



Ref: CEL/AR/16072024

16th July, 2024

To,

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

Dear Sir/ Madam,

Sub: Submission of Annual Report under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the 31st (Thirty First) Annual Report along with the Notice of 31st (Thirty First) Annual General Meeting of the Company for the financial year ended 31st March, 2024, as dispatched to the shareholders through electronic mode whose e-mail addresses are registered with the Company / Depository Participants / Registrar and Transfer Agent.

The aforesaid documents are also available on the website of the Company at www.centumelectronics.com

Yours faithfully,
For **Centum Electronics Limited**

Indu H S
Company Secretary & Compliance Officer

Encl: as above

Centum Electronics Limited

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

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Navigating New Dynamics

Augmenting capabilities

FOR A BRIGHTER FUTURE

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Forward-Looking Statements

Certain statements in this Report, including statements relating to Centum's expectations regarding the future business, development and economic performance, that are subject to risks, uncertainties and other factors. Without limitation, among the factors that could cause actual results to differ materially from those indicated by such forward-looking statements such as but not limited to (1) competitive pressure; (2) legislative and regulatory developments; (3) global, macro economic and political trends; (4) fluctuations in currency exchange rates and general market conditions; (5) technical developments; (6) litigations; (7) adverse publicity and news coverage, etc. All forward-looking statements reflect Centum's expectations only as of the date of this Report and should not be relied upon as reflecting Centum's views, expectations or beliefs at any date subsequent to the date of this release. Centum disclaims any obligation to update the information contained in these forward-looking statements whether as a result of new information, future events, or otherwise.

We are Centum Electronics Limited

Centum was founded in 1994 in Bangalore, India. Since then, the Company has rapidly grown into a diversified electronics Company with operations in North America, EMEA and Asia.

The Company offers a broad range of products and services across different industry segments. It has continuously invested in strengthening its design & product development capabilities while developing deep domain knowledge in the segments it operates in. Centum has also established truly world-class manufacturing facilities with cutting edge infrastructure as well as a global supply chain capable of delivering products with high quality and reliability.

A key contributor to Centum Group's growth has been the strong relationships forged with international customers and partners. This customer-focused approach coupled with Centum's culture hinged on the core-values of TechnologyTeamwork-Trust has resulted in a track-record of high quality products & services and excellent execution ability. Centum currently has a team of 1800 employees including 650 design engineers. With a 30 years of domain expertise in Electronics Design and Manufacturing Solutions Centum has provided its customers with Hi-Tech and Hi-reliability products with flexible engagement models and in the process developed a strong relationship with all the marquee global clients. Our goal is to provide a comprehensive, competitive and innovative set of solutions and give customers the flexibility to choose what is best suited to their needs.



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



Major Events

During Financial Year 2023-24



We are proud and delighted to announce that our Founder & Chairman and Managing Director, Mr. Apparao V Mallavarapu, was honored with the prestigious Chevalier de l'Ordre national du Mérite, a recognition bestowed upon him by Ambassador Emmanuel Lenain on behalf of France.

This accolade stands as a testament to his instrumental role in driving forward Indo-French business and industrial cooperation and also highlights the strong bonds between our nations.

With visionary leadership, he has propelled Centum Electronics to incredible heights, making a significant impact on our industry and beyond.

Centum has contributed to the success of the Chandrayaan-3 and Aditya-L1 Mission



Centum is proud to be associated with PSLV-C58/XPoSAT mission with more than 170 mission critical modules and systems.



Centum had the honor to host Mr. Amitabh Kant, G20 Sherpa, Government of India at our manufacturing facility at Bangalore Aerospace Park.

We were happy to showcase the exciting programs we are working on in the domains of Space, Defence, Cleantech and Electric Mobility.



Centum had the honor to host a Senior Executive Team from Thales led by Mr. Jean-Loic Galle & Mr. Philippe Knoche, COO Thales Group. Discussions were centered on ongoing engagements and exploring avenues to further strengthen the partnership.

Our new Test Systems Integration facility was also formally inaugurated by our guests and the visit of production facilities highlighting digitalization & carbon footprint reduction initiatives were well appreciated.

Major Events

During Financial Year 2023-24



Centum had the privilege to host His Excellency. Mr. Thierry Mathou, Ambassador of France to India. He was accompanied by Mr. Thierry Berthelot, Consul General of France, Mr. Benoit Gauthier, Minister Counselor for Economic and Financial Affairs and Mr. Bertrand De La Forest Divonne, Economic Counselor for South of India. We had an opportunity to showcase our Capabilities and Global Competencies. We also discussed about the strong strategic partnership between France and India in the industries we operate in and our contribution and commitment to building this partnership through our footprint and activities in France and India

Centum proudly adds another accolade to its achievements. Centum was honored with the prestigious Best Quality Supplier Award from Stanley Black & Decker. This recognition is a testament to our dedication in developing cutting-edge testers and optimizing manufacturing and testing procedures.



Centum WON the BEST KAIZEN EXCELLENCE AWARD in the NCQC - National level Kaizen competition organised by QCFI - (Quality Circle Forum of India).

Centum is the proud recipient of a National Level Energy Management Award. Centum was awarded "SEEM GOLD AWARD" for the year 2022 in the category "Energy Conservation and Carbon footprint reduction" in 2023.



Centum had the privilege to host G20 SELM Delegates.

