawn up to the same reporting date as of the Company, i.e. March 31, 2022. There is a quarter lag in the reporting dates of the associates with that of the parent Company whose management certified financial statements for the year / period ended on and as at December 31 were considered for the purpose of consolidated Ind AS financial statements of the Group.

Notes:

1 The amounts for net assets / (liabilities) and net profit / (loss) of Centum Adetel Group SA and its subsidiaries, joint ventures and associates (refer Sl. No. 4 to 13 above) have been presented on a consolidated ba

2 During the year ended March 31, 2022, the Commercial Court of Lyon has announced opening of judicial recovery based on which the entire shareholding has been transferred to Forsee Power and accordingly it has ceased to become an associate. Also refer note 5 and 38 for further de

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Centum Electronics Limited
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2022

3. Property, plant and equipment

(Rs. in million)

	Freehold land	Leasehold improvements	Building	Plant and equipments	Electrical installations	Computers	Office equipments	Furniture and fixtures	Vehicles	Leasehold land	Total
At cost/ deemed cost											
As at April 1, 2020	5.69	19.01	535.59	849.85	204.72	63.50	65.27	54.94	6.44	114.61	1,919.62
Additions	-	-	0.89	84.96	0.35	2.14	1.11	2.73	10.29	-	102.47
Exchange differences - translation adjustment	0.04	-	1.24	9.18	4.86	1.69	1.23	-	0.06	-	18.30
Disposals	-	(4.00)	-	-	(2.86)	(11.77)	-	-	-	-	(18.63)
As at March 31, 2021	5.73	15.01	537.72	943.93	207.07	55.56	67.61	57.67	16.79	114.61	2021.76
Additions	-	-	3.81	71.76	18.22	4.43	1.33	0.95	22.38	-	122.88
Exchange differences - translation adjustment	(0.02)	-	(0.69)	1.19	(0.67)	(0.36)	(0.12)	-	0.02	-	(0.65)
Disposals	-	-	-	(4.96)	-	-	-	-	-	-	(4.96)
As at March 31, 2022	5.71	15.01	540.84	1011.92	224.62	59.63	68.82	58.62	39.19	114.61	2138.97
Accumulated Depreciation											
As at April 1, 2020	-	10.92	70.86	344.12	118.89	51.96	49.51	13.87	6.21	-	666.34
Charge for the year	-	3.94	18.80	117.65	16.74	6.17	7.57	5.54	1.94	-	178.35
Exchange differences - translation adjustment	-	-	0.68	4.26	4.01	1.40	1.05	-	0.05	-	11.45
Disposals	-	(4.00)	-	-	(2.86)	(11.77)	-	-	-	-	(18.63)
As at March 31, 2021	-	10.86	90.34	466.03	136.78	47.76	58.13	19.41	8.20	-	837.51
Charge for the year	-	3.92	19.26	122.76	15.54	4.86	6.67	5.55	4.69	-	183.25
Exchange differences - translation adjustment	-	-	(0.44)	0.40	(0.59)	(0.05)	(0.20)	-	0.02	-	(0.86)
Disposals	-	-	-	(0.47)	-	-	-	-	-	-	(0.47)
As at March 31, 2022	-	14.78	109.16	588.72	151.73	52.57	64.60	24.96	12.91	-	1019.43
Net block											
As at March 31, 2022	5.71	0.23	431.68	423.20	72.89	7.06	4.22	33.66	26.28	114.61	1,119.54
As at March 31, 2021	5.73	4.15	447.38	477.90	70.29	7.80	9.48	38.26	8.59	114.61	1,184.19

Notes:

(a) Karnataka Industrial Area Development (KIADB) has allotted land to the Group on a lease cum sale basis i.e. 24,280.60 sq. mts at Plot No. 58-P Bengaluru Aerospace Park, Industrial Area for a period of 10 years w.e.f December 18, 2013. The aggregate capitalized cost of the land at the end of the year is Rs. 114.61 million (March 31, 2021: 114.61 million). The agreement gives a right to the Group to acquire land at the end of the lease term at an additional consideration, if any fixed by KIADB, after reducing the amount already paid.

(b) Property, plant and equipments and other intangible assets of the Group have been pledged / mortgaged as securities against borrowings. Refer note 19 and 23 for details of borrowings.

(c) The Group during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendment rules issued thereafter. The Group had availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment has been carried forward at the amount as determined under the previous GAAP as at April 01, 2016.

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3a. Capital work in progress

(Rs. in million)

	Capital work-in-progress
April 1, 2020	**13.51**
Additions	109.76
Capitalised during the year	(102.41)
As at March 31, 2021	**20.86**
Additions	102.13
Exchange differences - translation adjustment	(0.02)
Capitalised during the year	(122.88)
As at March 31, 2022	**0.09**

Capital work in progress ageing schedule as at March 31, 2022:

(Rs. in million)

	Amount of Capital work in progress for a period of				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	0.09	-	-	-	0.09
Projects temporarily suspended	-	-	-	-	-
	0.09	**-**	**-**	**-**	**0.09**

Capital work in progress ageing schedule as at March 31, 2021:

(Rs. in million)

	Amount of Capital work in progress for a period of				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	20.86	-	-	-	20.86
Projects temporarily suspended	-	-	-	-	-
	20.86	**-**	**-**	**-**	**20.86**

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4a. Goodwill on consolidation

	(Rs. in million)
	Goodwill on consolidation
At cost	
As at April 1, 2020	376.23
Additions / disposals	-
As at March 31, 2021	376.23
Additions / disposals	-
As at March 31, 2022	376.23
Net block	
As at March 31, 2022	376.23
As at March 31, 2021	376.23

Notes:

The Company has investments in Centum Electronics UK Limited, which in turn has made investment in Centum Adetel Group SA. The Group has accounted a goodwill of Rs. 376.23 million and has a carrying value of intangible assets (including intangible assets under development) of Rs. 458.04 million, as at March 31, 2022 (March 31, 2021: Rs. 489.56 million) arising pursuant to the acquisition of Centum Adetel Group SA.

During the year ended March 31, 2021, the Board of Directors of Company had further acquired 10.51% stake of Centum Adetel Group SA through Centum Electronics UK Limited from other shareholders of Centum Adetel Group SA.

Centum Adetel Group SA and its underlying subsidiaries have incurred losses. However, based on internal assessment performed as at March 31, 2022 with regard to future operations and external valuation by an expert, the management of the Group is of the view that the carrying value of the aforesaid Goodwill on consolidation is appropriate.

4b. Other intangible assets

(Rs. in million)

Particulars	Acquired goodwill	Computer software	Intellectual property rights (including R&D credits)	Customer relationships	Total
At cost/ deemed cost					
As at April 1, 2020	36.35	220.98	1,093.81	481.92	1,833.06
Additions	-	23.27	26.51	-	49.78
Exchange differences - translation adjustment	-	5.54	37.91	-	43.45
Disposals	-	-	-	-	-
As at March 31, 2021	36.35	249.79	1,158.23	481.92	1,926.29
Additions	-	3.99	125.77	-	129.76
Exchange differences - translation adjustment	-	(2.50)	(19.59)	-	(22.09)
Disposals	-	-	-	-	-
As at March 31, 2022	36.35	251.28	1,264.41	481.92	2,033.96
Accumulated Amortisation					
As at April 1, 2020	-	167.02	961.53	225.90	1,354.45
Charge for the year	-	18.44	46.50	60.24	125.18
Exchange differences - translation adjustment	-	5.31	32.14	-	37.45
Disposals	-	-	-	-	-
As at March 31, 2021	-	190.77	1,040.17	286.14	1,517.08
Charge for the year	-	19.18	42.47	60.24	121.89
Exchange differences - translation adjustment	-	(2.61)	(18.82)	-	(21.43)
Disposals	-	-	-	-	-
As at March 31, 2022	-	207.34	1,063.82	346.38	1,617.54
Net block					
As at March 31, 2022	36.35	43.94	200.59	135.54	416.42
As at March 31, 2021	36.35	59.02	118.06	195.78	409.21

Notes:

(a) The Group had entered into a business transfer agreement with Centum Industries Private Limited, an enterprises where key managerial personnel or their relatives exercise significant influence, on December 1, 2015 for the purchase of business on slump sale. As per the terms of agreement, the Group had purchased the net assets pertaining to plastic and defence and space of Centum Industries Private Limited for an aggregate consideration Rs. 57.00 million, which was arrived at based on the business valuation done by an independent professional firm. The valuation ascribed to assets taken over by an independent professional valuer resulted in the aforesaid goodwill.

The aforementioned goodwill is tested for impairment annually. As at March 31, 2022 and March 31, 2021 the goodwill is not impaired.

(b) The Group during the year ended March 31, 2018 had adopted Ind AS under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendment rules issued thereafter. The Group had availed the exemption available under Ind AS 101, wherein the carrying value of other intangible assets / goodwill has been carried forward at the amount as determined under the previous GAAP as at April 01, 2016.

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4c. Intangible assets under development

(Rs. in million)

	Intangible assets under development
As at April 1, 2020	**100.64**
Exchange differences - translation adjustment	3.48
Additions	116.93
Capitalised during the year	(49.78)
As at March 31, 2021	**171.27**
Exchange differences - translation adjustment	(3.17)
Additions	81.80
Capitalised during the year	(129.76)
As at March 31, 2022	**120.14**

Intangible assets under development ageing schedule as at March 31, 2022:

(Rs. in million)

	Amount of Intangible asset under development for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**> 3 years**	**Total**
Projects in progress	45.62	41.66	27.88	3.30	118.47
Projects temporarily suspended	-	-	-	1.68	1.68
	45.62	**41.66**	**27.88**	**4.98**	**120.14**

Intangible assets under development ageing schedule as at March 31, 2021:

(Rs. in million)

	Amount of Intangible asset under development for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**> 3 years**	**Total**
Projects in progress	93.67	50.48	21.10	4.31	169.56
Projects temporarily suspended	-	-	0.43	1.28	1.71
	93.67	**50.48**	**21.53**	**5.59**	**171.27**

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5 Investment in Associates

(i) Details of Associates

Name of the Entity	Place of Business [2]	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting right held as at		Nature of Activities	Accounting Method
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021		
(a) Material associates: HOLIWATT (formerly known as Centum Adetel Transportation SAS) [3,4,5]	France	-	22.63%	-	35%	Engaged in engineering and manufacturing of energy conversion and storage systems for rolling stock railway markets	Equity Method
(b) Other associates: Ausar Energy SAS [3]	France	19.69%	19.69%	30.45%	30.45%	Engaged in the consulting, engineering, research and development in Energy sector	Equity Method

Notes:

1 Aggregate amount of unquoted investment in associates Rs. 59.15 million (March 31, 2021 Rs. 464.83 million)

2 The country of incorporation of the above entity is same as its principal place of business

3 There is a quarter lag in the reporting dates of the associates with that of the parent Company whose management certified financial statements for the year period ended on and as at December 31, were considered for the purpose of consolidated Ind AS financial statements of the Group

4 Refer note 38

5 During the year ended March 31, 2020, the management of the Group, entered into an agreement for sale of 65% stake in HOLIWATT (formerly known as Centum Adetel Transportation SAS), subsidiary of Centum Adetel Group SA.