Manufacturing Facilities



During Financial Year 2023-24

1. INDIA: BANGALORE

2. FRANCE: PARIS

3. FRANCE: GRENOBLE

4. FRANCE: TOULOUSE

5. INDIA: BANGALORE

6. BELGIUM: WATERLOO

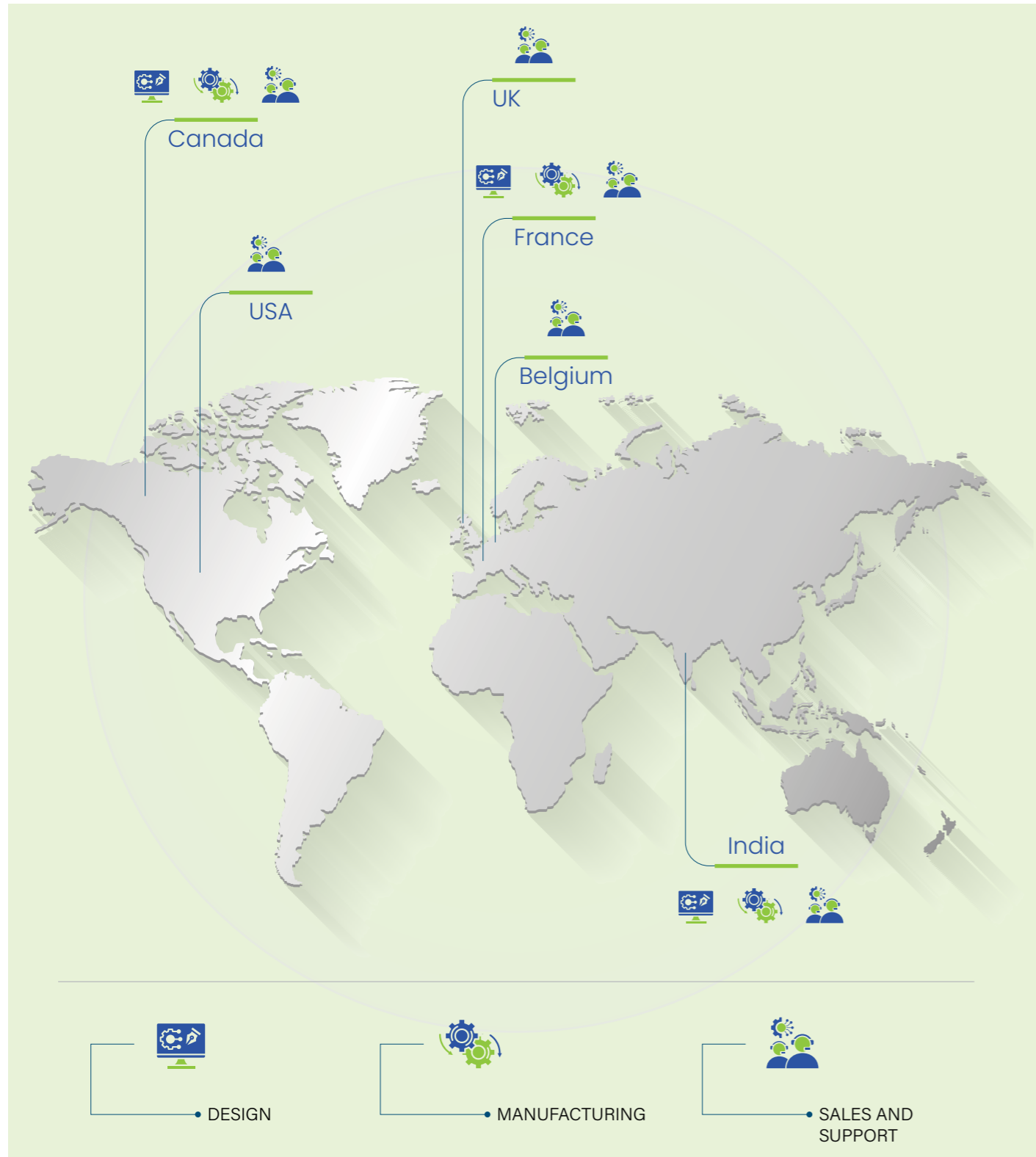
7. CANADA: MONTREAL

8. INDIA: BANGALORE

9. FRANCE: LYON
(ECULLY)



Geographical Presence



CONVENIENCE & FLEXIBILITY

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



COST

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

Centum's Value Proposition



TIME TO MARKET

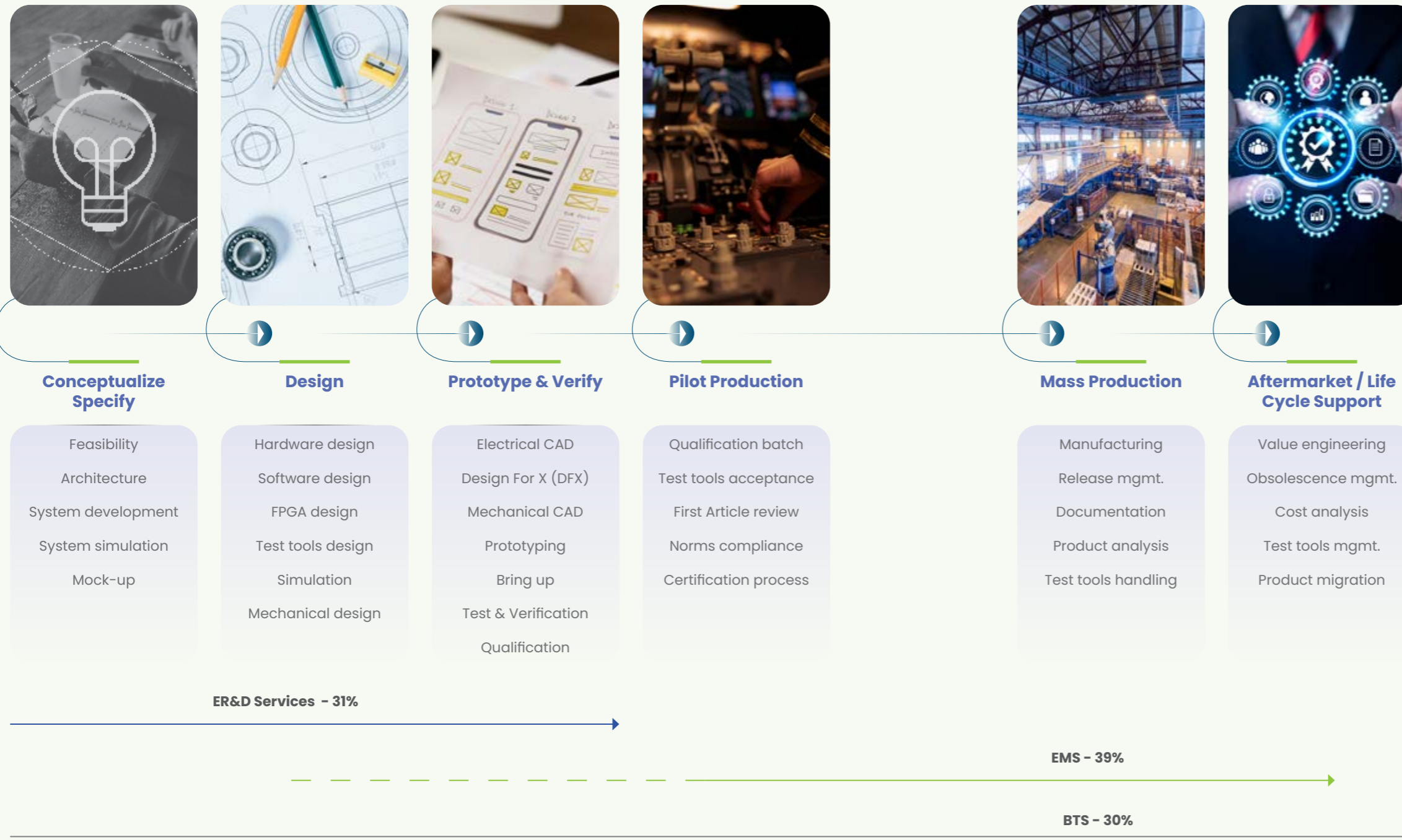
- ▶ **Integrated Fast New Program Management** can reduce time to market, support costs
- ▶ **Early implementation** of sourcing and industrialization strategy improves quality in ramp-up



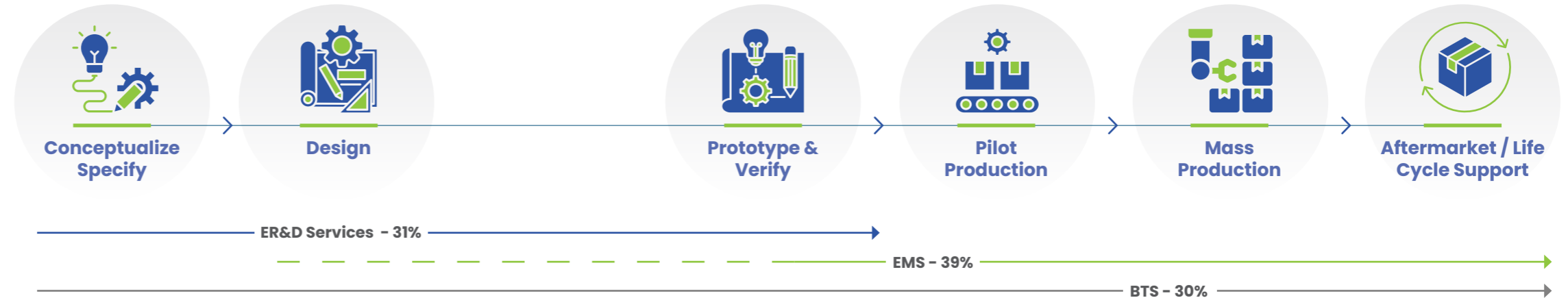
PROACTIVE LIFE CYCLE MANAGEMENT

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

Business Segments and Sectors Served



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



Engineering R&D Services (ER&D)

- ▶ Engineering Services involve conceptualizing, designing and certifying of Electronic Hardware, Embedded Software, FPGA, Analog, Radio Frequency products, Power Electronics, etc.
- ▶ Centum Group has a global design strength of over 650 design engineers and for the last 30 years, the company has been helping customers turn their ideas into products.
- ▶ Centum's engineers work together in multidisciplinary teams to realize customized products for mission-critical applications in high technology segments.
- ▶ The company's design centers are located in Europe, North America and India, which enable the company to work closely with international customers while bringing together the best talent from around the world to work on complex problems and provide a competitive solution by managing the optimal onshore/offshore mix for the projects.
- ▶ Centum also provides flexible engagement models depending on the specific project requirements. Customers can choose between Consulting Engagements and Fixed Price Contracts.

Electronic Manufacturing Services (EMS)

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

Build to Specification (BTS)

- ▶ The Built to Specification services include taking a project from conceptualization to mass production quickly and efficiently. Centum's unique positioning with a full range of integrated capabilities makes it the ideal product realization partner.
- ▶ Customers choose turn-key build to spec offering due to the convenience of a Single Point of contact for Design/Engineering, Industrialization and Manufacturing which reduces the need for multiple interfaces at each stage of the project and also fastens the products time-to-market and facilitating a Design-To-Cost approach and reducing the Total Cost of Ownership. This engagement model involves higher IP and value creation opportunities for both the customer and for Centum.
- ▶ The company is also able to better the product Lifecycle management by proactively and effectively managing issues such as obsolescence, performance upgrades, market-specific localization and cost reduction.

Industries We Cater



DEFENCE

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



AEROSPACE

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



SPACE

- ▶ Space technology is progressing at a rapid pace driven by commercial applications such as satellite broadcasting, communication, Earth observation, geo-location, and global navigation equipment and services.
- ▶ Centum has established a credible track record since 2002 in this segment delivering complex products that address applications in launch vehicles, satellite payloads, satellite bus systems as well as ground equipment.
- ▶ The company is also a leading electronics industry partner and one of the largest private contractors for ISRO involved in its various stages of design, development, qualification and production of electronic modules, subsystems and systems for multiple applications in satellites and launch vehicles.
- ▶ Keeping in mind the growing number of missions of ISRO. Centum has made significant investments to ensure that they can deliver products with the right quality, technology and in required quantities to be a trusted partner. It has delivered mission-critical electronics on almost all satellite programs of ISRO including the ambitious Mangalyaan, Chandrayaan and Aditya-L1 projects, and also delivered 300 to 500 components for almost every Indian space mission.



TRANSPORTATION

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



AUTOMOTIVE

- ▶ Centum, a specialist in electronics design and manufacturing services, is actively involved in supporting customers in the automotive industry as it undergoes a dynamic transformation. This transformation is marked by the entry of new players who introduce disruptive technologies, particularly in the areas of autonomous driving, powertrain architecture, and connectivity, among others.
- ▶ Centum leverages its strong knowledge and experience in developing products for safety and critical applications to assist automotive customers in designing and producing high reliability and technologically advanced solutions. For instance, Centum has successfully developed and manufactured encoders for electric three-wheeler applications, which play a crucial role in last-mile connectivity.
- ▶ Additionally, Centum's manufacturing expertise enables them to produce high-voltage inverters for electric buses, contributing to the advancement of e-mobility. Also delivered low-voltage inverters, battery management systems, and sensors used in last-mile connectivity solutions, further emphasizing focus on supporting the electric vehicle ecosystem.
- ▶ Moreover, Centum's commitment to high technological standards is exemplified through their contribution to the electronics used in hydrogen fuel cells. This involvement signifies their dedication to pushing the boundaries of innovation and sustainability in the automotive industry.