The management of the Group had a put option to sell its remaining 35% stake at a fixed price amounting to EUR 3.96 million plus interest at the rate of 6% p.a and other receivables of EUR 0.5 million. Further the management had assessed that they exercised significant influence control over HOLIWATT and had accordingly treated the same as investment in associates in the consolidated Ind AS financial statements of the Group during the year ended March 31, 2021

During the quarter ended June 30, 2021, HOLIWATT had been placed in specific insolvency statutes, allowing HOLIWATT to commence negotiation with other parties including its shareholders. During the year ended March 31, 2022, the Commercial Court of Lyon announced the opening of judicial recovery process and accordingly based on the internal assessment, the management of the Group has provided the carrying value of its investment and receivables in HOLIWATT amounting to Rs. 436.84 million and the same has been disclosed as exceptional item in the consolidated Ind AS financial statements during the year ended March 31, 2022

During the year ended March 31, 2022, the Group has accounted Rs. 25.97 million in regard to the commission to the recruited bankers for the sale of HOLIWATT shares and the same has been disclosed as exceptional item in the consolidated Ind AS financial statements during the year ended March 31, 2022

(ii) Summarised financial information for material associates

(Rs. in million)

	HOLIWATT	
Particulars	March 31, 2022	March 31, 2021
Current assets	-	311.94
Non-current assets	-	424.64
Current liabilities	-	317.96
Non-current liabilities	-	12.72
Net assets	-	405.90

(iii) Reconciliation of carrying amounts of material associates

(Rs. in million)

	HOLIWATT	
Particulars	March 31, 2022	March 31, 2021
Net assets(a)	-	405.90
Proportion of the group's ownership (b)	-	35.00%
Group's share (a*b)	-	142.07
Equity infusion made post reporting date of associate^^^ (refer note 42)	-	74.97
Exchange differences - Translation adjustment	-	9.82
Fair value changes	-	141.99
Carrying amount of the investment	-	368.85

^^^ The Group has made a further investment of EUR 0.88 million in two tranches i.e January 2021 and March 31, 2021. The investments made in the previous year had not been included as part of net assets of HOLIWATT due to quarter lag in the reporting dates

5 **Investment in Associates**

(iv) Summarised Statement of Profit & Loss of material associates

(Rs. in million)

Particulars	HOLIWATT March 31, 2022	HOLIWATT March 31, 2021
Revenue	-	376.91
Cost of sales	-	427.66
Finance cost	-	0.27
Other expense (net of other income)	-	154.94
Profit / (loss) for the year before tax	-	**(205.96)**
Income Tax	-	(43.98)
Profit / (loss) for the year	-	**(161.98)**
Other comprehensive income	-	16.79
Total comprehensive income for the year	-	**(145.19)**
Group's share of profit / (loss) for the year*	-	**(56.69)**
Group's share of total comprehensive income for the year	-	**(50.81)**

*The Group has not accounted for the aforesaid loss in the consolidated Ind AS financial statements for reasons as detailed in note 5 above

(v) Financial information in respect of other associates

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
Aggregate carrying amount of investments in equity shares of individually immaterial associates	-	27.44
Investment at amortised cost		
Investment in 800,000 (March 31, 2021: 800,000) unquoted bonds of Euro 1 in Ausar Energy SAS*	59.15	68.54
Total investment in other associates	59.15	95.98
Aggregate amount of group's share of:		
- (Loss) / profit for the year	(45.74)	(10.71)
- Other comprehensive income for the year	(0.23)	4.03
- Total comprehensive income for the year	(45.97)	(6.68)

*During the year ended March 31, 2022, the Group has an accrued interest on bonds amounting to Rs. 9.14 million which has been included in the carrying value of investment

(vi) Contingent liabilities of associates

The associate had no contingent liabilities as at March 31, 2022 and March 31, 2021. The Group has no contingent liabilities relating to its interests in its associates.

(vii) Commitments of / towards associates

The associate had no commitments as at March 31, 2022. The Group has no commitments relating to its interests in its associates

(viii) Carrying amount of investments in associates and others

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
Material associates	-	368.85
Other associates	59.15	95.98
Total	**59.15**	**464.83**

(ix) Share in profits / (loss) of associates (net)

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
Material associate*	-	(56.69)
Fair value changes	-	56.69
Other associates	(45.74)	(10.71)
Total	**(45.74)**	**(10.71)**

*Refer note 38

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6 Financial assets: Other Investments

(Rs. in million)

	March 31, 2022	March 31, 2021
Unquoted		
Investment carried at fair value through consolidated statement of profit or loss		
Investments in equity shares of Qulsar Inc. [1] 74,184 (March 31, 2021: 74,184) equity shares of USD 0.01 each, fully paid up	13.26	13.26
Investment in Mutual Fund		
Aditya Birla Sun Life Corporate Bond[2] Nil (March 31, 2021: 108,515.69) units of Rs. Nil each (March 31, 2021: Rs.85.90)	-	9.32
Investments in other companies	0.52	0.53
Total	**13.78**	**23.11**
Aggregate value of unquoted investments	13.78	23.11

1. The Group has investments in Qulsar Inc. 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 Group's investment in Qulsar Inc. approximates the fair value as on the reporting dates.

2. Refer note 19(4)(e) for details of lien.

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7 Other non - current financial assets

(Rs. in million)

	March 31, 2022	March 31, 2021
Unsecured, considered good unless otherwise stated		
Carried at amortised cost		
Security deposits - others (refer note 42)	39.49	45.55
Subsidy receivable	98.72	136.25
Non-current bank balance (refer note 13)	240.15	153.24
Unbilled revenue (refer note 42)[1]	173.92	-
	552.28	335.04

1. Unbilled revenue consists of contract assets, that primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date.

8 Deferred tax

(Rs. in million)

		March 31, 2022		March 31, 2021	
		Deferred tax asset	Deferred tax liabilty	Deferred tax asset	Deferred tax liabilty
Deferred tax liability					
Property, plant and equipments and Intangible assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting		-	(48.82)	-	(70.52)
Sub - total	(A)	-	(48.82)	-	(70.52)
Deferred tax liability (net)			(48.82)		(70.52)
Deferred tax asset					
Property, plant and equipments and Intangible assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting		-	(32.43)	-	(40.61)
Leases		-	(3.02)	-	(0.23)
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis		33.52	-	30.93	-
Impact on account of provision for expected credit losses		10.06	-	15.64	-
Impact of deferred revenue		16.83	-	14.64	
Others		6.62	-	1.73	-
Sub - total	(B)	67.03	(35.45)	62.94	(40.84)
Deferred tax assets (net)		31.58		22.10	
Total	(A+B)	67.03	(84.27)	62.94	(111.36)
(Deferred tax liability) / Deferred tax assets (net)		(17.24)		(48.42)	
Movement for the year		31.18		13.44	
Reconciliation to the consolidated statement of profit and loss from continuing and discontinued operations					
Movement during the year as above		(31.18)		(13.44)	
Tax expense / (income) during the year recognized in OCI		2.63		0.44	
(Credit) / expense during the year		(33.81)		(13.88)	

9 Non-current tax assets (net)

(Rs. in million)

	March 31, 2022	March 31, 2021
Advance income tax (net of provision for current tax and including tax paid under protest)	48.89	33.54
	48.89	33.54

10 Other non-current assets

(Rs. in million)

		March 31, 2022	March 31, 2021
Capital advances		-	0.50
Unsecured, considered good			
	(A)	-	0.50
Prepaid expenses		37.84	8.37
	(B)	37.84	8.37
Balances with statutory / government authorities			
Unsecured, considered good		4.00	5.49
	(C)	4.00	5.49
Total other non-current assets	(A+B+C)	41.84	14.36

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11 **Inventories (valued at lower of cost and net realisable value)**

(Rs. in million)

	March 31, 2022	March 31, 2021
Raw materials	1,687.62	1,427.18
[Includes raw material in transit Rs 109.56 million (March 31, 2021 Rs.90.00 million)]		
Work-in-progress	495.27	449.71
Finished goods	64.58	64.70
Stores and spares	0.78	0.29
	2,248.25	1,941.88

12 **Trade receivables**

(Rs. in million)

	March 31, 2022	March 31, 2021
Carried at amortised cost		
Receivables from related parties (refer note 42)	101.95	119.05
Other trade receivables	1,890.84	2,042.16
Total Trade receivables	1,992.79	2,161.21

Break-up for security details:

	March 31, 2022	March 31, 2021
Trade receivables:		
Unsecured, considered good	1,986.35	2,148.05
Trade Receivables - which have significant increase in credit risk	100.46	92.05
Trade Receivables - credit impaired	-	-
	2,086.81	2,240.10
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit risk	(94.02)	(78.89)
Trade Receivables - credit impaired	-	-
Total trade receivables	1,992.79	2,161.21

- The carrying amount of trade receivables include receivables amounting to Rs. 856.98 million (March 31, 2021: Rs. 751.42 million) which are subject to factoring arrangement entered into with the factoring agency / bank. Under this arrangement, the Group has transferred the relevant receivables to the bank in exchange of cash and transfered all rights and actions attached to the aforementioned receivables. As the risk for non recovery lies with the Group, it continues to recognise the transferred assets in its entirety in balance sheet. The amount repayable under the factoring arrangement is presented as unsecured borrowing in note 23.

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

- Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.
- The following table summarises the changes in the loss allowance measured using ECL:

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
Opening balance	78.89	120.35
Amount provided/ (reversed) during the year	(3.10)	92.44
Amount utilised during the year	18.23	(133.90)
Closing provision	94.02	78.89

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12.1 Trade receivables ageing schedule

As at March 31, 2022

(Rs. in million)

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,449.81	320.20	121.43	67.29	0.85	26.76	**1,986.35**
Undisputed Trade receivables - which have significant increase in credit risk	-	-	25.35	26.54	9.25	39.32	**100.46**
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**1,449.81**	**320.20**	**146.78**	**93.83**	**10.10**	**66.09**	**2,086.81**

As at March 31, 2021

(Rs. in million)

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,243.56	657.65	197.39	9.71	9.54	30.20	**2,148.05**
Undisputed Trade receivables - which have significant increase in credit risk	-	-	19.33	46.91	16.04	9.77	**92.05**
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**1,243.56**	**657.65**	**216.72**	**56.63**	**25.58**	**39.96**	**2,240.10**

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13 Cash and cash equivalents

		March 31, 2022	March 31, 2021
			(Rs. in million)
Balances with banks			
- On current accounts[1]		413.41	364.26
- On exchange earners foreign currency (EEFC) accounts		4.56	46.02
Deposits with original maturity of less than three months		62.00	-
Cash on hand		0.47	1.20
	(A)	480.44	411.48
Bank balances other than cash and cash equivalents			
Balance with banks			
- On current account[1]		2.89	2.65
- On margin money accounts[2]		330.92	337.67
		333.81	340.32
Less: Amount disclosed under other non current financial assets (refer note 7)		(240.15)	(153.24)
	(B)	93.66	187.08
Total cash and cash equivalents	(A+B)	574.10	598.56

1. Includes balance in unclaimed dividend account.

2. A charge has been created over the deposits towards various guarantees in favour of customer, statutory authorities and letter of credit facility.

3. Balances with banks on current accounts does not earn interest.

14 **Other current financial assets**

		March 31, 2022	March 31, 2021
			(Rs. in million)
Unsecured considered good unless otherwise stated			
Security deposits	(A)	0.66	0.34
Staff advances		1.08	1.24
Interest accrued on fixed deposits (refer note 42)		11.23	17.44
Unbilled revenue (refer note 7(1) and 42)		601.43	911.36
Subsidy receivables		170.17	127.14
Loan to related party (refer note 42)		-	6.00
Scrips receivables		43.07	42.42
	(B)	826.98	1,105.60
Total	(A+B)	827.64	1,105.94

15 **Other current assets**

	March 31, 2022	March 31, 2021
		(Rs. in million)
Unsecured considered good		
Prepaid expenses	111.22	165.16
Balances with statutory / government authorities	57.51	88.22
Advance to suppliers and other advances	157.09	133.05
	325.82	386.43

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16. Equity share capital

	Equity shares of Rs. 10 each	
	In Numbers	(Rs. in million)
Authorised share capital:		
At April 1, 2020	15,500,000	155.00
Increase / (decrease) during the year	-	-
At March 31, 2021	15,500,000	155.00
Increase / (decrease) during the year	-	-
At March 31, 2022	15,500,000	155.00

(a) Issued equity share capital:
Equity shares of Rs. 10 each issued, subscribed and fully paid

	In Numbers	(Rs. in million)
At April 1, 2020	12,884,841	128.85
At March 31, 2021	12,884,841	128.85
At March 31, 2022	12,884,841	128.85

(b) Terms/rights attached to equity shares
The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	March 31, 2022		March 31, 2021	
	No. of shares held	% holding in class	No. of shares held	% holding in class
Equity shares of Rs 10 each fully paid				
Apparao V Mallavarapu*	6,604,715	51.26%	6,604,715	51.26%
Nikhil Mallavarapu*	589,929	4.58%	589,929	4.58%
Swarnalatha Mallavarapu*	369,150	2.86%	369,150	2.86%
M S Swarnakumari*	12,684	0.10%	12,684	0.10%
HDFC Trustee Company Limited	777,740	6.04%	845,838	6.56%

*Represents shareholders in promoter's group

(d) Shares reserved for issue under options
For details of shares reserved for issue under the Share based payment plan of the Company, refer note 47(a).

17. Other equity

		(Rs. in million)
Securities premium		
At April 1, 2020		28.07
Balance as at March 31, 2021		28.07
Balance as at March 31, 2022	(A)	28.07
General reserve		
At April 1, 2020		440.26
Balance as at March 31, 2021		440.26
Balance as at March 31, 2022	(B)	440.26
Retained earnings		
At April 1, 2020		1,750.13
Profit / (loss) for the year		171.56
Less: Cash dividends		(57.98)
Add: Remeasurement gains / (losses) on defined benefit plans (net of tax)		1.08
Others		(0.44)
Balance as at March 31, 2021		1,864.35
Profit / (loss) for the year		(305.43)
Less: Cash dividends		(25.77)
Add: Remeasurement gains / (losses) on defined benefit plans (net of tax)		7.37
Others		0.76
Balance as at March 31, 2022	(C)	1,541.28

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(Rs. in million)

Share based payments reserve		
At April 1, 2020		1.62
Add: Options granted during the year		0.49
Balance as at March 31, 2021		2.11
Add: Options granted during the year		0.16
Less: Transferred to capital reserve on forfeiture of stock options		(1.95)
Balance as at March 31, 2022	(D)	0.32
Capital reserve		
At April 1, 2020		46.35
Balance as at March 31, 2021		46.35
Add: Amount transferred on forfeiture of stock options		1.95
Balance as at March 31, 2022	(E)	48.30
Equity portion of put option liability reserve (refer note 25)		
At April 1, 2020		(344.97)
Add: Exercise of put options by non-controlling interest shareholders		63.63
Balance as at March 31, 2021		(281.34)
Add: Fair value changes during the year		119.23
Balance as at March 31, 2022	(F)	(162.11)
Foreign currency translation difference account (FCTR)		
At April 1, 2020		1.08
Movement during the year		(14.85)
Transfer of exchange loss to statement of profit / (loss) on exercise of put options		15.96
Balance as at March 31, 2021		2.19
Movement during the year		12.52
Balance as at March 31, 2022	(G)	14.71
Total other equity	(A+B+C+D+E+F+G)	
Balance as at March 31, 2021		2,101.99
Balance as at March 31, 2022		1,910.83

Nature and purpose of reserves

Securities Premium
Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve
The Company created a General reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits was required to be transferred to General reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

Retained earnings
Retained Earnings are the profits of the Group earned till date net of appropriations.

Share based payments reserve
The share-based payment reserve is used to recognise the value of equity-settled share-based options provided to employees, including key management personnel, as part of their remuneration. Refer to Note 47 for further details of these plans.

Capital reserve
The Group recognizes the exercise or cancellation / lapse of vested options of the Group's equity-settled share-based payments to capital reserve.

Foreign currency translation difference account (FCTR)
Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. INR) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

18. Distribution made and proposed

(Rs. in million)

	March 31, 2022	March 31, 2021
Dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2021: Rs. 2 per share (March 31, 2020: Rs. 2.50 per share)	25.77	32.21
Interim dividend for the year ended on March 31, 2022: Rs.Nil per share (March 31, 2021: Rs. 2 per share)	-	25.77
	25.77	57.98
Proposed dividend on equity shares[1,2]		
Final dividend for the year ended on March 31, 2022: Rs 2.50 per share (March 31, 2021: Rs. 2 per share)	32.21	25.77
	32.21	25.77

1. Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31st.

2. The Board of Directors of the Company at its meeting held on May 24, 2022 had recommended a final dividend of 25 % (i.e. Rs. 2.50 per equity share) for the year ended March 31, 2022 which is in compliance with Section 123 of the Companies Act, 2013.

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ELECTRONICS

19 Non-current financial liabilities: Borrowings

(Rs. in million)

	March 31, 2022	March 31, 2021
Term loan		
From banks		
Foreign currency term loan (secured) (refer note 23 for details of Current maturities of long term borrowings)[1,2]	43.87	59.41
Foreign currency term loan (unsecured) (refer note 23 for details of Current maturities of long term borrowings)[3]	549.77	556.92
From Financial Institutions		
Indian rupee term loan (unsecured) (refer note 23 for details of Current maturities of long term borrowings)[4]	-	113.98
Bonds (secured) (refer note 23 for details of Current maturities of long term borrowings)[5]	84.09	171.36
Interest free loan from Government[6] (unsecured) (refer note 23 for details of Current maturities of long term borrowings)[6]	138.01	186.95
	815.74	1,088.62
The above amount includes		
Secured borrowings	127.96	230.77
Unsecured borrowings	687.78	857.85
	815.74	1,088.62

1. Foreign currency term loan availed by the Company amounting to Rs. Nil (March 31, 2021: Rs. 26.03 million) (including current maturities of long term borrowings amounting to Rs. Nil (March 31, 2021: Rs. 26.03 million)) represents term loan taken from a bank and secured by way of :-
(a) First pari-passu charge on current assets including stock and receivables of the Holding Company;
(b) First pari-passu charge on present and future fixed assets of the Holding Company; and
(c) First pari-passu charge by way of equitable mortgage on Land and building situated at i) No. 44, KHB Industrial Area, Yelahanka, Bangalore - 560 106 and ii) Plot No. 58-P, Bengaluru Aerospace Park Industrial Area, Sy. No. 8 - Part of Unachur Village & Sy.No. 8 - Part of Dummanahalli Village, Jala Hobli, Bengaluru North, Yelahanka Taluk, Bengaluru Urban District.The term loan carried an interest rate of 4.25% p.a. on the outstanding amount of the loan payable at quarterly rests. The term loan was repayable in sixteen equal quarterly instalments from September 2017. The loan have been repaid entirely during the year March 31, 2022.

2. Foreign currency term loans availed by Centum Adetel Group SA and its subsidiaries amounting to Rs. 118.39 million (March 31, 2021: Rs. 169.95 million) (including current maturities of long term borrowings amounting to Rs. 74.52 million (March 31, 2021: Rs. 110.54 million)) carries interest rate ranging from 0% to 8.35% p.a. (March 31, 2021: 0% to 11% p.a.) and is secured by way of respective receivables and all other assets present and future of the borrowers along with the bank guarantee.

3. Foreign currency term loan availed by Centum Adetel Group SA and its subsidiaries, amounting to Rs. 546.59 million (March 31, 2021: Rs. 556.92 million) (including current maturities of long term borrowings amounting to Rs. 122.95 million (March 31, 2021: Rs. Nil)) carries interest at 0% p.a for the first year and thereafter carries interest rate between 0.7% to 0.8% upto end of the tenure and both the loans are guaranteed to the extent of 90% by the French government within framework of the COVID -19 health crisis. The term loan is repayable in forty eight equal installments commencing from 2022 till 2026. Foreign currency term loan availed by Centum Adetel Group SA and its subsidiaries, amounting to Rs. 126.13 million which carries interest at 0% p.a. for the first year and thereafter shall carry interest rate between 0.7% and 2.35% upto the end of the tenure and will be repaid over the term of 4 years starting from 2023 till 2027.

4. The Indian rupee term loan of Rs Nil (March 31, 2021: Rs 136.57 million) including current maturity of Rs Nil (March 31, 2021: Rs 38.28 million) from a Financial Institution carried an interest rate of 12% p.a on the outstanding amount of loan payable. The term loan was repayable in Sixty One unequal monthly instalments from April 2019. The Indian rupee term loan of Rs Nil (March 31, 2021: Rs 32.61 million) including current maturity of Rs Nil (March 31, 2021 : Rs 16.92 million) from a Financial Institution carried an interest rate of Nil per annum (p.a.) (March 31, 2021: 11.75% p.a) on the outstanding amount of loan payable. The term loan was repayable in Thirty Six equal monthly instalments from February 2020. The loans were secured by :
(a) Mortgage on Residential Property of Swarnalata Mallavarapu situated at site no. A-11 and A-12, Manyatha Residency, Rachenahalli Village, K. R. Puram, Hobli, Bengaluru.
(b) Personal Guarantee of Mrs.Swarnalata Mallavarapu to be restricted to the collateral mortgaged and the value of unpaid loan.
(c) 4 undated cheques ('UDC') for Rs 50.00 Million each and 4 undated cheques of Rs 12.5 million each respectively.
(d) 3 post dated cheques ('PDC') for Rs 4.45 Million each and 2 electronic clearing service mandate form with undertaking for Rs. 1.66 million each.
(e) Invest in SIP-MF (Debt Fund) of Rs.0.5 Million per month for 24 months.
The loans have been repaid entirely during the year ended March 31, 2022.

5. Bonds amounting to Rs. 168.18 million (March 31, 2021: Rs. 235.62 million) (including current maturities amounting to Rs. 84.09 million (March 31, 2021: Rs. 64.26 million)) have a coupon rate of 4% p.a. and is secured by way of mortage of immovable properties, plant and machinery and other moveable assets of Centum Adetel Group S.A. The bond amounting to Rs. 168.18 million is payable in equal instalments in December 2022 and December 2023.

6. Interest free loan from government amounting to Rs. 181.90 million (March 31, 2021: Rs. 224.60 million) (including current maturities of long term borrowings amounting to Rs. 43.89 million (March 31, 2021: Rs. 37.65 million)) has been provided to carry out research and development activities and is payable on the successful outcome of the research and development.

20 Net employee defined benefit liabilities

(Rs. in million)

	March 31, 2022	March 31, 2021
Provision for employee benefits		
Provision for gratuity (refer note 43)	58.28	57.22
	58.28	57.22

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21 Non-current provisions

	March 31, 2022	March 31, 2021
		(Rs. in million)
Provision for employee benefits		
Provision for pension (refer note 43)	10.84	16.88
Other provisions		
Provisions for litigations and contingencies	50.45	-
Provisions for loss making contracts*	9.06	15.40
	70.35	32.28

(Rs. in million)

	Provisions for litigations and contingencies	Provisions for loss making contracts*
As at April 1, 2020	28.27	7.66
Provision made / (reversed) during the year and amount utilised during the year (net)	(28.27)	7.74
As at March 31, 2021	-	15.40
Provision made / (reversed) during the year and amount utilised during the year (net) (refer note 38)	128.40	(6.34)
As at March 31, 2022	128.40	9.06
Current	77.95	-
Non-current	50.45	9.06

*The provision for losses includes provision for estimated losses on onerous contracts

22 Government grants

	March 31, 2022	March 31, 2021
		(Rs. in million)
Government grants		
At April 1	42.31	20.14
Government grant received during the year	-	32.12
Released to statement of profit and loss	(7.87)	(9.95)
As at March 31	34.44	42.31
Current	7.87	7.87
Non - current	26.57	34.44

Government grants have been received towards the purchase and construction of certain items of property, plant and equipment under Modified Special Incentive Package Scheme (M-SIPS) as notified by Ministry of Communications and Information Technology, Department of Information Technology. As per the scheme, the Company is required to abide by all terms and conditions of M-SIPS policy, guidelines and amendments issued from time to time. The Company vide its letter of undertaking dated May 02, 2018 has agreed to comply with all terms and conditions of M-SIPS policy, guidelines and amendments issued from time to time.