HEALTHCARE

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



INDUSTRIAL & ENERGY

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

Financial Highlights



– Consolidated

(₹ in million)

Statement of Profit & Loss Account	2023-24	2022-23	2021-22	2020-21	2019-20
Total Income	10,976	9,288	7,880	8,232	8,986
Earnings Before Interest Tax Depreciation and Amortization (EBITDA) ¹	858	762	742	895	980
Earnings Before Interest and Tax (EBIT) ²	474	382	391	500	720
Earnings Before Tax (EBT) ²	128	109	127	205	352
Earnings per Share(₹)	1.36	7.55	(23.7)	13.3	15.8
Dividend per Share(₹)	6.0	4.0	2.5	4.0	2.5
Book Value per Share(₹)	158	164	158	186	178

(₹ in million)

Balance Sheet	2023-24	2022-23	2021-22	2020-21	2019-20
PPE, Intangible Assets, CWIP, Goodwill and IAUD	1,957	2,015	2,032	2,162	2,222
Investments	85	96	73	488	401
Net Assets (Current and Non-Current) ³	1,662	2,557	2,606	2,935	2,961
	3,704	4,668	4,711	5,585	5,584
Share Capital	129	129	129	129	129
Other Equity and Non- controlling interest	1,838	1,912	1,856	2,272	2,171
Borrowings ⁴	1,737	2,628	2,726	3,184	3,284
	3,704	4,668	4,711	5,585	5,584

Key Ratios	2023-24	2022-23	2021-22	2020-21	2019-20
EBITDA ¹ (% to Revenue from Operations)	7.9%	8.3%	9.5%	11.0%	11.1%
Fixed Assets (No of times) ⁵	5.6	4.6	3.9	3.8	4.0
EBT ² / Revenue from Operations	1%	1%	2%	3%	4%
Return on Capital Employed (%) ⁶	16.5%	10.1%	10.2%	10.6%	15.2%

Notes

¹ Excludes exceptional item & share of profit / loss from associate / discontinuing operations/ finance income/other income

² Excludes exceptional item & share of profit / loss from associate / discontinuing operations

³ Total assets excluding PPE and Intangible Assets and Investments - Total liabilities excluding Borrowing

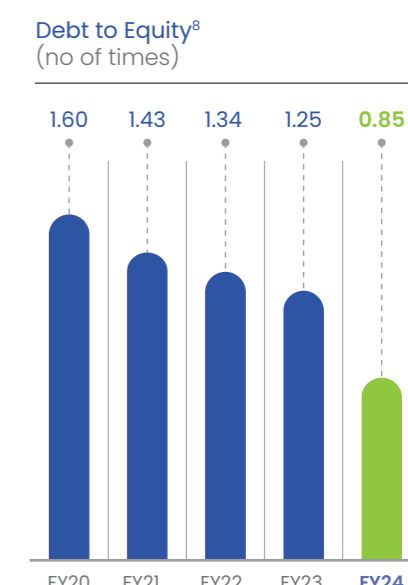
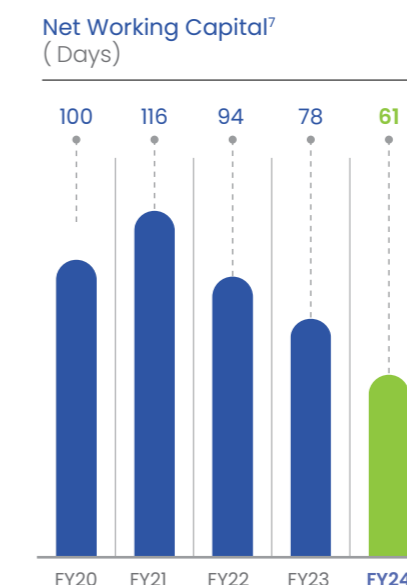
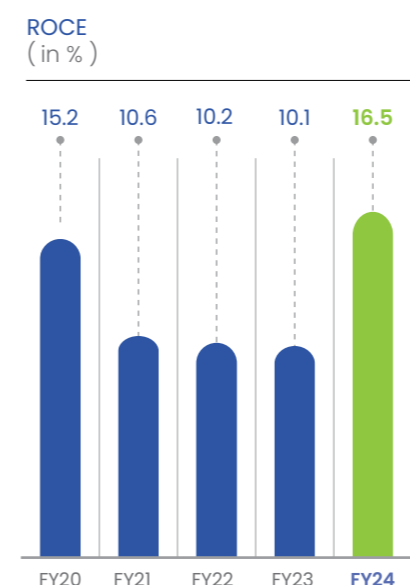
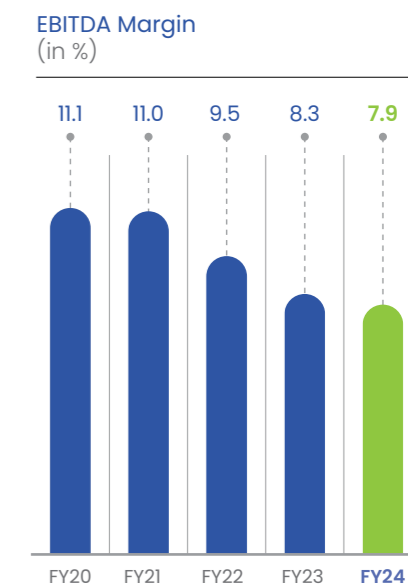
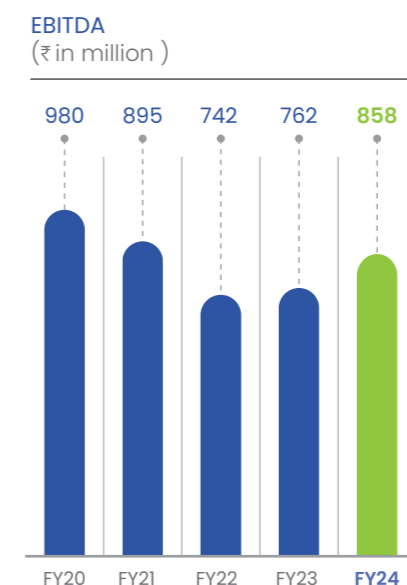
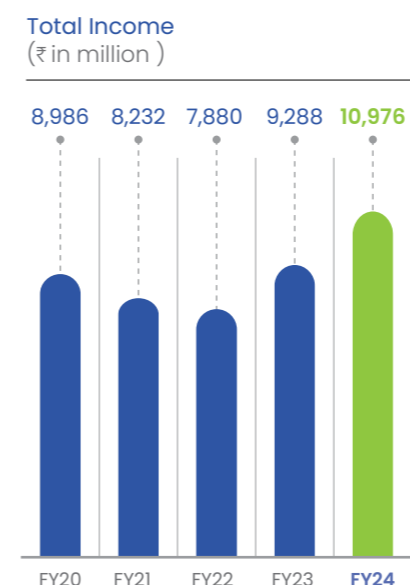
⁴ Includes Current Maturity of long term borrowings & Interest accrued but not due on borrowings

⁵ Revenue from operations/ PPE, Intangible Assets, CWIP, Goodwill and IAUD

⁶ EBIT / (Share capital, Other Equity, Non- controlling interest and Debt less Goodwill , Other intangible assets and IAUD)

⁷ (current assets - current liabilities excluding short term borrowings)*365/revenue from operation

⁸ Debt/ Equity share capital and other equity



Letter to Shareholders



Our company offers a comprehensive range of services in the ESDM space, from design and engineering to manufacturing and testing in high-tech areas. The industry segments we focus on have high growth potential, and we are confident and excited about our future prospects.

DEAR SHAREHOLDERS,

I hope this letter finds you and your loved ones healthy and well. I am delighted to share that our company has achieved two significant milestones in the financial year 2023-24. First, we celebrated our 30th anniversary since our incorporation and second, we crossed the remarkable revenue mark of ₹ 1,000 crores this year.

We are deeply grateful for your unwavering support and encouragement throughout this journey.

The purpose of this letter is to provide you with a brief overview of the past year and outline our strategic focus and vision for the future.

I am pleased to report that our company achieved standalone revenue growth of 26%, increasing from ₹ 500 crores in FY23 to ₹ 633 crores in FY24. Additionally, our EBITDA grew from ₹ 53.68 crores in FY23 to ₹ 78.73 crores in FY24, marking a 47% increase.

On a consolidated basis, we also saw substantial growth, with revenue rising by 18% from ₹ 922.97 crores ₹ 1,090.82 crores. Our EBITDA grew from ₹ 76.21 crores in FY23 to ₹ 85.85 crores in FY24, an increase of 13%. Profit before tax, before exceptional items, showed a marginal increase from ₹ 12.14 crores to ₹ 12.76 crores. Furthermore, we significantly reduced our debt from ₹ 263 crores in FY23 to ₹ 174 crores in FY24. Our consolidated working capital days also improved from 78 days in FY23 to 61 days in FY24.

As you know, we operate in diverse sectors including Defence, Aerospace, Space, Transport, Automotive, Industrials, and Medical. The Defence, Aerospace, and Space segments continue to grow globally and in India, bolstered by the Government of India's 'Make in India' initiative. These sectors contribute 45% of our revenues, and we anticipate sustained growth. Notably, in FY24, we expanded into

the Middle East Defence sector, which will further drive growth alongside our existing markets.

In the rail transport sector, the Government of India's focus on building and modernizing rail infrastructure presents significant opportunities for us in the coming years. The 'China Plus One' strategy adopted by companies in the US and Europe is also opening up growth potential in our Industrial, Automotive, and Medical sectors. We have acquired new customers in these regions and expect substantial growth in the near future.

The Indian market remains a major focus, and we aim to increase our domestic business share to at least 35% in the next few years. One of our strategic initiatives is to establish India as the Center of Excellence in the transport business. We are building a strong team to develop new technologies and products for this market. Our commitment to innovation in strategic electronics continues, and I am proud to announce that we received 10 patents in FY24, the highest in any single year.

To enhance the operational efficiency of our French subsidiary, we have made strategic decisions to discontinue fixed-price business, create a significant design and development team for transport products in India, and reduce overheads and administrative costs. We expect these actions to yield benefits in the current and coming years.

Our company offers a comprehensive range of services in the ESDM space, from design and engineering to manufacturing and testing in high-tech areas. The industry segments we focus on have high growth potential, and we are confident and excited about our future prospects.

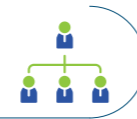
Sustainability remains a core value, and I am proud to share that we received the Gold Award for best practices and contributions in energy conservation from Society of Energy Engineers and Managers (SEEM). Our sustainability efforts have been highly appreciated by global customers and government bodies.

Finally, I would like to express my deep gratitude to Mr. Pranav Patel, who retired after 10 years as a board member. His insights and invaluable advice have been instrumental in our focus on future technologies and business trends.