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Centum Electronics Limited

23 Current financial liabilities: Borrowings

(Rs. in million)

	March 31, 2022	March 31, 2021
From banks		
Indian rupee short term loan from banks (secured)[1]	70.00	199.46
Cash credit and overdraft from banks (secured)[2,3]	78.51	68.81
Packing credit loan from banks (secured)[2]	545.14	638.85
Foreign currency non-repatriable (FCNR) loan (secured)[2]	283.70	291.31
Current maturities of long term borrowings[5] (refer note 19)	325.45	293.68
Interest payable	11.68	16.34
Customers bill discounted / factored (secured)[1]	595.77	586.72
	1,910.25	2,095.17
The above amount includes		
Secured borrowings	1,659.32	1,938.06
Unsecured borrowings	250.93	157.11
	1,910.25	2,095.17

1. Secured Indian rupee short term loan from a bank carries interest at 8.70% p.a. (March 31, 2021: 11.28% p.a). The loan is secured by way of:
(a) Charge on current assets including stock and receivables of the Company;
(b) Charge on plant and machinery and furniture and fixture of the Company; and
(c) Charge by way of equitable mortgage on Land and building situated at i) No. 44, KHB Industrial Area, Yelahanka, Bangalore - 560 106 and ii) Plot No. 58-P, Bengaluru Aerospace Park Industrial Area, Sy. No. 8 - Part of Unachur Village & Sy.No. 8 - Part of Dummanahalli Village, Jala Hobli, Bengaluru North, Yelahanka Taluk, Bengaluru Urban District.
(d) Cash collateral to the tune of Rs. 50.00 million

2. Cash credit and overdraft from banks, packing credit, FCNR loan from banks are payable on demand and are secured by way of :
(a) Hypothecation of entire stock of raw materials/work-in-progress/finished goods, receivables / book debts and other current assets / moveable fixed assets on pari passu first charge with other banks;
(b) Hypothecation of current and future fixed assets pari passu first charge with other banks;
(c) Equitable mortgage of factory land and building at No. 44, KHB Industrial Area, Yelahanka, Bangalore - 560 106 belonging to the Company, on pari passu first charge with other banks; and
(d) Equitable mortgage on leasehold rights of factory land and equitable mortgage of building at Plot No. 58-P, Bengaluru Aerospace Park Industrial Area, Sy. No. 8 - Part of Unachur Village & Sy.No. 8 - Part of Dummanahalli Village, Jala Hobli, Bengaluru North, Yelahanka Taluk, Bengaluru Urban District, belonging to the Company on pari passu first charge with other banks.

The rate of interest of Cash credit and overdraft from banks ranges from 9.70% to 9.85% p.a. (March 31, 2021: 9.70% to 10.80% p.a). The rate of interest of Packing credit from banks ranges from 2.15% to 3.35% p.a. (March 31, 2021: 2.22% to 4.09% p.a.) and that of FCNR ranges from 3.82% to 4.31% p.a. (March 31, 2021: 3.84% to 5.46% p.a.) payable on monthly basis.

3. Cash credit / overdraft from banks amounting to Rs. 0.09 million (March 31, 2021: Rs. 1.88 million) was availed by Centum Adetel Group SA.
4. Customer's bill discounted / factored receivables carries interest rate of 0.09% of the factored invoices including VAT and have recourse to Centum Adeneo Group S.A and its subsidiaries.

5. The details of current maturities of long term borrowings are as follows:

Term loan		
From banks		
Foreign currency term loan (secured)	74.52	136.57
Foreign currency term loan (unsecured)	122.95	-
From Financial Institutions		
Indian rupee term loan (unsecured)	-	55.20
Bonds (unsecured)	84.09	64.26
Interest free loan from Government (unsecured)	43.89	37.65
	325.45	293.68

24 Financial liabilities: Trade payables

(Rs. in million)

	March 31, 2022	March 31, 2021
Trade payables	1,137.64	1,076.72
Trade payables to related parties (refer note 42)	3.19	9.37
	1,140.83	1,086.09

a) Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing
- For explanations on the Group's currency and liquidity risk management processes, refer to note 49(c).
- The dues to related parties are unsecured

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24.1 Trade payable ageing schedule

As at March 31, 2022

(Rs. in million)

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed outstanding dues of creditors	1,116.79	6.53	2.19	11.39	1,136.90
Disputed outstanding dues of creditors	-	-	-	3.93	3.93
Total	1,116.79	6.53	2.19	15.32	1,140.83

As at March 31, 2021

(Rs. in million)

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed outstanding dues of creditors	1,021.61	20.38	7.40	32.77	1,082.16
Disputed outstanding dues of creditors	-	-	-	3.93	3.93
Total	1,021.61	20.38	7.40	36.70	1,086.09

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25 **Other current financial liabilities**

(Rs. in million)

	March 31, 2022	March 31, 2021
At amortised cost		
Unpaid dividends	2.89	2.65
Accrued salaries and benefits (refer note 42)	322.05	327.86
Payable for capital goods	-	4.53
Interest rate swap (refer note 53)	-	0.15
Interest others	0.68	0.68
Put option liability[1]	272.94	397.33
	598.56	733.20

Note:

1. Put option liability pertains to liabilities arising from options given to non controlling interest shareholders by one of the subsidiary of the Group as at the date of acquisition. Initially, the management of the Group recognised these liabilities at fair values in accordance with the binomial lattice model. The projections were based on estimates and assumptions which are considered reasonable by the management including volatility, up move and down move probabilities, risk free rate of return, etc.

During the year ended March 31, 2022, the put option liability has been revalued from EUR 27.00 to EUR 18.90 per option based on the fair value assessment carried out by an independent external valuer.

26 **Other current liabilities**

(Rs. in million)

	March 31, 2022	March 31, 2021
Advance from customers	832.68	410.71
Withholding and other taxes / duties payable	549.75	552.39
Deferred revenue		
Related parties (refer note 42)	9.14	3.47
Others	376.06	348.46
Other liabilities	10.95	7.93
	1,778.58	1,322.96

27 **Net current employee defined benefit liabilities**

(Rs. in million)

	March 31, 2022	March 31, 2021
Provision for employee benefits		
Provision for gratuity (refer note 43)	6.51	6.27
	6.51	6.27

28 **Current Provisions**

(Rs. in million)

	March 31, 2022	March 31, 2021
Provision for compensated absences	196.64	225.37
Provision for litigations (refer note 21)	77.95	2.33
	274.59	227.70

29 **Liabilities for current tax (net)**

(Rs. in million)

	March 31, 2022	March 31, 2021
Provision for taxation, net of advance tax	31.89	82.23
	31.89	82.23

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30 **Revenue from operations**

(Rs. in million)

	March 31, 2022	March 31, 2021
Sale of products (refer note 42)	4,571.95	5,027.30
Sale of services	2,761.81	2,640.82
Other operating revenues		
Management fees	105.10	95.14
Sale of scrips	4.29	46.01
Sales commission	12.21	19.54
Income from foreign subsidies	344.04	345.49
	7,799.40	8,174.30

1. Refer note 50 for disclosures under IND AS 115

31 **Other income**

(Rs. in million)

	March 31, 2022	March 31, 2021
Rental income (refer note 44)	3.03	3.03
Provisions / liabilities no longer required, written back	28.90	8.61
Gain on account of foreign exchange fluctuations (net)	3.49	-
Government grants (refer note 22)	7.87	9.95
Fair value gain on financial instruments	0.15	2.17
Other non-operating income	3.61	14.63
	47.05	38.39

32 **Finance income**

(Rs. in million)

	March 31, 2022	March 31, 2021
Interest income on bank deposits	14.42	17.65
Interest income on income tax refund	11.20	-
Interest Income - Others (refer note 42)	7.57	1.87
	33.19	19.52

33a **Cost of materials consumed**

(Rs. in million)

	March 31, 2022	March 31, 2021
Inventory at the beginning of the year	1,427.47	1,664.49
Add: Purchases (refer note 42)	3,325.95	3,038.16
Inventory at the end of the year	(1,688.40)	(1,427.47)
Cost of materials consumed	**3,065.02**	**3,275.18**

33b **(Increase) / decrease in inventories of work-in-progress and finished goods**

(Rs. in million)

	March 31, 2022	March 31, 2021
Inventories at the beginning of the year	514.41	693.43
- Work-in-progress / finished goods		
Less: Inventories at the end of the year	559.85	514.41
- Work-in-progress / finished goods		
(Increase) / decrease in inventories of work-in-progress and finished goods	**(45.44)**	**179.02**

34 **Employee benefits expenses**

(Rs. in million)

	March 31, 2022	March 31, 2021
Salaries, wages and bonus (refer note 42)	2,458.74	2,350.54
Contribution to provident and other funds (refer note 43)	665.12	600.37
Employee share based compensation cost (refer note 47)	0.16	0.49
Gratuity expenses (refer note 43)	18.48	17.00
Staff welfare expenses	52.35	49.99
	3,194.85	3,018.39

35 **Finance costs**

(Rs. in million)

	March 31, 2022	March 31, 2021
Interest on debt and borrowings	142.25	199.15
Interest on lease liabilities (refer note 44)	13.14	15.68
Other borrowing costs	71.15	69.86
Exchange differences regarded as an adjustment to borrowing cost	33.91	2.58
Interest on income tax	3.03	7.94
	263.48	295.21

36 **Depreciation and amortisation expenses**

(Rs. in million)

	March 31, 2022	March 31, 2021
Depreciation of tangible assets (refer note 3)	183.25	178.35
Amortisation of intangible assets (refer note 4b)	121.89	125.18
Depreciation of Right-of-use assets (refer note 44)	126.79	149.48
	431.93	453.01

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37 Other expenses

(Rs. in million)

	March 31, 2022	March 31, 2021
Rent and lease hire charges (refer note 42 and 44)	50.21	14.67
Rates and taxes	95.13	86.85
Power and fuel	55.51	53.65
Repairs and maintenance	118.50	112.02
Insurance	49.10	47.35
Legal and professional fees *	133.90	118.80
Travelling and conveyance	154.35	94.00
Purchase of services	39.80	53.53
Corporate social responsibility expenditure	6.81	4.71
Freight outwards	16.48	25.09
Foreign exchange differences (net)	-	11.76
Loss on sale/ discard of property, plant and equipment	0.92	-
Provision for expected credit losses - bad debts written off	25.80	101.05
Directors' sitting fees (refer note 42)	4.33	5.02
Miscellaneous expenses	91.70	77.90
	842.54	806.40

*** Payment to auditor (exclusive of taxes)**

(Rs. in million)

	March 31, 2022	March 31, 2021
As auditor:		
Audit fee (including fees for internal controls over financial reporting, consolidated Ind AS financial statements of the company and quarterly limited reviews)	5.20	5.20
In other capacity		
Reimbursement of expenses	0.30	0.44
	5.50	5.64

38 **Exceptional items (net)**

(Rs. in million)

	March 31, 2022	March 31, 2021
Provision for diminution in value of investment and receivables (refer note 42)[1]	436.84	-
Provision for settlement of claims[1,2]	132.22	-
Provision for impairment of unbilled revenue[2]	34.48	-
	603.54	-

1. During the year ended March 31, 2020, the management of the Group, entered into an agreement for sale of 65% stake in HOLIWATT (formerly known as Centum Adetel Transportation SAS) subsidiary of Centum Adetel Group SA.

The management of the Group had a put option to sell its remaining 35% stake at a fixed price amounting to EUR 3.96 million plus interest at the rate of 6% p.a and other receivables of EUR 0.5 million . Further the management had assessed that they exercised significant influence / control over CAT and has accordingly treated the same as investment in associates in the consolidated Ind AS financial statements of the Group during the year ended March 31, 2021.

During the quarter ended June 30, 2021, HOLIWATT had been placed in specific insolvency statutes, allowing HOLIWATT to commence negotiation with other parties including its shareholders. During the year ended March 31, 2022, the Commercial Court of Lyon announced the opening of judicial recovery process and accordingly based on the internal assessment, the management of the Group has provided the carrying value of its investment and receivables in HOLIWATT amounting to Rs. 436.84 million and the same has been disclosed as exceptional item in the consolidated Ind AS financial statements during the year ended March 31, 2022.

During the year ended March 31, 2022, the Group has accounted Rs. 25.97 million in regard to the commission to the recruited bankers for the sale of HOLIWATT shares and the same has been disclosed as exceptional item in the consolidated Ind AS financial statements during the year ended March 31, 2022.

2. During the year ended March 31, 2022, the Group has been levied a claim by one of its customers on account of certain damages in the equipment supplied to the customer. Accordingly, the Group has accounted cost of Rs. 106.25 million towards such claim which has been disclosed as exceptional item in the consolidated Ind AS financial statements during the year ended March 31, 2022.

Further the Group has made provision for aged unbilled revenue in relation to certain projects amounting to Rs. 34.48 million which has been disclosed as exceptional item in the consolidated Ind AS financial statements during the year ended March 31, 2022.

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39 **Income tax**

The domestic subsidiaries of the Group are subject to income tax in India on the basis of standalone financial statements. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

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 and its domestic subsidiary based on the current projections has chosen to adopt the reduced rates of tax as per the Income Tax Act, 1961 from the financial year 2020-21 and accordingly has accounted deferred tax asset based on the reduced applicable tax rates for domestic entities.