In conclusion, I want to thank all our shareholders, employees, customers, and stakeholders for their trust, support, and confidence over the past 30 years. We will continue to grow rapidly, leveraging the strengths we have built, and achieve our next ₹ 1,000 crores milestone in a fraction of the time it took for the first.

Apparao V Mallavarapu

Board of Directors



Mr. Apparao V Mallavarapu (Rao)
Chairman and Managing Director

Apparao Mallavarapu (Rao) founded Centum Electronics in the year 1993. Under his leadership Centum has grown to be a global Electronics Design and Manufacturing Company, with operations in India, France, Belgium and Canada. Eighty percent of Centum's revenue comes from Europe, USA, Canada and Israel. Centum's customers are fortune 500 companies like Thales, BAE, Hitachi, Airbus, Rafael, Alstom, etc. and Defense Public Sector units, ISRO, DRDO etc., in India.

The Embassy of Federative Republic of Brazil has appointed Rao as Honorary Consul of Brazil in Bangalore. He has been conferred with the prestigious 'Order of Rio Branco' by the Brazilian government. Rao has also been appointed the Officier de l'Ordre National du Meirite (Officer in the National Order of Merit) by the President of the French Republic H.E.

Mr. Emmanuel Macron. He is the Chairman of CII National Committee on Space and the Convenor of CII Karnataka Panel on Technology for the year 2024-25. 'Champion of Innovation Award' was given to Rao by the Prime Minister of New Zealand H.E. John Key at the New Zealand Innovation Showcase event. ELCINA the largest Electronics Industry body in India has awarded Rao with the "Electronics Man of the year" award.

Rao graduated with a Master's degree from Dal-Tech University in Canada and received his Bachelor's degree in Mechanical Engineering from Bangalore University and has completed his Harvard Business School Presidential program. He is also a Ford foundation scholar.

Rao is on the Board of several Companies both Public and Private and on the Board of Advisors of New Zealand Trade and Enterprise. Due to his deep sense of responsibility towards children who are not so fortunate he has been committed to philanthropic activities focused on Children.

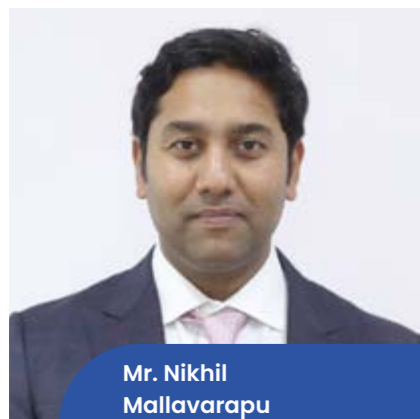


Dr. Swarnalatha Mallavarapu

Non-Executive Director
(upto 27th May, 2023)

Dr. Swarnalatha Mallavarapu (Latha) is the Managing Director of Centum Industries Private Limited. Dr. Latha holds a Ph. D. in Physics and has worked at premier research institutes including the US Air Force Weapons Labs in Albuquerque, the Indian Institute of Science in Bangalore and the R&D division of Bharat Electronics Limited. Her research in thin films

and devices for applications have been well recognized. Dr. Latha was a government nominated member of the Syndicate of Bangalore University and also served a Chairperson for FICCI Ladies Organization, Karnataka Chapter.



Mr. Nikhil Mallavarapu

Whole-time Director

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

Mr. Nikhil 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.



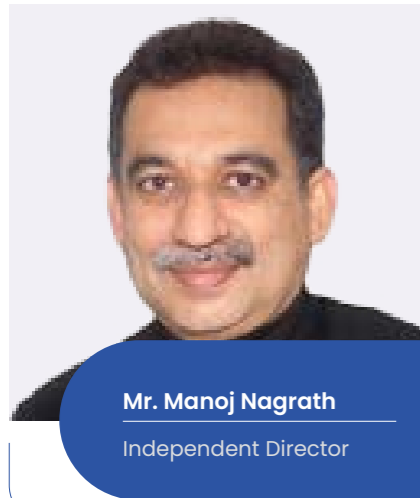
Ms. Tanya Mallavarapu

Director

Tanya is the founder of TMR Design Co LLP an interdisciplinary design firm that emphasises on innovation, creativity and functionality in a wide array of industries from healthcare, residential, commercial and hospitality. Prior to this Tanya served as a marketing executive in the luxury retail industry, involved in building marketing strategies for global retail expansion. She launched an Indian based luxury brand across cities including New York, Hong Kong, London and Delhi. Prior to this she worked as a

business analyst at Intuit creating revenue models and marketing strategies to launch the newly developed GoPayment product.

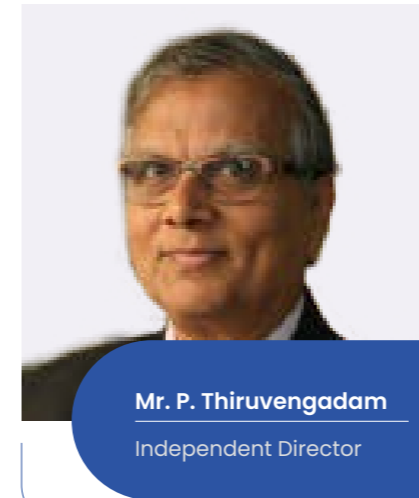
Tanya completed her Master's Degree in Economics from Duke University, in U.S. She graduated from the University of Southern California with a Bachelor's Degree in Business Administration and was on the Dean's List.



Mr. Manoj Nagrath
Independent Director

Manoj Nagrath, Managing Partner of S.P. Nagrath & Co., LLP, has a rich experience of over 40 years as a practicing Chartered Accountant in almost every facet of the practice relating to Direct Tax, Assurance, transactions and Corporate Advisory, Accounting, Compliances and Arbitration. He has performed a wide range of assignments in the above areas, including joint venture consulting, planning for corporates

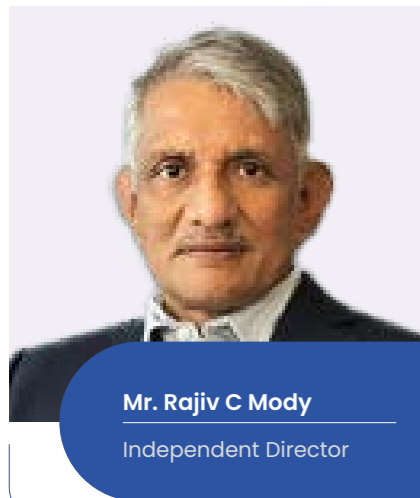
and non-residents, structuring/ restructuring of businesses, strategic and business consulting, due diligence, business and property acquisitions and has appeared before various regulatory authorities in wide ranging matters.



Mr. P. Thiruvengadam
Independent Director

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

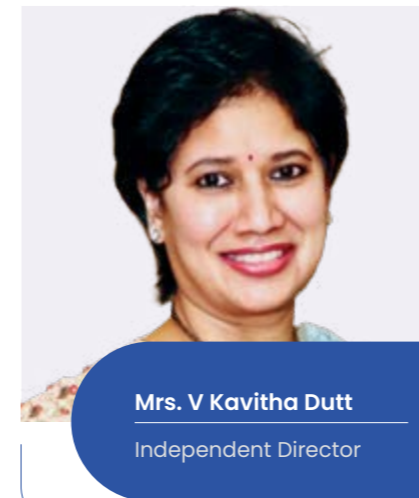
Accountant from The Institute of Cost Accountants of India and a graduate from the Indian Institute of Technology, Madras.



Mr. Rajiv C Mody
Independent Director

Mr. Rajiv C Mody is the Founder, Chairman, Managing Director & CEO, of Sasken Technologies Ltd. (Sasken). Under his leadership, Sasken has grown into a global powerhouse in Product Engineering and Digital Transformation services. Prior to founding Sasken, he worked with corporations like AMD, Seattle

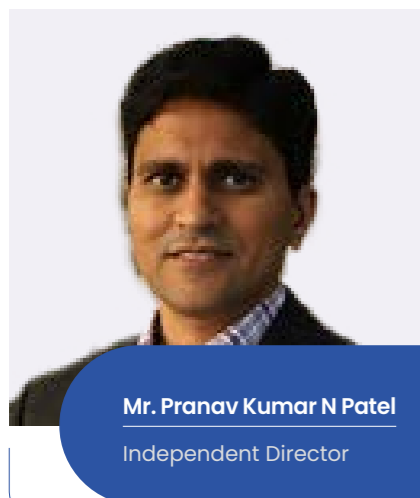
Tech Inc., and VLSI Technology Inc. Mr Mody has served as an Executive Council Member of NASSCOM (2001-2008) and is part of the Harvard Business School South Asia Advisory Board.



Mrs. V Kavitha Dutt
Independent Director

Mrs. V Kavitha Dutt is the Joint Managing Director at The KCP Ltd., an 83-year-old diversified business group involved in the manufacture of Cement, Heavy Engineering, Sugar, Power Generation, and hospitality. She has been involved in various business, social and cultural activities. She is a Director-FLO Industrial Park, Hyderabad, and Vice President-World Telugu Federation. She has served as

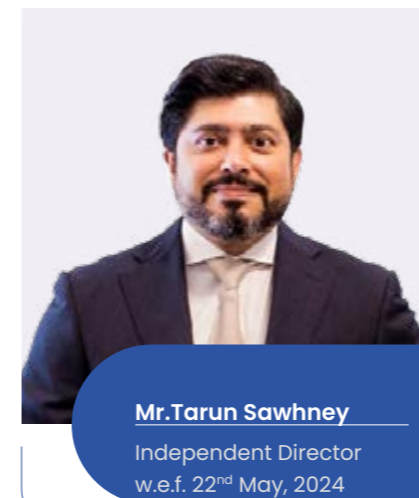
Chairperson-FICCI Tamil Nadu State Council; President-Madras Management Association; National President-FICCI-FLO, and Vice Chairperson-SCWEC-India.