Income tax expenses in the consolidated Ind AS statement of profit and loss consist of the following:

(Rs. in million)

	March 31, 2022	March 31, 2021
Tax expenses		
(a) Current tax	57.49	85.09
(b) Adjustment of tax relating to earlier period	(11.05)	2.69
(c) Deferred tax expense / (credit)	(33.81)	(13.88)
(d) Deferred tax expense / (credit) related to items recognized in OCI during the year	2.63	0.44
Total taxes	**15.26**	**74.34**

Reconciliation of estimated income tax to income tax expense is as below:

(Rs. in million)

	March 31, 2022	March 31, 2021
(Loss) / profit before tax	**(522.02)**	**194.29**
Income tax expense at applicable tax rates applicable to individual entities	**(83.12)**	**85.83**
Tax effect on permanent non-deductible expenses	2.36	4.48
Adjustments in respect of current income tax of previous years	(11.05)	2.69
Impact on account of change in future tax rates	-	0.26
Impact on account of change in tax provisions	-	2.76
Others *	107.07	(21.68)
Total tax expenses	**15.26**	**74.34**
Income tax reported in the consolidated Ind AS statement of profit and loss	15.26	74.34
	-	-

Note: Certain entities of the Group have incurred losses during the relevant period, which has resulted in reduction of profit / increase of losses in the consolidated Ind AS financial statements. However, the tax liability has been discharged by the respective entities on a standalone basis. Further, in view of absence of reasonable certainty, the Group has not recognised deferred tax asset in such companies.

* Others primarily include non-recognition of deferred tax assets on loss making overseas subsidiaries.

40 **Earnings per share ('EPS')**

Basic EPS amounts are calculated by dividing the profit/ loss for the year attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2022	March 31, 2021
Profit attributable to equity holders of the parent for basic / diluted earnings per share (Rs. in million)	(305.43)	171.56
Weighted average number of equity shares used for computing EPS (basic)	12,884,841	12,884,841
Add: Effect of dilutive issues of stock options	10,279	9,474
Weighted average number of equity shares used for computing EPS (diluted)	12,895,120	12,894,315
Earnings per share - Basic	(23.70)	13.31
Earnings per share - Diluted	(23.70)	13.30

* Considering that the Company has incurred losses during the year ended March 31, 2022, the allotment of stock options would decrease the loss per share for the year ended March 31, 2022 and accordingly had not been considered for the purpose of calculation of diluted earnings per share.

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41 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include determining control over entities and accounting thereof, discontinued operations, impairment of investments and goodwill, taxes, fair value measurement of financial instruments, contingencies, defined benefit plan (gratuity benefits), provision for inventory obsolescence, revenue recognition, leases - determining the lease term of contracts with renewal and termination options – Group as lessee and estimating the incremental borrowing rate and Intangible assets under development.

(i) Judgments:

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated Ind AS financial statements:

(a) Determination of control and accounting thereof:

As detailed in the accounting policy, consolidation principles under Ind AS necessitates assessment of control of the subsidiaries independent of the majority shareholding. Consolidation principles under Ind AS are different from the previous GAAP, especially with respect to assessment of control of the subsidiaries. Based on the assessment made, the management of the Group believes that it has control over Centum Adetel Group S.A and its underlying subsidiaries. Further, the management of the Group assessed that it exercises significant influence Ausar Energy SAS, based on their assessment of the share purchase agreement.

(ii) Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of investments and goodwill

Determining whether investments and goodwill are impaired requires an estimation of the value in use of the respective asset or the relevant cash generating units. The value in use calculation is based on Discounted Cashflows Model ("DCF model"). The cash flows projections are based on estimates and assumptions which are considered as reasonable by the management and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate (i.e. 7.66% p.a) used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group (refer note 4a and 4b).

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 8 and 39 for further disclosures.

Centum Adetel Group S.A has carried forwarded tax losses. These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

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Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 49(a) for further disclosures.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 43.

Provision for inventory obsolescence

Inventory obsolescence provision are determined using policies framed by the Company and in accordance with the methodologies that the Company deems appropriate to the business. There is a significant level of judgment involved in assessing whether provision for obsolescence for slow moving, excess or obsolete inventory items should be recognized considering orders in hand, expected orders, alternative usage, etc.

Revenue recognition

The group uses the percentage-of-completion method in accounting for its fixed-price contract. Use of the percentage-of-completion method requires the Group to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Leases - Determining the lease term of contracts with renewal and termination options – Group as lessee and estimating the incremental borrowing rate

The Group determines the lease term as the non-cancellable term of the lease.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset)

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Intangible assets under development

The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. As at March 31, 2022, the carrying amount of intangible assets under development is Rs. 120.14 million (March 31, 2021: Rs. 171.27 million)

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42 Related parties

a) Names of related parties and description of relationship

Description of relationship	Name of related parties
Parties where control exists	Mr. Apparao V Mallavarapu (directly and indirectly exercises over 50% voting power in the Company)
Subsidiary Companies	Centum Electronics UK Limited Centum Adetel Group SA Centum Adeneo SAS Centum Adeneo CRD SAS Centum Adetel Synergies SARL** Centum Adetel Solution Centum Adetel Equipment Centum Adetel Transportation System SAS Centum Adeneo India Private Limited Centum Adeneo Belgium
Associate Companies	HOLIWATT (formerly known as Centum Adetel Transportation SAS)* Ausar Energy SAS
Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)	Centum Industries Private Limited
Key managerial personnel and their relatives	Mr. Apparao V Mallavarapu - Chairman and Managing Director Mrs. Swarnalatha Mallavarapu - Director Mr. Nikhil Mallavarapu - Director Mr. S Krishnan - Independent Director (retired w.e.f August 14, 2021) Mr. Pranav Kumar Patel - Independent Director Mr. Rajiv C Mody - Independent Director Mr. Manoj Nagrath - Independent Director Mr. Thiruvengadam P - Independent Director Mr. K S Desikan - Chief Financial Officer Mrs. Kavitha Dutt - Independent Women Director Mr. Nagaraj K.V- Company Secretary (resigned w.e.f March 10, 2022) Mrs. Indu H S - Company Secretary (appointed w.e.f May 24, 2022)

* The Group has divested its stake during the year ended March 31, 2020 and accordingly it has ceased to be a subsidiary and has become an associate w.e.f March 31, 2020. Further, during the year ended March 31, 2022, the Commercial Court of Lyon has announced opening of judicial recovery based on which the entire shareholding has been transferred to Forsee Power and accordingly it has ceased to become an associate.

** Centum Adetel Synergies SARL has been merged with Centum Adeneo SAS w.e.f. April 01, 2021

b) Summary of transactions and outstanding balances with above related parties are as follows:

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
i) Sale of products		
Associate Companies		
- HOLIWATT	-	94.71
- Ausar Energy SAS	16.85	53.39
ii) Purchases		
Associate Companies		
- HOLIWATT	-	61.57
iii) Other income / Finance income		
Associate Companies		
- Ausar Energy SAS	2.66	1.15

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42 Related parties

Particulars	March 31, 2022	March 31, 2021
iv) Other expenses - Rent		
Enterprises where key managerial personnel or their relatives exercise significant influence		
- Centum Industries Private Limited	0.57	0.57
v) Exceptional items- Provision for dimunition in value of investment and receivables		
Associate Companies		
- HOLIWATT	436.84	-
vi) Remuneration to key managerial personnel and their relatives		
Employee benefit expenses (including employee share based payments)		
- Mr. Apparao V Mallavarapu	8.97	16.34
- Mr. Nikhil Mallavarapu	10.42	16.20
- Mr. K S Desikan	8.43	8.06
- Mr. Nagaraj K.V	1.67	1.57
vii) Directors' sitting fees (including commission paid to non-executive directors)		
- Mr. S Krishnan	0.28	0.77
- Mr. Rajiv C Modi	0.59	0.66
- Mr. Pranav Kumar Patel	0.74	0.77
- Mr. Manoj Nagrath	0.74	0.77
- Mr. Thiruvengadam P	0.74	0.77
- Mrs.V Kavitha Dutt	0.62	0.66
-Mrs. Swarnalatha Mallavarapu	0.62	0.62
viii) Investment in associates		
Associate Companies		
- HOLIWATT	-	74.97
ix) Loan given to		
Associate Companies		
- HOLIWATT	-	6.00
x) Outstanding balances as at the year ended:		
a) Trade receivables - Current		
Associate Companies		
- HOLIWATT	-	41.72
- Ausar Energy SAS	101.95	77.33
b) Trade payables - Current		
Associate Companies		
- HOLIWATT	-	5.87
Payable to key managerial personnel		
- Mr. S Krishnan	0.19	0.50
- Mr. Rajiv C Modi	0.50	0.50
- Mr. Pranav Kumar Patel	0.50	0.50
- Mr. Manoj Nagrath	0.50	0.50
- Mr. Thiruvengadam P	0.50	0.50
- Mrs.V Kavitha Dutt	0.50	0.50
-Mrs. Swarnalatha Mallavarapu	0.50	0.50

42 Related parties

Particulars	March 31, 2022	March 31, 2021
c) Other non current financial assets - Security deposits		
Enterprises where key managerial personnel or their relatives exercise significant influence		
- Centum Industries Private Limited	0.45	0.45
d) Other current financial asset- Unbilled revenue		
Associate Companies		
- Ausar Energy SAS	-	8.27
e) Other cuurent financial asset- Loan to Related Party		
Associate Companies		
- HOLIWATT	-	6.00
f) Other current financial liabilities - Accrued salaries and benefits-payable/(recoverable)		
- Mr. Apparao V Mallavarapu	0.48	8.75
- Mr. Nikhil Mallavarapu	0.54	7.45
- Mr. K S Desikan	1.71	1.02
- Mr. Nagaraj K.V	0.15	0.15
g) Deferred Revenue		
Associate Companies		
- HOLIWATT	-	0.02
- Ausar Energy SAS	9.14	3.45
h) Personal Guarantee and security issued by directors jointly towards the loan availed by the company (refer note 19)		
- Mrs Swarnalatha Mallavarappu	-	250.00

e) Key Managerial Personnel interests in the share based payments plan:
Share options held by key managerial personnel under the share based payments plan to purchase equity shares are as follows:

Share based payments plan	Exercise price	March 31, 2022	March 31, 2021
		Number outstanding	Number outstanding
Centum ESOP - 2013	Rs. 71.25	3,653	3,653

No share options have been granted to the non-executive members of the Board of Directors under the share based payments plans of the Group. Refer to note 47 for further details on the scheme.

Notes:
(i) As the liability for gratuity and leave encashment is provided on actuarial basis for the Group as a whole, the amount pertaining to the key managerial personnel's are not included.
(ii) Refer note 5 as regards investments in associates.
(iii) Refer note 19 and 23 for long term borrowings and short term borrowings respectively with regard to security given by related parties for loans availed by the Group.

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43 Gratuity and other post-employment benefits plans

(a) Defined contribution plan

The Group contribution to provident fund, employees' state insurance, pension and other funds are considered as defined contribution plans. The contributions are charged to the consolidated Ind AS statement of profit and loss as they accrue. Contributions to provident and other funds included in employee benefits expenses (note 34) are as under:

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
Contribution to provident fund	31.03	31.63
Contribution to employees' state insurance	4.30	4.33
Contribution to pension fund	629.79	564.41
	665.12	600.37

(b) Defined benefit plans

The domestic entities in the Group has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The Gratuity plan is unfunded.

The following tables summarise the components of net benefit expense recognised in the consolidated Ind AS statement of profit or loss and amounts recognised in the consolidated Ind AS balance sheet for gratuity benefit:

i. Net benefit expenses (recognized in the consolidated Ind AS statement of profit and loss)

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
Current service cost	14.06	13.35
Interest cost on defined benefit obligation	4.42	3.65
Net benefit expenses	**18.48**	**17.00**

ii. Remeasurement (gains)/ loss recognised in other comprehensive income:

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(4.21)	(11.61)
Actuarial (gain)/ loss on obligations arising from changes in demographic adjustments	-	(1.62)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(5.79)	11.71
Actuarial (gain)/ loss recognised in OCI	**(10.00)**	**(1.52)**

iii. Net defined benefit asset/ (liability)

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
Defined benefit obligation	(64.79)	(63.49)
Fair value of plan assets	-	-
Asset / (liability) recognised in the balance sheet	**(64.79)**	**(63.49)**

iv. Changes in the present value of the defined benefit obligation are as follows:

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
Opening defined benefit obligation	63.49	52.21
Current service cost	14.06	13.35
Benefits paid	(7.18)	(4.20)
Interest cost on the defined benefit obligation	4.42	3.65
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(4.21)	(11.61)
Actuarial (gain)/ loss on obligations arising from changes in demographic adjustments	-	(1.62)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(5.79)	11.71
Closing defined benefit obligation	**64.79**	**63.49**

v. The following pay-outs are expected in future years:

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
Within next one year	6.51	6.27
Between 1 and 2 years	2.83	2.57
Between 2 and 3 years	2.92	2.85
Between 3 and 4 years	4.07	3.78
Between 4 and 5 years	3.39	4.02
Beyond 5 years	27.07	23.47

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2021: 10 years).

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vi. The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	March 31, 2022	March 31, 2021
Discount rate (in %)	7.12%	6.57%
Salary escalation (in %)	10.00%	10.00%
Employee turnover	Age 21 - 30 Yrs : 15% Age 30 - 34 Yrs : 10% Age 35 - 44 Yrs : 5% Age 45 - 50 Yrs : 3% Age 51 - 54 Yrs : 2% Age 55 - 59 Yrs : 1%	Age 21 - 30 Yrs : 15% Age 30 - 34 Yrs : 10% Age 35 - 44 Yrs : 5% Age 45 - 50 Yrs : 3% Age 51 - 54 Yrs : 2% Age 55 - 59 Yrs : 1%
Retirement age	60 years	60 years
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Notes:

i) The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

ii) Plan Characteristics and Associated Risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death or disability. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. Discount rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

b. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service

vii. A quantitative sensitivity analysis for significant assumption is as shown below:

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(5.78)	(6.18)
Impact on defined benefit obligation due to 1% decrease in discount rate	6.85	6.44
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	3.33	4.43
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(3.33)	(3.58)
Attrition rate		
Impact on defined benefit obligation due to 1% increase in attrition rate	(0.25)	(0.19)
Impact on defined benefit obligation due to 1% decrease in attrition rate	0.44	0.04

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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44 Leases

I. Company as a lessee

The Group has lease contracts for office facilities and equipment (including vehicles and computer). The lease term for office facilities is generally 3 to 12 years and for equipment is 2 to 6 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.
The Group also has certain leases of computer and computer equipment with low value. The Group applies 'lease of low value assets' recognition exemption for the leases.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The carrying amounts of right-of-use assets recognised and the movements during the year is as follows:

(Rs. in millions)

Particulars	Building	Plant and equipment	Vehicles	Leased computer	Total
Gross block					
As at April 1, 2020	**922.53**	**12.72**	**55.49**	**38.68**	**1,029.42**
Additions	130.35	24.38	42.51	36.11	233.35
Translation adjustment	30.34	-	1.91	1.09	33.34
Disposals / cancellations	(351.25)	-	(26.21)	(7.41)	(384.87)
As at March 31, 2021	**731.97**	**37.10**	**73.70**	**68.47**	**911.24**
Additions	98.47	-	21.47	10.34	130.28
Translation adjustment	(12.79)	-	(1.37)	(1.14)	(15.30)
Disposals / cancellations	(166.61)	-	(13.34)	(44.17)	(224.12)
As at March 31, 2022	**651.04**	**37.10**	**80.46**	**33.50**	**802.10**
Accumulated depreciation					
As at April 1, 2020	**505.70**	**0.27**	**38.98**	**27.77**	**572.72**
Charge for the year	106.24	3.60	22.88	16.76	149.48
Translation adjustment	16.15	-	1.12	0.70	17.97
Disposals / cancellations	(351.25)	-	(26.21)	(7.41)	(384.87)
As at March 31, 2021	**276.84**	**3.87**	**36.77**	**37.82**	**355.30**
Charge for the year	88.12	4.74	17.94	15.99	126.79
Translation adjustment	(7.12)	-	(2.34)	(1.02)	(10.48)
Disposals / cancellations	(106.05)	-	(10.76)	(33.77)	(150.58)
As at March 31, 2022	**251.79**	**8.61**	**41.61**	**19.02**	**321.03**
Net Block as on March 31, 2022	**399.25**	**28.49**	**38.85**	**14.48**	**481.07**
Net Block as on March 31, 2021	**455.13**	**33.23**	**36.93**	**30.65**	**555.94**

The carrying amounts of liabilities recognised and the movements during the year is as follows:

(Rs. in millions)

	Amount
As at April 1, 2020	**477.78**
Additions to right-of-use asset	233.35
Utilisation of capital advances	(6.97)
Accretion of Interest	15.68
Translation adjustment	15.04
Payments	(176.00)
As at March 31, 2021	**558.88**
Additions to right-of-use asset	130.28
Accretion of Interest	13.14
Translation adjustment	(9.29)
Reversal of lease liabilities on disposal of asset	(73.55)
Payments	(143.89)
As at March 31, 2022	**475.57**

	March 31, 2022	March 31, 2021
Current	120.03	139.64
Non Current	355.54	419.24

The maturity analysis of lease liabilities are disclosed in Note 49.
The effective interest rate for lease liabilities is 1.6% to 12 %.

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44 Leases (Continued)

The following are the amounts recognised in profit or loss:

(Rs. in millions)

	March 31, 2022	March 31, 2021
Depreciation expense of right-of-use assets	126.79	149.48
Interest expense on lease liabilities	13.14	15.68
Profit on early termination of lease contracts	-	-
Expense relating to short-term leases and leases of low-value assets (included in other expenses) (refer note 37)	50.21	14.67
Total amount recognised in profit or loss	**190.14**	**179.83**

The Group had total cash outflows for leases of Rs 194.10 million in March 31, 2022 (March 31, 2021: 190.67 million).

II. Company as a lessor

The Company has entered into cancellable lease agreements for sub-lease of office space. The lease term is for 3 years with a cancellation clause of 3 months.

The following amounts recognised in the consolidated Ind AS statement of profit and loss

	March 31, 2022	March 31, 2021
Rental Income (refer note 31)	3.03	3.03
	3.03	**3.03**

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45 Commitments and Contingencies

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:

(Rs. in million)

	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	7.96	30.62

(b) The Group has commitment in nature of variable lease payment towards purchase of solar and wind power with various parties whereby the Group has committed to purchase and supplier has committed to sell contracted quantity of solar and wind power for period as defined in the power purchase agreements.

(c) Contingent liabilities

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its consolidated Ind AS financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated Ind AS financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operation or cash flow.

(Rs. in million)

(i) Particulars of guarantees	As at March 31, 2022	As at March 31, 2021
Corporate guarantees	331.31	337.58
Bank guarantees*	29.19	31.61

* Excludes performance bank guarantees given to various customers as the management is of the view that the same is not required to be disclosed here.

(ii) The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Group has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Group does not expect any material impact of the same.

(iii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Holding Company and its domestic subsidiaries will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(iv) The Group is involved in legal proceedings, both as plaintiff and as defendant. The Group believes the following claims to be material.

(Rs. in million)

Disputes *	As at March 31, 2022	As at March 31, 2021
Matters relating to income tax under dispute:	46.44	48.34
Matters relating to indirect taxes under dispute:	143.34	100.13
Others:		
- Stamp duty levy	16.28	16.28
- Property tax	5.89	-
- Other claims against the Group not acknowledged as debts	11.75	38.77

* The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

The Group is subject to legal proceeding and claims, which have arisen in the ordinary course of business. The Group has reviewed all its pending litigations and proceedings and is not carrying provisions for all the above mentioned amounts in its books of account, as the Group's Management is confident of successfully litigating the matters and these are disclosed as contingent liability, where applicable in its consolidated Ind AS financial statements. The Group's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial condition.

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46 **Segment information - Disclosure pursuant to Ind AS 108 "Operating Segments"**

(a) Information about reportable segments

Basis of identifying operating segments / reportable segments:
(i) Basis of identifying operating segments:
Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Group's other components); (b) whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.The accounting policies consistently used in the preparation of financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segment on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such items and accordingly such items are separately disclosed as 'unallocated'.

(ii) Reportable segments:
An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

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".

(b) Geographical information

(Rs. in million)

Geography	Segment revenue*		Non-current assets**	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(i) India	2,126.95	2,028.44	1,170.25	1,272.60
(ii) Europe and UK	5,005.85	5,332.32	1,271.98	1,309.00
(iii) North America	562.02	679.55	113.10	150.46
(iv) Rest of the world	104.58	133.99	-	-
Total	**7,799.40**	**8,174.30**	**2,555.33**	**2,732.06**

*Revenue by geographical area are based on the geographical location of the customers.
**Non-current assets excludes financial instruments and tax assets.

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47 Share-based payments

A Description of the share based payment arrangements

The Company has following share based payment arrangements:

(i) Share option plans (equity settled)

The Company sponsers share option plan - the Centum Employee Stock Option Plan ('ESOP') - 2013 plan. The details of the aforementioned plan are as follows:

(a) The Centum ESOP - 2013 plan was approved by the directors of the Company in May 2013 and by the shareholders in August 2013. Centum ESOP - 2013 plan provides for the issue of 250,000 shares to the employees of the Company and its subsidiaries / joint venture (whether in India or outside India), who are in whole time employment with the Company and/or it's subsidiaries / joint venture.

The plan is administered by a Compensation committee. Options will be issued to employees of the Company and/or it's subsidiaries / joint venture at an exercise price, which shall not be less than the market price immediately preceding the date of grant. The equity shares covered under these options vest over a period ranging from twelve to forty eight months from the date of grant. The exercise period is ten years from the date of vesting.

B Measurement of fair values

The fair value of employee share options has been measured using Black Scholes model. The fair value of the options and the input used in the measurement of the grant- date fair values of both the plans are as follows:

	Year ended March 31, 2022 Centum ESOP - 2013	Year ended March 31, 2021 Centum ESOP - 2013
Fair value at grant date	Rs. 11.65 - Rs. 277.30	Rs. 11.65 - Rs. 277.30
Share price at grant date	Rs. 71.25 & Rs. 637.05	Rs. 71.25 & Rs. 637.05
Weighted average exercise price (WAEP)	Rs. 71.25	Rs. 279.42
Dividend yield (%)	10%	10%
Expected life of share options (years)	1- 4 years	1- 4 years
Risk free interest rate (%)	5.70 - 8.60%	5.70 - 8.60%
Expected volatility (%)	48.31%	48.31%

C Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, Centum ESOP - 2013 plan during the year:

Particulars	March 31, 2022		March 31, 2021	
	Number of options	WAEP	Number of options	WAEP
Options outstanding at April 1,	19,026	279.42	19,026	279.42
Granted during the period	-	-	-	-
Forfeited / lapsed during the period	7,000	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Options outstanding at March 31,	**12,026**	**71.25**	**19,026**	**279.42**
Exercisable at March 31,	12,026	71.25	17,276	243.19

The options outstanding as at March 31, 2022 had an exercise price of Rs. 71.25 (March 31, 2021: Rs 279.42) and the weighted average remaining contractual life of 4.01 years (March 31, 2021: 7.21 years).

D Expense recognised in the consolidated Ind AS statement of profit and loss

The expense recognised for employee services received during the year is shown in the following table :

(Rs. in million)

	March 31, 2022	March 31, 2021
Expense arising from equity settled share based payment transaction (refer note 34)	0.16	0.49

E Stock options granted to other employees of the Group

The Company had granted stock options to employees of Centum Rakon India Private Limited, under ESOP plans as detailed in note 47A above. The Company had an obligation to settle the transaction with the aforementioned entity's employees by providing it's own equity shares. Therefore, in accordance with Ind AS 102, the Company had measured its obligation in accordance with the requirements applicable to equity settled share-based payment transaction.

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48 Capital Management

The Group's capital management is intended to create value for the shareholders by facilitating the meeting of long term and short term goals of the Group.

The Group determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and long term and short term bank borrowings

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders of the Group

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is total borrowing divided by total capital plus total borrowing. The Group's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenants are complied with.