Mr. Pranav Kumar N Patel
Independent Director

Mr. Pranav is the founder and CEO of MediTechSafe, USA an innovative healthcare oriented cybersecurity company. Prior to this, he has held various senior executive roles including leading GE's Healthcare Services business in North America as well as Chief Marketing Officer

at GE Aviation. Pranav has also co-authored 6 patents in the fields of Microwave integrated circuits, multi-chip module, packaging and energy storage systems.



Mr. Tarun Sawhney
Independent Director
w.e.f. 22nd May, 2024

Tarun Sawhney is the Vice Chairman & Managing Director of Triveni Engineering & Industries Ltd (TEIL). TEIL is one of the largest fully integrated sugar, bioenergy, and ethanol manufacturers in India. He currently holds key positions in the Confederation of Indian Industry (CII), serving as a member of the National Council, the Chairman of the Agricultural Council, and the Co-Chairman of the National Committee on Bioenergy. He is also a member of the advisory board of the Indian Council of

Agricultural Research (ICAR). Tarun is an MBA from The Wharton School of the University of Pennsylvania (USA) and holds a Master's degree from Emmanuel College, University of Cambridge (UK). He was also intronised as a Chevalier du Tastevin in 2023.

Leadership Team



Apparao V Mallavarapu (Rao)

Chairman and Managing Director, Centum Group



K S Desikan

Group CFO, Head of Strategy & IT



Nikhil Mallavarapu

Whole-time Director, Centum Group



Eric Rouhouze

CEO, Centum T&S Group



Vinod Chippalkatti

President, Strategic Electronics Business Unit



Jagadish Singh

President, Electronic Manufacturing Services (EMS)



Nanda Kishore Vempati

Head HR



Sandhya Thyagarajan

Vice President, Strategic Electronics Business Unit

Corporate Information



BOARD OF DIRECTORS

Mr. Apparao V Mallavarapu
Chairman & Managing Director

Mr. Nikhil Mallavarapu
Whole-time Director

Dr. Swarnalatha Mallavarapu
Non-Executive Director
(upto 27th May, 2023)

Ms. Tanya Mallavarapu
Non-Executive Director
(w.e.f 27th May, 2023)

Mr. Pranavkumar Nalinkumar Patel
Independent Director
(upto 31st March, 2024)

Mr. Thiruvengadam Parthasarathi
Independent Director

Mr. Rajiv Chandrakant Mody
Independent Director

Mr. Manoj Nagrath
Independent Director

Ms. V Kavitha Dutt
Independent Director

Mr. Tarun Sawhney
Independent Director
(w.e.f 22nd May, 2024)

CHIEF FINANCIAL OFFICER

Mr. K S Desikan

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Indu H S

INTERNAL AUDITORS

Messrs. KPMG Assurance and Consulting Services LLP
Embassy Golf Links Business Park, Pebble Beach, B Block, 1st and 2nd Floor, Off Intermediate Ring Road, Bangalore - 560 071

COST AUDITORS

Messrs. K.S. Kamalakara & Co., Cost Accountants
#999/30, "Nithya Mansion", 1st Floor, 1st Main, 4th Cross, Vijayanagar, Bangalore - 560 040

SECRETARIAL AUDITORS

K Rajshekar
Aarthi G. Krishna
Company Secretaries,
No. 328/B, 1st Floor, 5th Main, 14th Cross, Sadashivanagar, Bangalore - 560 080

STATUTORY AUDITORS

Messrs. S.R. Batliboi & Associates LLP
Chartered Accountants
UB City, Canberra Block, 12th & 13th Floor No.24, Vittal Mallya Road, Bangalore - 560 001

AUDIT COMMITTEE

Mr. Manoj Nagrath
Chairman

Mr. Apparao V Mallavarapu
Member

Mr. Pranavkumar Nalinkumar Patel
Member (upto 31st March, 2024)

Mr. Thiruvengadam Parthasarathi
Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Manoj Nagrath
Chairman

Mr. Rajiv Chandrakant Mody
Member

Mr. Apparao V Mallavarapu
Member

Ms. V Kavitha Dutt
Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Manoj Nagrath
Chairman

Dr. Swarnalatha Mallavarapu
Member (upto 27th May, 2023)

Mr. Nikhil Mallavarapu
Member

Ms. Tanya Mallavarapu
Member (w.e.f 27th May, 2023)

CSR COMMITTEE

Mr. Thiruvengadam Parthasarathi
Chairman

Dr. Swarnalatha Mallavarapu
Member (upto 27th May, 2023)

Ms. V Kavitha Dutt
Member

Ms. Tanya Mallavarapu
Member (w.e.f 27th May, 2023)

RISK MANAGEMENT COMMITTEE

Mr. Pranavkumar Nalinkumar Patel
Chairman (upto 31st March, 2024)

Mr. Thiruvengadam Parthasarathi
Member

Mr. Nikhil Mallavarapu
Member

Mr. K S Desikan
Member

REGISTERED & CORPORATE OFFICE

No.44 KHB Industrial Area, Yelahanka New Town, Bangalore - 560 106

EQUITY SHARES LISTED AT

National Stock Exchange of India Limited (NSE)
BSE Limited (BSE)

REGISTRAR & SHARE TRANSFER AGENTS

KFin Technologies Limited
Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
Toll Free Number: 1800 309 4001
Email Id.: einward.ris@kfintech.com

BANKERS

State Bank of India
Kotak Mahindra Bank Limited
HDFC Bank Limited

Management Discussion & Analysis

1. Global Macro Outlook

The fiscal year 2023-24 has been characterized by a dynamic global economic landscape, influenced by several macroeconomic factors. The world economy has experienced a moderate recovery, with global GDP growth projected to stabilize around 3.5%, reflecting a balance between robust expansion in emerging markets and a slower pace in advanced economies. Persistent geopolitical tensions, inflationary pressures, and supply chain disruptions have posed challenges, while technological advancements and digital transformation initiatives have continued to drive growth and innovation across industries.

The year 2024 will witness significant electoral activities in several major economies, which could profoundly impact the global political and policy landscape. Presidential elections in the United States, general elections in India, and elections in several European countries, including the United Kingdom, are expected to be pivotal. These elections will shape policy directions, influencing trade, foreign relations, and economic strategies.

The emergence of a new conflict in the Middle East has exacerbated geopolitical tensions and economic uncertainties, disrupted oil supplies and leading to volatility in global oil prices. This price instability has had cascading effects on inflation, production costs, and consumer spending worldwide. There can also be potential implications for global trade routes, security alliances, and defence expenditures.

In the fiscal year 2023-24, India has demonstrated remarkable economic resilience and growth, emerging as the world's fourth-largest economy. The Indian economy grew at an impressive rate of approximately 7.2%, driven by robust domestic

demand, strong industrial performance, and a recovery in the services sector.

Looking ahead, India is poised for continued economic growth, with projections suggesting a steady GDP growth rate of around 6.5-7% in the coming years. Key factors driving this optimistic outlook include investment in infrastructure development including digital infrastructure, policy reforms to promote investment, green energy initiatives and strengthening global trade partnerships.

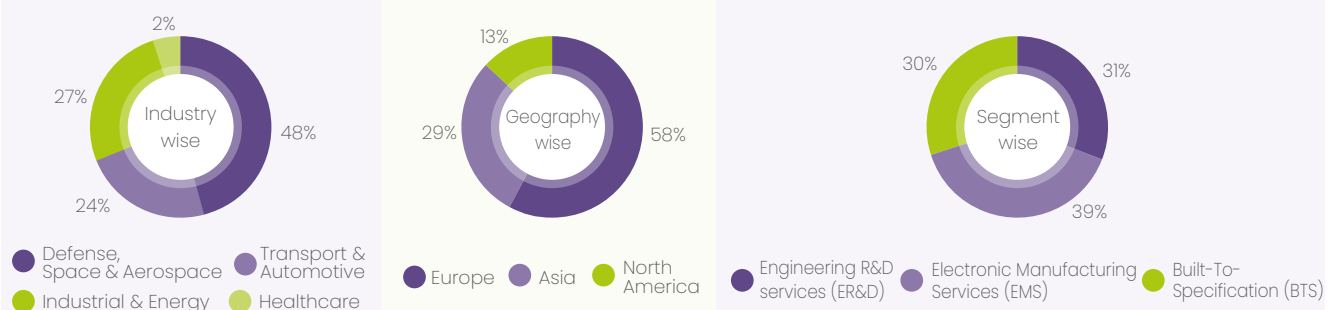
2. Company Overview

Centum Electronics Limited (Centum) is a premier Electronics System Design & Manufacturing (ESDM) company, specializing in mission-critical services and solutions for the Defence, Aerospace, Space, Medical, Mobility, and Industrial sectors. These segments require products and services with exceptional reliability. Leveraging deep expertise in the design, development, and manufacturing of complex products, Centum serves as a strategic partner to major global OEMs, including Fortune 500 companies, as well as public entities such as Indian DPSUs, DRDO, and ISRO.

Centum has a robust global presence with multiple design and manufacturing facilities in Europe, North America, and India. More than 70% of the company's revenue is derived from international customers and markets.

The company's mission is "To create value by contributing to the success of its customers, by being their innovation partner and offering design and manufacturing solutions in high technology areas." Centum's enduring strategy is rooted in innovation and technological advancement to deliver unique value to customers, fostering a culture of quality, and committing to the well-being of its associates and communities.

Your company registered a total income of INR 1,098 crores and the revenue break-down for FY 24 is given below:



3. Industry Overview

The global Electronics System Design & Manufacturing (ESDM) industry has experienced notable growth over the past year. The global ESDM market, valued at approximately \$1.6 trillion in 2023, is projected to reach \$2.2 trillion by 2028, growing at a CAGR of 6.5%.