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
Borrowings (refer note 19 and 23)	2,725.99	3,183.79
Less: Cash and cash equivalents (refer note 13)	480.44	411.48
Total borrowings (A)	**2,245.55**	**2,772.31**
Capital components		
Equity share capital (refer note 16)	128.85	128.85
Other equity (refer note 17)	1,910.83	2,101.99
Total Capital (B)	**2,039.68**	**2,230.84**
Capital and borrowings (C = (A+B))	**4,285.23**	**5,003.15**
Gearing ratio (D=(A/C))	**52%**	**55%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022 and year ended March 31, 2021.

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49 **Disclosures on Financial instruments**

This section gives an overview of the significance of financial instruments of the Group and provides additional information on balance sheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.3(b) and 2.3(o), to the financial statements

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2022 and March 31, 2021

As at March 31, 2022 (Rs. in million)

Particulars	Fair value through statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total fair value	Total carrying value
Financial assets					
(i) Investments (other than investments in associates)	13.78	-	-	13.78	13.78
(ii) Trade receivables	-	-	1,992.79	1,992.79	1,992.79
(iii) Cash and cash equivalents	-	-	480.44	480.44	480.44
(iv) Bank balances other than cash and cash equivalents	-	-	333.81	333.81	333.81
(v) Other financial assets	-	-	1,139.77	1,139.77	1,139.77
Total	**13.78**	**-**	**3,946.81**	**3,960.59**	**3,960.59**
Financial liabilities					
(i) Borrowings	-	-	2,725.99	2,725.99	2,725.99
(ii) Lease liabilities	-	-	475.57	475.57	475.57
(iii) Trade payables	-	-	1,140.83	1,140.83	1,140.83
(iv) Put option liability	-	272.94	-	272.94	272.94
(v) Other financial liabilities	-	-	325.62	325.62	325.62
Total	**-**	**272.94**	**4,668.01**	**4,940.95**	**4,940.95**

As at March 31, 2021 (Rs. in million)

Particulars	Fair value through statement of profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total fair value	Total carrying value
Financial assets					
(i) Investments (other than investments in associates)	23.11	-	-	23.11	23.11
(ii) Trade receivables	-	-	2,161.21	2,161.21	2,161.21
(iii) Cash and cash equivalents	-	-	411.48	411.48	411.48
(iv) Bank balances other than cash and cash equivalents	-	-	340.32	340.32	340.32
(v) Loans and other financial assets	-	-	1,287.74	1,287.74	1,287.74
Total	**23.11**	**-**	**4,200.75**	**4,223.86**	**4,223.86**
Financial liabilities					
(i) Borrowings	-	-	3,183.79	3,183.79	3,183.79
(ii) Lease liabilities	-	-	558.88	558.88	558.88
(iii) Trade payables	-	-	1,086.09	1,086.09	1,086.09
(iv) Derivative instrument - Interest rate swap	-	0.15	-	0.15	0.15
(v) Put option liability	-	397.33	-	397.33	397.33
(vi) Other financial liabilities	-	-	335.72	335.72	335.72
Total	**-**	**397.48**	**5,164.48**	**5,561.96**	**5,561.96**

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(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual fund investments

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

(Rs. in million)

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
March 31, 2022				
Financial assets				
Investments (other than investments in associates)	13.78	-	-	13.78
Financial liabilities				
Borrowings	2,725.99	-	2,725.99	-
Put option liability	272.94	-	272.94	-
March 31, 2021				
Financial assets				
Investments (other than investments in associates)	23.11	9.32	-	13.79
Financial liabilities				
Borrowings	3,183.79	-	3,183.79	-
Derivative instrument - Interest rate swap	0.15	-	0.15	-
Put option liability	397.33	-	397.33	-

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Foreign exchange forward contracts and interest rate swaps are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable

(iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date

(iv) There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2022 and March 31, 2021

(c) Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets including trade receivables, other financial assets and cash and bank balances derived from its operations

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan
(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance

Market risk
Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy

(a) Market risk- Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows

(Rs. in million)

Particulars	Increase / decrease in basis points	Effect on profit before tax
March 31, 2022		
	+50	(4.89)
	-50	4.89
March 31, 2021		
	+50	(5.27)
	-50	5.27

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment

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(b) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency exposure

The following table demonstrate the unhedged exposure in USD / EURO exchange rate as at March 31, 2022 and March 31, 2021. The Group's exposure to foreign currency changes for all other currencies are not material.

(Amount in million)

Particulars	Currency	March 31, 2022	March 31, 2021
Trade payables and borrowings (including short term borrowing and long term borrowing)	USD	(18.06)	(16.45)
Trade receivables and cash and cash equivalents	USD	5.69	9.26
Net assets / (liabilities) in USD in million	USD	(12.37)	(7.19)
Net assets / (liabilities) in Rs. in million	INR	(934.77)	(524.32)

(Amount in million)

Particulars	Currency	March 31, 2022	March 31, 2021
Trade payables and borrowings (including short term borrowing and long term borrowing)	EUR	(1.39)	(0.70)
Trade receivables and cash and cash equivalents	EUR	1.88	0.63
Net assets / (liabilities) in EUR in million	EUR	0.49	(0.07)
Net assets / (liabilities) in Rs. in million	INR	41.02	(5.93)

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in currency	Effect on profit or loss	
		Strengthening	Weakening
March 31, 2022			
USD	5%	(46.74)	46.74
EURO	5%	2.05	(2.05)
March 31, 2021			
USD	5%	(26.22)	26.22
EURO	5%	(0.30)	0.30

The sensitivity analysis has been based on the composition of the financial assets and liabilities at March 31, 2022 and March 31, 2021 of entities within the Group having exposure other than their functional currency. The period end balances are not necessarily representative of the average debt outstanding during the period.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, investments, cash and cash equivalents and derivatives.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 3,960.59 million and Rs. 4,223.86 million as at March 31, 2022 and March 31, 2021, respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments (other than investments in associates and joint ventures) and other financial assets (excluding assets held for disposal).

Customer credit risk is managed by each entity / business unit based on the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Group does not hold collateral as security.

With respect to Trade receivables, the Group has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Group creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Credit risk from balances with bank and financial institutions and in respect to loans and security deposits is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group have made certain strategic investments which have been approved by the Board of Directors.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital limits from various banks. The Group invests its surplus funds in bank fixed deposit, which carry no or low market risk.

The Group monitors its risk of a shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, etc. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be medium.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Group's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

(Rs. in million)

Particulars	0-1 years	1 to 5 years	> 5 years	Total
March 31, 2022				
Borrowings	1,910.25	815.74	-	2,725.99
Lease liabilities	120.03	267.35	107.80	495.18
Trade payables	1,140.83	-	-	1,140.83
Other financial liabilities	598.56	-	-	598.56
	3,769.67	**1,083.09**	**107.80**	**4,960.56**
March 31, 2021				
Borrowings	2,095.38	1,076.00	12.62	3,184.00
Lease liabilities	139.64	326.24	130.21	596.09
Trade payables	1,086.09	-	-	1,086.09
Other financial liabilities	733.20	-	-	733.20
	4,054.31	**1,402.24**	**142.83**	**5,599.38**

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50 **Disclosure under Ind AS 115**

a) **Timing of rendering of services**

March 31, 2022

(Rs. in million)

Particulars	Performance obligation satisfied at point in time	Performance obligation satisfied over time*	Total
Sale of products	4,571.95	-	4,571.95
Sale of services	-	2,761.81	2,761.81
Management fees	-	105.10	105.10
Sale of scrips	4.29	-	4.29
Sales commission	12.21	-	12.21
Income from foreign subsidies	-	344.04	344.04
Total	4,588.45	3,210.95	7,799.40

March 31, 2021

(Rs. in million)

Particulars	Performance obligation satisfied at point in time	Performance obligation satisfied over time*	Total
Sale of products	5,027.30	-	5,027.30
Sale of services	-	2,640.82	2,640.82
Management fees	-	95.14	95.14
Sale of scrips	46.01	-	46.01
Sales commission	19.54	-	19.54
Income from foreign subsidies	-	345.49	345.49
Total	5,092.85	3,081.45	8,174.30

* The Group recognises revenue from these sources over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

b) **Contract Balances:**

Particulars	March 31, 2022 Rs. in million	March 31, 2021 Rs. in million
Receivables (refer note 12)		
- Current (Gross)	2,086.81	2,240.10
- *Impairment allowance (Allowance for bad and doubtful debts)*	(94.02)	(78.89)
Contract assets:*		
Unbilled revenue (refer note 7 and 14)		
- Non Current	173.92	-
- Current	601.43	911.36
Contract Liabilities* (refer note 26)		
Deferred revenue		
- Current	385.20	351.93
Advance from customers		
- Current	832.68	410.71

*A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract

c) **Revenue recognised during the year**

(Rs. in million)

	March 31, 2022	March 31, 2021
Arising out of contract liabilities as at the beginning of the year	390.00	678.49
	390.00	**678.49**

d) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to Rs Nil (March 31, 2021: Rs. Nil)

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51 **Interests in material partly-owned subsidiaries**

Financial information of subsidiaries that have material non-controlling interests is provided below:

1 **Details of material partly-owned subsidiaries**

(Rs. in million)

Particulars	Country of incorporation and operation	March 31, 2022	March 31, 2021
Centum Adetel Group SA	France	64.66%	64.66%

2 **Accumulated balances of material non-controlling interest:**

(Rs. in million)

	March 31, 2022	March 31, 2021
Centum Adetel Group SA*	(73.89)	123.97

* Before consolidation adjustments

3 **(Loss) / profit allocated to material non-controlling interest:**

(Rs. in million)

	March 31, 2022	March 31, 2021
Centum Adetel Group SA*	(210.34)	(28.98)

* Before consolidation adjustments

4 **Summarised financial position**

The summarised financial position of the subsidiary is provided below. This information is based on amounts before inter-company eliminations and consolidation adjustments.

(Rs. in million)

Particulars	March 31, 2022	March 31, 2021
Non-current assets		
Property, plant and equipment	85.46	100.88
Capital work-in-progress	-	0.78
Other intangible assets	196.82	114.51
Intangible assets under development	120.14	171.27
Right-to-use assets	432.59	494.69
Financial and other assets	430.79	638.91
Total	**1,265.80**	**1,521.04**
Current assets		
Inventories	234.36	158.00
Financial and other assets	2,493.83	2,914.83
Total	**2,728.19**	**3,072.83**
Non-current liabilities		
Financial liabilities (including borrowings)	1,153.98	1,360.96
Provisions	70.35	32.28
Total	**1,224.33**	**1,393.24**
Current liabilities		
Financial liabilities (including borrowings)	1,612.98	1,540.25
Other current liabilitites and provisions	1,365.77	1,309.60
Total	**2,978.75**	**2,849.85**
Total equity	(209.09)	350.78
Attributable to:		
Equity holders of parent	(135.20)	226.81
Non-controlling interests	(73.89)	123.97

S.R. Batliboi & Associates LLP Bengaluru

52 Previous year numbers have been reclassified/regrouped wherever necessary to confirm to current year classifications. The management believes that such reclassifications of items are not material as they would, individually or collectively, not influence the economic decisions that users make on the basis of the consolidated Ind AS financial statements.

53 **Hedging activities and derivatives**

The Group uses foreign exchange forward contracts and interest rate swaps to manage some of its transaction exposures. These derivative instruments are not designated as cash flow / fair value hedges and are entered into for periods consistent with foreign currency exposure of underlying transactions. The Group does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

(Rs in million)

Particulars	**March 31, 2022**	**March 31, 2021**
Derivative instrument - Interest rate swap (refer note 25)	-	0.15

54 Pursuant to the ongoing COVID-19 pandemic, the Group has made a detailed assessment of its liquidity position as at the date of approval of these consolidated Ind AS financial statements 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 Ind AS financial statements. 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 Ind AS financial statements. The statutory auditors of the Group have drawn an Emphasis of Matter in their Independent Auditor's Report in this regard.

55 As at March 31, 2022, trade payables amounting to Rs. 9.22 million, advance from customers amounting to Rs 55.86 million and trade receivables amounting to Rs. 16.80 million towards purchase and sale of goods and services respectively, which are outstanding beyond permissible time period stipulated under the Master Circular on Import of Goods and Services and Master Circular on Export of Goods and Services issued by Reserve Bank of India ('the RBI'). Considering that the balances are outstanding for more than the stipulated time, the Company is in the process of intimating the appropriate regulatory authorities and seeking requisite approvals for extensions. The management is confident that required approvals would be received and penalties, if any that may be imposed on the Company would not be material. Accordingly, no adjustments have been made by the management to these consolidated Ind AS financial statements in this regard.

56 **Other Statutory Information**

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Group has not been declared as a wilful defaulter by any banks or financial institutions.

S.R. Batliboi & Associates LLP Bengaluru

57 Events after the reporting period
The board of directors have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting. Refer note 18 for details.

58 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these consolidated Ind AS financial statements have been rounded off or truncated as deemed appropriate by the management of the Group.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

per Sandeep Karnani
Partner
Membership Number: 061207

S.R. Batliboi & Associates LLP
Bengaluru

For and on behalf of Board of Directors of
Centum Electronics Limited

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Director
DIN: 00288551

Indu H S
Company Secretary
Membership number: A35306

K.S. Desikan
Chief Financial Officer

Place: Bengaluru
Date: May 24, 2022

Place: Bengaluru
Date: May 24, 2022

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue share capital (assuming that the Equity Shares are Allotted to them pursuant to the Issue) that may be held by them, is set forth below:

Sr. No.	Name of the proposed Allotees	Percentage of the post-Issue share capital (%)^
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]

^Based on beneficiary position as on [●], 2025 (adjusted for Equity Shares Allocated in the Issue)

Notes:

1. *The above table has been intentionally left blank and will be filled-in before the filing of the Placement Document with the Stock Exchanges.*
2. *The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.*
3. *Subject to Allotment in the Issue*

These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, will be included in the Placement Document to be sent to such proposed Allottees.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

____

Authorised Signatory

Mallavarapu Venkata Apparao
Chairman and Managing Director
DIN: 00286308

Place: Bangalore
Date: March 10, 2025

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed on behalf of the Board of Directors:

____

Authorised Signatory

Mallavarapu Venkata Apparao
Chairman and Managing Director
DIN: 00286308

Place: Bangalore
Date: March 10, 2025

I am severally authorised by the Fund Raising Committee of the Company, *vide* resolution dated March 10, 2025, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Authorised Signatory

Mallavarapu Venkata Apparao
Chairman and Managing Director
DIN: 00286308

Place: Bangalore
Date: March 10, 2025

CENTUM ELECTRONICS LIMITED
CIN: L85110KA1993PLC013869

Registered Office

44, KHB Industrial Area, Yelahanka,
Bangalore - 560064, Karnataka, India

DETAILS OF COMPLIANCE OFFICER

Hambige Sundaresh Babu Indu
Company Secretary and Chief Compliance Officer
44, KHB Industrial Area, Yelahanka,
Bangalore - 560064, Karnataka, India
Telephone: +91 80 41436000
E-mail: investors@centumelectronics.com

BOOK RUNNING LEAD MANAGER

DAM CAPITAL Advisors Limited
PG 1 Ground Floor, Rotunda Building,
Dalal Street, Fort, Mumbai, Stock Exchange,
Mumbai - 400001, Maharashtra, India

DOMESTIC LEGAL COUNSEL TO ISSUE

J. Sagar Associates
B-303, 3rd Floor, Ansal Plaza
Hudco Place, August Kranti Marg
New Delhi – 110049, India

SPECIAL INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER

Duane Morris & Selvam LLP
16 Collyer Quay, #17-00
Singapore 049318

STATUTORY AUDITORS

M/s S.R. Batliboi & Associates LLP, Chartered Accountants
UB City, Canberra Block– 12th floor,
No 24, Vittal Mallya Road, Bengaluru 560 001,
Karnataka, India

APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the Book Running Lead Manager, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

<table>
<tr><td>CENTUM
CENTUM ELECTRONICS LIMITED</td><td>APPLICATION FORM

Name of the Bidder: ________________________

Form. No.: ________________________________

Date:______________________________________</td></tr>
<tr><td>(Incorporated in the Republic of India under the provisions of the Companies Act, 1956)
Centum Electronics Limited (the "Company" or the "Issuer") was was originally incorporated as 'Centum Electronics Limited' on January 8, 1993, under the provisions of Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka at Bangalore ("RoC"). Consequently, the certificate for commencement of business dated January 21, 1993, was issued by RoC. Subsequently, the name of our Company was changed to 'C-Mac Centum Electronics Limited' and a fresh certificate of incorporation consequent to change of name was issued by the RoC on September 23, 1998. Thereafter, the name of our Company was changed to 'Solectron Centum Electronics Limited' and a fresh certificate of incorporation consequent to change of name was issued by the RoC on September 30, 2002. Subsequently, the name of our Company was changed to 'Centum Electronics Limited' pursuant to which a fresh certificate of incorporation consequent to name change was issued by the RoC on December 10, 2007.
Registered Office and Corporate Office: 44, KHB Industrial Area, Yelahanka, Bangalore - 560064, Karnataka, India. | CIN: L85110KA1993PLC013869 | Telephone: +91 80 4143 6000
E-mail: investors@centumelectronics.com | Website: www.centumelectronics.com
LEI: 3358005AAWQ82RBG3166 | ISIN: INE320B01020</td><td></td></tr>
</table>

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO APPROXIMATELY ₹ [●] MILLION UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY CENTUM ELECTRONICS LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 1,219.65 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (ii) hold a valid and existing registration under the applicable laws in India (as applicable); (iii) are eligible to invest in the Issue and submit this Application Form, and (iv) are (a) residents in India or (b) foreign portfolio investors participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (the "SEBI FPI Regulations") and any other applicable law (other than individuals, corporate bodies and family offices), defined hereinafter ("Eligible FPIs") or a (c) multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. Further, in terms of the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended, foreign venture capital investors ("FVCIs") are not permitted to participate in the Issue. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" in the accompanying preliminary placement document dated March 10, 2025 (the "PPD").

ONLY ELIGIBLE QIBs ARE PERMITTED TO PARTICIPATE IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME AND SCHEDULE II OF THE FEMA RULES, READ WITH THE RESTRICTIONS SPECIFIED IN THE "ISSUE PROCEDURE" SECTION OF THE PPD SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED UNDER THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
CENTUM ELECTRONICS LIMITED
44, KHB Industrial Area, Yelahanka, Bangalore - 560064, Karnataka, India.

Respected All,

On the basis of the serially numbered PPD of the Company, and subject to the terms and conditions mentioned in the other sections of the PPD and in this Application Form, we hereby submit our Bid for the Allotment of the Equity Shares in the Issue on the terms and price indicated below. We hereby confirm that we are an Eligible QIB as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations, holding a valid and existing registration under the applicable laws in India (as applicable) and which is not, (a) excluded from making an application in the Issue pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange laws. We are not a promoter of the Company, or any person related to the Promoters, directly or indirectly (as defined in SEBI ICDR Regulations) and the Bid does not directly or indirectly represent the Promoters or members of the Promoter Group, or persons or entities related to the Promoters. Further, we confirm that we do not have any right under the shareholders' agreement or voting agreement entered into with Promoters, members of the Promoter Group or persons related to Promoters, veto rights or right to appoint any nominee director on the board of directors of the Company. In addition, we confirm that we are eligible to invest in the Equity Shares under the SEBI ICDR Regulations, Reserve Bank of India circulars, and other applicable laws. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules. We confirm that we are either a QIB which is (a) resident in India, or (b) an Eligible FPI or (c) a multilateral or bilateral development financial institution. We confirm that we are not an FVCI. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

STATUS (Insert '✓' for applicable category)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Eligible Foreign Portfolio Investor**	**NIF**	National Investment Fund
VCF	Venture Capital Funds*	**SI- NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others ____________ (Please specify)

** Sponsor and Manager should be Indian owned and controlled.*

*** Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*

We confirm that the Bid size/ aggregate number of Equity Shares applied for by us, and which may be Allotted to us thereon will not exceed the relevant regulatory or approved limits under applicable laws. We confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**SEBI Takeover Regulations**"). We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us, in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that, in relation to our application, each Eligible FPIs, have submitted separate Application Forms, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of Equity Shares bid for under each such scheme. We undertake that we will sign and/ or submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We note that the Board of Directors of the Company or any duly authorized committee thereof, is entitled, in consultation with DAM Capital Advisors Limited (the "**BRLM**"), the book running lead manager in relation to the Issue, in its absolute discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, the Placement Document (when issued), and the confirmation of allocation note ("**CAN**") (when issued) and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be Allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for in the Issue, has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form prior to or on the Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name, and in case we are joint holders, from the bank account of the person whose name appears first in the Application Form. We acknowledge and agree that we have not/shall not make any payment in cash, demand draft, or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLM; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us.

We further understand, agree and consent that: (i) our names, address, PAN, phone number, bank account details, email-id, and the number of Equity Shares Allotted, along with other relevant information as may be required will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware that our names will be included in the Placement Document as "proposed allottees", if applicable, along with the number of Equity Shares proposed to be Allotted to us, and the percentage of our post-Issue shareholding in the Company pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Mumbai as required in terms of the PAS Rules. We are also aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5.00% of the Equity Shares in this Issue, the Company shall be required to disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the website of National Stock Exchange of India Limited and BSE Limited (together referred to as the **"Stock Exchanges"**), and we consent to such disclosure. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and restriction on transferability. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and restriction on transferability, as may be applicable to us.

By signing and/or submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions"* and *"Transfer Restrictions"* of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLM, each of whom is entitled to rely on and is relying on these representations, warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, and have read it in its entirety including in particular, the section entitled "*Risk Factors"* therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLM or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when provided), this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company in consultation with the BRLM and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose our names and the percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLM; For the purposes of this representation: the expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office (10) we agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, the Placement Document (when issued), this Application Form, the CAN (when issued), and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below; (11) we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares; (12) we have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares; (13) no action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction; (14) we satisfy any and all relevant suitability standards for investors in Equity Shares, (15) we acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws and that the Equity Shares are only being offered and sold only outside the United States in in "offshore transactions" as defined in, and in reliance on, Regulation S; and (16) we are located outside the United States (as defined in Regulation S) and we are not submitting this Application Form as a result of any "directed selling" efforts (as defined in Regulation S).

We acknowledge that once a duly filled Application Form, whether signed or not is submitted by an Eligible QIB, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX NO.**	
EMAIL ID			
LEI			
FOR ELIGIBLE FPIs**	**SEBI FPI Registration Number:**	**For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs/Ifs/ Pension Funds**	**SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI Registration details for ICs/ PFRDA Registration details**

[*] *Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLM.*

[**] *In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

[***] *Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER	
BY 3.00 P.M. (IST), March [●], 2025	
Name of the Account	Centum Electronics – QIP Escrow Account 2025
Name of the Bank	Kotak Mahindra Bank Limited
Address of the Branch of the Bank	Kotak Mahindra Bank Limited, 22, Ground Floor, M.G. Road, Bangalore – 560001
Account Type	Escrow Account
Account Number	3450665973
LEI Number	3358005AAWQ82RBG3166

IFSC	KKBK0008066
Tel No.	+91 80 41436000
E-mail	investors@centumelectronics.com

The Bid Amount should be transferred pursuant to the Application Form within the Issue Period. All payments must be made only by way of electronic fund transfers, in favor of "CENTUM ELECTRONICS - QIP ESCROW ACCOUNT 2025". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS		
Depository Name	National Securities Depository Limited	Central Depository Services (India) Limited
Depository Participant Name		
DP – ID	I N	
Beneficiary Account Number		(16-digit beneficiary A/c. No. to be mentioned above)

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purposes of refund, if any, only the bank account details as mentioned below, from which remittance towards subscription has been made, will be considered.**

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLM shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	
Date of Application	
Signature of Authorized Signatory (may be signed either physically or digitally)**	

ENCLOSURES TO BE SUBMITTED*
(attach/certified true copy of the following)

Attested/ certified true copy of the following:

- ☐ Copy of PAN Card or PAN allotment letter
- ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
- ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
- ☐ Copy of notification as a public financial institution
- ☐ FIRC
- ☐ Copy of IRDAI registration certificate
- ☐ Intimation of being part of the same group
- ☐ Certified true copy of power of attorney
- ☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and the Placement Document, unless specifically defined herein.

(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLM.

(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or electronically or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(4) The duly filed Application Form along with all enclosures shall be submitted to the BRLM either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.

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