The outlook for the global ESDM industry remains positive, with continued growth expected in key segments such as Mobility, Consumer Electronics, Industrial Automation, Medical, Defence & Aerospace. The integration of AI, IoT, and 5G technologies as well as the focus on Sustainability and Clean-Tech will further drive market expansion, while themes such as supply chain resilience and regulatory changes will need to be navigated.

India's ESDM industry has been experiencing rapid growth, supported by government initiatives and increasing domestic demand. In FY 2023, the Indian ESDM market was valued at approximately \$100 billion and is projected to grow to reach \$220 billion by FY 2026. This growth is bolstered by initiatives like "Make in India" and the Production Linked Incentive (PLI) scheme. Growth for this industry is expected to be driven by mobile phones, consumer electronics, and industrial electronics.

The outlook for the Indian electronics industry is promising, driven by several macro trends:

- The "Make in India" initiative by the Government of India aims to foster self-reliance through policies that promote domestic manufacturing. These include production-linked incentive schemes, incentives for capital investment, and measures to discourage imports, particularly in the defence sector. There is also a major push to boost exports in the sector.
- The geopolitical climate has prompted industries worldwide to diversify their manufacturing and supply chain strategies, leading many to adopt a "China plus One" approach, where India is increasingly seen as a viable alternative.
- There is a growing emphasis on clean and renewable energy adoption, alongside increased investments in infrastructure projects aimed at electrification and expanding the rail network.
- Rising demand for connectivity further underpins the positive outlook for the industry.

a. Defence, Aerospace & Space

The defence and space industry has witnessed significant growth, driven by increased government spending on national security and advancements in space technology. The geopolitical landscape has necessitated robust defence mechanisms, leading to heightened investments in advanced defence systems, cybersecurity, and intelligence. Space exploration and satellite deployment have surged, fueled by both governmental space agencies and private enterprises.

India's defence budget has consistently grown over the past four years reaching ₹ 5.94 lakh crore in 2023 and for 2024, the budget is expected to surpass ₹ 6 lakh crore. One of the most significant areas of increased spending has been modernization and equipment acquisition. The focus has been on acquiring advanced weaponry, aircraft, naval vessels, and improving cyber capabilities.

The sector has been bolstered by initiatives such as Make in India, encouraging domestic manufacturing and innovation. The Indian Defence Ministry's focus on indigenization and self-reliance has provided substantial opportunities for local players, positioning India as a pivotal player in the global defence and space arena. Government of India has, so far, released five positive indigenization lists to promote self-reliance and minimize imports. The updated Defence Acquisition Procedures (the guiding document for all Defence procurement) prioritize procurement under Buy (Indian – IDDM), Buy (Indian) and Buy & Make (Indian).

The space sector has seen significant advancements globally in the past few years, driven by technological innovation, increased commercial interest, and ambitious government initiatives. Private companies like SpaceX, Blue Origin, and Rocket Lab have expanded their capabilities in launching satellites, resupplying the ISS, and exploring new business models such as satellite internet constellations.

India's space program, led by ISRO (Indian Space Research Organisation), has also seen notable developments over the past few years. Most notably, the Chandrayaan 3 mission was a significant achievement demonstrating the country's prowess in the sector. The Indian

government has been supportive of private sector participation in space activities, offering policies and frameworks that encourage investment, innovation, and entrepreneurship in the sector. Indian private companies are partnering with international entities for collaborative projects.

The aerospace sector has shown resilience, rebounding from the pandemic-induced slowdown. Increased air travel demand, coupled with technological advancements in aircraft design and manufacturing, has propelled the sector forward. Sustainable aviation, with a focus on reducing carbon emissions, has become a key priority. In the commercial aviation sector, the demand for aircraft continues to outpace production capacity, resulting in a backlog equivalent to 11 years of current production. The vast, untapped expected market of new middle-class customers and an optimistic long-term forecast indicate significant growth potential for the industry.

In India, the aerospace sector has been invigorated by government policies promoting domestic production and collaboration with global aerospace giants. Initiatives like the Regional Connectivity Scheme (RCS) and enhancements in airport infrastructure have further stimulated growth, making India one of the fastest-growing aviation markets globally.

b. Mobility – Railways and Automotive

The mobility sector, encompassing railways and automotive industries, is undergoing a transformative phase. In the automotive sector, 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.

The Indian automotive electronics market currently is estimated at USD 10.6 billion of which around 86% is for the domestic market while the rest is for vehicle exports. India, currently, relies heavily on imports to fulfil the demand of auto-electronic products with around 64% of the total demand being imported. The share of imports varies widely across products as India has manufacturing capabilities in products such

as exhaust gas circulation, electronic power steering, airbag electronics, antibrake locking system and fully automatic temperature control. The overall market, for auto-electronics is estimated to reach USD 70.3–74.4 billion by 2032. Domestic market demand is projected to grow at a CAGR of 21.5% from 2022 to 2032.

The Rail mobility market remains stable with governments investing in infrastructure to manage mobility more efficiently in cities and towns. A major focus in the sector is around digitalization in order to provide a more dynamic, responsive, and functional railway for rail passengers in the digital era. Digital Railway Market is classified into Rail operations management, Passenger Information systems, Asset Management, and Other Applications. An important channel of communication between transportation companies and passengers is provided by passenger information systems. The ability of operators to offer accurate and up-to-date knowledge on arrival and departure times is a crucial element of passenger pleasure, along with system dependability, safety, and general appearance. The Global Digital Railway Market size is expected to grow at a healthy rate.

The government of India has focused on investing in railway infrastructure by making investor-friendly policies. The India metro rail market is poised for substantial growth, driven by urbanization and the need for efficient public transportation. With over 700 kilometers of metro lines operational and 1,000 kilometers under construction across various cities, the market is projected to expand significantly. Indian railways launched Semi-high-speed self-propelled trains that have ultra-modern features as per global standards. According to Indian Railways 2023 book, Indian railways plan to market semi-high-speed 'Vande Bharat' trains by 2025–26 to European, South American, and East Asian markets for exporting 'Made in India' trains.

c. Industrial & Energy

The Industrial Sector encompasses diverse applications, including Oil & Gas, Industrial Automation for Process Industries, Electrification, and Utilities. This sector is undergoing significant transformation due to technological advancements and evolving market demands.

The increasing adoption of automation and smart manufacturing practices is set to elevate demand for advanced electronics and control systems. In electrification, there is robust growth driven by the need to upgrade power grid infrastructure to support increased electricity consumption and the integration of renewable energy sources.

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. India's renewable energy capacity is expected to grow substantially with government initiatives.

d. Medical

The global medical devices industry is experiencing robust growth, driven by technological advancements, an aging population, and increased healthcare expenditure. Innovations in diagnostics, wearable technology, and minimally invasive procedures are transforming patient care, improving outcomes, and reducing costs. Regulatory frameworks are evolving to ensure safety and efficacy, with a focus on faster market access for breakthrough devices.

In India, the medical devices sector is poised for significant expansion, supported by government initiatives like the Production Linked Incentive (PLI) scheme and the establishment of medical device parks. The demand for affordable healthcare solutions and indigenous manufacturing is driving growth. India currently imports around 70-75% of its medical devices, with the top imports including diagnostic imaging, consumables, patient aids, orthopedic and prosthetic devices, and dental products. The sector is diversifying into advanced imaging, in-vitro diagnostics, and implantable devices, catering to both domestic needs and export markets.

4. Strategy & Business Outlook

Centum Electronics has strategically developed a focus on high-reliability segments characterized by high entry barriers due to product complexity,

long life cycles, and stringent customer qualification and certification requirements. Our key segments include Defence, Space, Aerospace, Industrial, Medical, and Mobility.

Over the years, we have established robust end-to-end capabilities, encompassing conceptualization, design, manufacturing, and after-market support. This comprehensive approach allows us to serve our customers as a one-stop solution provider, offering flexible engagement models tailored to specific project needs. Our services include Engineering R&D Services, Electronics Manufacturing Services, and turnkey Build to Specification Solutions.

Given the distinct nature of these services, we have organized our operations into three dedicated business units. This unique positioning as a full-spectrum ESDM (Electronics System Design Manufacturing) provider, offering all solutions under one roof, sets us apart from pure-play EMS (Electronics Manufacturing Services) or Engineering service providers. Our value proposition is highly appreciated by customers who view Centum's offerings as truly differentiated and comprehensive.

a. Electronic Manufacturing Services (EMS):

The EMS business unit of Centum Electronics offers a comprehensive range of manufacturing services, enabling the realization and delivery of electronic products for customers in high-reliability segments. Our offerings include full system integration, complex box builds, and Printed Circuit Board (PCB) assemblies based on customer designs. Our esteemed clientele comprises large global Original Equipment Manufacturers (OEMs), with a significant portion of our revenue generated from exports to Europe, North America, and other regions in Asia, including Israel and China.

In recent years, the "Make in India" initiative, driven by various government policies, has created substantial opportunities for Indian ESDM companies to engage in the import substitution of electronic products across various sectors. Additionally, as global supply chains are being recalibrated to mitigate the risks associated with dependence on China, India has emerged as a leading alternative. This trend is particularly evident in the electronics industry, where global OEMs view India as a capable and competitive substitute to China.

In the past year, the EMS division has been a significant growth driver for the group, primarily due to the ramp-up from new customers and increased volumes from existing customers. We have successfully onboarded new customers from the Middle East and the United States, presenting substantial growth potential in the defence and electric vehicle (EV) sectors. Additionally, there has been a high order intake from our existing customers in the defence sector, driven by ongoing conflicts and heightened demand for defence products.

To support this growth, we will continue to expand and upgrade our manufacturing capacities and add new capabilities in the coming year. Our strategic focus also includes the digitalization of processes to enhance efficiency and maintain our competitive edge.

b. Engineering R&D Services

Centum Electronics' ER&D business unit delivers advanced design and engineering services to assist customers in conceptualizing and developing next-generation products or re-engineering existing ones to add value. Our team of approximately 650 design engineers, located globally, collaborates closely with large global OEMs. Centum has built a strong, differentiated reputation as a technology leader and specialist in safety-critical electronics and embedded systems design for high-reliability applications.

With domain experts possessing over 30 years of design experience and highly skilled engineers specializing in critical disciplines such as high-speed digital design, FPGA, power electronics, embedded and application software, and cybersecurity, Centum is involved in numerous leading-edge R&D programs. Our engagement models are flexible, ranging from consulting services to fixed-price projects and turnkey Build-To-Spec contracts.

Additionally, this business unit develops Public Address & Passenger Information Systems (PAPIS) for the rail transportation market, aimed at providing real-time information access and enhanced security for commuters. Centum has a proven track record of successfully deployed systems in the European, North American, and Asian transport markets.

In continuation of the leadership and strategic changes initiated in the previous year to enhance our operational efficiency and profit

margins, we have implemented a restructuring plan focused on reducing overhead costs. Additionally, we are shifting towards consulting, Time & Materials (T&M), or Center of Excellence (COE) delivery models, thereby reducing our reliance on higher-risk fixed-price contracts.

Our PAPIS business has undergone a major transition, with a significant shift of engineering headcount from Canada to our India delivery center. This move not only reduces costs but also positions us well to capture significant opportunities in the Indian rail market. We have already secured our first orders in India for the Delhi and Chennai Metro projects.

Furthermore, we are developing a focused plan to grow our wallet share within certain strategic customer accounts, ensuring sustained growth and deeper partnerships with key clients.

These continued measures and efforts should result in sustainable revenue growth and margin improvement in the subsequent years.

c. Strategic Electronics:

Centum Group's Strategic Electronics Business Unit is dedicated to the design, development, and manufacture of indigenous subsystems and systems for the Indian Defence, Space, and Aerospace sectors. Our primary customers include Defence Public Sector Undertakings (DPSUs), Defence Research and Development Organisation (DRDO), and Indian Space Research Organisation (ISRO).

The "Make in India" initiative, with its policy strongly favoring domestic companies and indigenous technology, presents a significant opportunity for growth and innovation. By aligning our strategic goals with this initiative, we aim to contribute to the objective of self-reliance in critical defence and aerospace technologies.

Our efforts have yielded strong order bookings in the past year, including a significant win for payloads for a three-satellite constellation for a defence application. This success underscores our demonstrated capability and track record of delivering such complex and demanding payloads over the past years.

Progress on the indigenization of tank electronics has been significant, with new production orders received from our DPSU customers. This advancement reflects our

commitment to reducing dependence on imported systems and enhancing domestic manufacturing capabilities.

We have also made considerable investments in the design and development of products for technology demonstration in the Radar and Electronic Warfare (EW) domains. These initiatives have progressed well and are expected to result in production orders in the coming years, further solidifying our position in these critical areas.

A key strategic initiative is our effort 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, our engagement with end users on key opportunities remains strong.

By prioritizing indigenous development and maintaining close partnerships with key Indian defence and space organizations, Centum Group is well-positioned to contribute significantly to India's strategic capabilities and technological self-sufficiency.

5. Risk Factors

Centum Electronics operates in a dynamic and competitive environment, facing various risks that could impact its business, financial condition, and results of operations. While we strive to manage and mitigate these risks, the following factors could adversely affect our business:

1. Market Risks		<p>Our business depends significantly on the Defence, Aerospace, Space, Industrial, Medical, and Mobility sectors. Any downturn or volatility in these sectors, including changes in government policies, budgetary allocations, or technological shifts, could affect our revenue and profitability.</p>
2. Customer Concentration		<p>A substantial portion of our revenue comes from a limited number of customers, including government entities and large corporations. Any loss of or significant reduction in business from these key customers could have a material adverse effect on our financial performance.</p>
3. Supply Chain Disruptions		<p>We rely on a complex network of suppliers for critical components and materials. Disruptions in the supply chain due to factors such as geopolitical tensions, natural disasters, or supplier insolvency could lead to delays in delivery or increased costs.</p>
4. Technology and Innovation		<p>Our success depends on our ability to innovate and develop new technologies. Failure to anticipate or respond to technological changes, or unsuccessful product development initiatives, could impact our competitiveness and market position.</p>
5. Regulatory and Compliance Risks		<p>We operate in highly regulated industries, and changes in regulations, compliance requirements, or environmental laws could increase our costs of operation or restrict our ability to conduct business.</p>

<p>6. Operational Risks</p>		<ul style="list-style-type: none"> o Long and unpredictable gestation periods and timelines on securing government defence and space contracts. o LI based tendering process can result in predatory pricing and margin erosion. o Inordinate delays in certification and approvals from government agencies can lead to protracted timelines for execution. o Large variations in customer forecasted demand can result in accumulation of inventory. o Delay in project execution in long-term Fixed price contracts in engineering services could result in cost overruns and create profitability issues.
<p>7. Financial Risks</p>		<p>Fluctuations in foreign exchange rates, interest rates, or credit risks associated with customers and suppliers could affect our financial performance and cash flows.</p>
<p>8. Cybersecurity and Data Privacy</p>		<p>As a technology-driven company, we are exposed to cybersecurity threats and data breaches. Failure to protect sensitive information or mitigate cyber risks could lead to financial losses, reputational damage, or legal liabilities.</p>
<p>9. Geopolitical and Economic Risks</p>		<p>Operating in multiple countries exposes us to geopolitical uncertainties, economic downturns, trade disputes, and changes in tariff regulations, which could affect our operations and financial results.</p>
<p>10. Human Capital</p>		<p>Our success depends on attracting, retaining, and developing skilled employees. A shortage of qualified personnel, labor disputes, or failure to effectively manage workforce diversity could hinder our growth and operational efficiency.</p>

These risk factors are not exhaustive, and other risks, unknown or currently deemed immaterial, may also adversely affect our business. We continuously assess and manage these risks to minimize their potential impact on our stakeholders.

6. Human Resources

At Centum Electronics, our human capital is integral to our success in delivering cutting-edge solutions. We prioritize attracting, retaining, and developing top talent to drive innovation and operational excellence. As on March 31, 2024, the employee strength of the Company was 1,867.

Our workforce strategy focuses on fostering a culture of continuous learning and development. We invest in training programs that enhance technical skills and leadership capabilities, ensuring our teams remain adaptable and responsive to evolving market demands. Employee engagement initiatives promote a collaborative work environment,

encouraging creativity and problem-solving across all levels of the organization.

Diversity and inclusion are fundamental to our corporate ethos. We strive to create a workplace that values and respects individuals from diverse backgrounds, fostering a culture where different perspectives contribute to our collective success.

Looking ahead, we remain committed to strengthening our talent pipeline and expanding our capabilities through strategic recruitment and development initiatives. By nurturing our people and empowering them to thrive, we are well-positioned to achieve sustainable growth and deliver value to our stakeholders.

7. Internal control systems and their adequacy

Your Company has placed strong emphasis and effort on the internal control systems. The internal checks and balances are augmented by a formal system of Internal Audit by KPMG. The company also has an in-house internal auditor to check the controls and strengthen the systems and processes. Additionally, the internal financial controls are checked by the management and validated by the Statutory auditors.

Financial condition

A. Consolidated

i. Share capital

The share capital of the Company stands at ₹129 million.

ii. Borrowings

The Loans have been reduced by ₹ 891 million from ₹ 2,628 million as on March 31, 2023 to ₹ 1,737 million as on March 31, 2024.

iii. Fixed Assets

The Capital expenditure in relation to Property, Plant & Equipment for 2023-24 is ₹ 244 million.

iv. Working Capital

Inventories has increased by ₹ 563 million from ₹ 2,611 million as on March 31, 2023 to ₹ 3,174 million as on March 31, 2024.

Receivables have decreased by ₹ 1,030 million from ₹ 3,310 million as on March 31, 2023 to ₹ 2,280 million as on March 31, 2024.

Current liabilities have decreased by ₹ 386 million from ₹ 7,441 million as on March 31, 2023 to ₹ 7,055 million as on March 31, 2024.

v. Cash flows

Particulars	₹ in Million
Operating activities	2,136
Financing activities	(1,448)
Investing activities	(440)

vi. Results of Operations

The business operations for 2023-24 resulted in the Company, achieving total income of ₹ 10,976 million as against ₹ 9,288 million for 2022-23.

The Profit/(Loss) before tax before Exceptional items for the year 2023-24 is ₹ 128 million as against ₹ 121 for the year 2022-23.

vii. Key financial parameters

	FY 24	FY 23
Debt /Equity ^{1**}	0.85	1.25
Debtors Turnover Ratio(Days) ²	94	105
Inventory Turnover Ratio(Days) ³	201	214
Current Ratio ⁴	1.08	0.99
Interest Coverage Ratio without exceptional items ⁵	1.37	1.40
Operating Profit Margin ⁶	4%	4%
PAT Margin ^{7***}	0%	1%

¹Non current borrowings + current borrowings/ Equity attributable to equity holders of parents

²Average receivables / revenue from operations x 365 days

³ Average inventory / (Cost of materials consumed + Decrease/(increase) in inventory of work-in-progress and finished goods) x 365 days

⁴Current assets / current liabilities

⁵EBIT*/ Finance cost

⁶EBIT*/ total income

⁷PAT / total income

*Exclude exceptional item & share of profit/ loss from associate/ discontinuing operations and including other income and finance income

Reason for variation (>25%):

**on account of increase in repayment of debt during the year

*** On account of exceptional items

B. Standalone

i. Share capital

The share capital of the Company stands at ₹ 129 million.

ii. Borrowings

The Loans have reduced by ₹ 44 million from ₹ 1,059 million as on March 31, 2023 to ₹ 1,015 million as on March 31, 2024.

iii. Fixed Assets

The Capital expenditure in relation to Property, Plant & Equipment for 2023-24 is ₹ 224 million.

iv. Working Capital

Inventories has increased by ₹ 558 million from ₹ 2,316 million as on March 31, 2023 to ₹ 2,874 million as on March 31, 2024.

Receivables has increased by ₹ 108 million from ₹ 2,095 million as on March 31, 2023 to ₹ 2,203 million as on March 31, 2024.

Current liabilities has increased by ₹ 400 million from ₹ 3,969 million as on March 31, 2023 to ₹ 4,369 million as on March 31, 2024.

v. Cash flows

Particulars	₹ in Million
Operating activities	954
Financing activities	(187)
Investing activities	(655)

vi. Results of Operations

The business operations for 2023-24 resulted in the Company, achieving total

income of ₹ 6,395 million as against ₹ 5,052 million for 2022-23.

The Profit/(Loss) before tax for the year 2023-24 is ₹ 490 million as against ₹ 264 million for the year 2022-23.

vii. Key financial parameters

	FY 24	FY 23
Debt/Equity ¹	0.32	0.37
Debtors Turnover Ratio(Days) ²	124	109
Inventory Turnover Ratio(Days) ³	235	249
Current Ratio ⁴	1.32	1.22
Interest Coverage Ratio without exceptional items ⁵	3.72	2.68
Operating Profit Margin ^{6**}	10%	8%
PAT Margin ^{7**}	6%	4%

¹Total Debt/ Total Equity

²Average Receivables/ Revenue from operations X 365

³Average inventory/ cost of goods sold X 365

⁴Current assets/ current liabilities

⁵EBIT/ Finance cost

⁶EBIT/ total income

⁷PAT/ total income

Reason for variation (>25%):

*on account of increase in repayment of debt during the year

**FY24 increase on account of increase in total income

BOARD'S REPORT

Dear Members,

We have pleasure in presenting the Thirty First Annual Report on the Business and Operations of the Company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2024.

1. Financial Highlights:

A summary of the Standalone and Consolidated Financial Performance of your Company, for the financial year ended March 31, 2024, is as under:

(₹ in million)

Particulars	Consolidated		Standalone	
	2023-24	2022-23	2023-24	2022-23
Total Income	10,976	9,288	6,395	5,052
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)*	858	762	787	537
Depreciation	453	438	184	162
Interest	346	273	180	157
Profit Before Tax**	128	109	490	264
Profit After Tax***	(28)	67	362	194

* Excludes other income and finance income and exceptional item

**Excludes exceptional item & share of profit/loss from associate

***includes exceptional item & share of profit/loss from associates

The financials of the Company are prepared under IND AS in pursuance of Section 133 of the Companies Act, 2013 and in compliance with the (Indian Accounting Standards) Rules, 2015.

2. Business Performance:

During the current year of operations, your Company has registered a consolidated total income of ₹ 10,976 million compared to previous financial year total income of ₹ 9,288 million. Your Company has earned a Profit Before Tax of ₹ 128 million.

At standalone level, total income was ₹6,395 million compared to previous financial year total income of ₹ 5,052 million. Further, your Company has earned a profit before tax of ₹ 490 million.

3. Subsidiaries:

a. Centum Electronics UK Limited

During the year, Centum Electronics UK Limited, a wholly owned subsidiary company, has registered total income of ₹ 2.75 million and incurred a net loss of ₹ 6.68 million.

b. Centum T&S Private Limited (Formerly, Centum Adeneo India Private Limited)

During the year, Centum T&S Private Limited, a wholly owned subsidiary company, has registered revenue of ₹ 583.79 million and earned a net profit after tax of ₹ 0.89 million for the year.

c. Centum T&S Group S.A. (Formerly, Centum Adetel Group S.A.)

During the year, Centum T&S Group S.A. the subsidiary company has registered total income of ₹ 4,604.90 million and incurred a net loss of ₹ 279.31 million before exceptional items.

During the financial year, your Board of Directors reviewed the affairs of the subsidiaries. The consolidated financial statements of your Company are prepared in accordance with Section 129(3) of the Companies Act, 2013 and forms part of this Annual Report.

A statement containing the salient features of the financial statements of the subsidiaries, in the prescribed format AOC-1, is appended as "Annexure-1" to the Board's Report.

The statement also provides the details of performance and financial position of each of the subsidiaries.

The separate audited financial statements in respect of the subsidiary companies are available on the website of your Company at www.centumelectronics.com.

4. Consolidated Financial Statements:

The Consolidated Financial statements have been prepared by the Company in accordance with the applicable Indian Accounting Standards ('Ind AS') and the same together with the Auditor's Report thereon is provided in the Annual Report.

The Financial Statements of the subsidiary and related detailed information will be kept at the Registered Office of the Company and will be available to investors seeking information on all working days during office hours.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy, as approved by the Board, is available on the Investor page at Company's website www.centumelectronics.com.

5. Dividend:

During the year, your Company has paid an Interim Dividend of ₹ 3/- (i.e.30%) per equity share based on the approval provided by the Board of Directors at their Meeting held on February 7, 2024.

Your directors are pleased to recommend a Final Dividend of ₹ 3 per equity share (30%) having face value of ₹ 10 per equity share for the financial year ended March 31, 2024. The final dividend recommended is subject to approval of the Shareholders in the ensuing Annual General Meeting of the Company.

The policy on Dividend Distribution is available on the Company's website at www.centumelectronics.com

The total dividend payout for financial year 2023-24 will be ₹ 77.34 million for 1,28,88,434 number of fully paid-up equity shares of ₹10 each.

6. Material changes and commitments, if any, affecting the financial position of the company, having occurred since the end of the Year and till the date of the Report

There have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

7. Change in nature of Business, if any:

There has been no material change in the nature of business during the year under review.

8. Reserves & Surplus:

The Board of Directors have decided to retain the entire amount of profit under Retained Earnings. Accordingly, your Company has not transferred any amount to General Reserves for the year ended March 31, 2024.

9. Share Capital:

During the year, the Company issued and allotted 3,653 Equity Shares of ₹ 10 each of the Company, pursuant to the Employee Stock Option Plan, 2013 scheme. As a result of the allotment, the paid-up share capital increased to ₹ 12,88,84,340 comprising 1,28,88,434 Equity Shares of ₹ 10 each. The shares so allotted rank pari passu with existing share capital of the Company. Apart from the same, there was no other change in share capital of the Company.

10. Debentures: Issue of Shares or Other Convertible Securities:

During the year under review, the Company has not issued any Debentures. As on date, the Company does not have any outstanding Debentures.

11. Depository system:

Your Company's equity shares are tradable only in electronic form. As on March 31, 2024, 99.37% of the Company's total paid up equity share capital representing 1,28,07,736 shares are in dematerialized form.

12. Transfer to investor Education and protection fund:

Pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

The Company had sent individual notices and also advertised in the newspapers seeking action from the Members who have not claimed their dividends for seven consecutive years or more.

During the year, the Company transferred ₹ 6,68,258/- to IEPF, (the amount in unpaid 2nd Interim 2015-16 and Interim 2016-17 dividend accounts) which was due & payable and remained unclaimed & unpaid for a period of seven years as provided under Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016. The Company, pursuant to the circulars issued by the Ministry of Corporate Affairs under the aforesaid rules mandated the transfer of shares on which dividend has not been paid or claimed by the Shareholders for seven consecutive years or more to the demat account of the IEPF Authority. The Company has accordingly transferred 6,991 shares to the demat account of the IEPF Authority.

Members / claimants whose shares, unclaimed dividend, have been transferred to the IEPF Authority Demat Account as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on <http://www.iepf.gov.in>) along with requisite fee as decided by IEPF Authority from time to time.

13. Internal Control Systems and their adequacy:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has appointed M/s. KPMG, Chartered Accountants, as its Internal auditor. The Audit Committee defines the scope and areas of internal audit. The Internal auditor audits the areas recommended by the committee every year.

The audit observations and corrective actions thereon are being presented to the Audit Committee of the Board. Based on the report of Internal auditor process owners undertake corrective action in their respective areas and thereby strengthen the controls. During the year, the internal audit was done on the areas recommended and no material weakness was observed.

Additionally, the company, also has an in-house Internal Auditor to check the controls and strengthen the systems and processes.

14. Directors and Key Managerial Personnel:

The Board of Directors of the Company as on March 31, 2024 comprised of 8 Directors out of which 2 are Executive Directors, 1 Non - Executive Director and 5 are Non-Executive Independent Directors. The composition of the Board of Directors of the Company is in accordance with the provisions of

Section 149 of the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an appropriate combination of Executive, Non-Executive and Independent Directors.

Independent Director, Mr. Pranav Kumar N Patel ceased to be a director w.e.f closing of business hours on 31.03.2024 on completion of two terms as Independent Director.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Tanya Mallavarapu, Director (DIN: 01728446) will retire by rotation at the Thirty First Annual General Meeting and being eligible, has offered herself for re-appointment.

Pursuant to applicable provisions of the Companies Act, 2013, the Nomination and Remuneration Committee and the Board of Directors at their respective Meetings held on May 22, 2024, have recommended and approved the appointment of Mr. Tarun Sawhney (DIN: 00382878) as an Independent Director of the Company with effect from May 22, 2024 to May 21, 2029 which is subject to approval of Shareholders at the ensuing Annual General Meeting of the Company. Due notices under Section 160 of the Companies Act, 2013 have been received from a Shareholder of the Company proposing the appointment of Mr. Tarun Sawhney as an Independent Director of the Company at this Annual General Meeting.

The Notice convening the Annual General Meeting includes the proposals for the appointment of the Directors. Brief resume of the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas and names of the Companies in which they hold directorship/ membership/chairmanship of the Board or Committees, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been provided as an annexure to the Notice convening the Thirty First Annual General Meeting.

None of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013.

In compliance with Section 203 of the Companies Act, 2013, Mr. Apparao V Mallavarapu, Chairman & Managing Director, Mr. K S Desikan, Chief Financial Officer and Ms.Indu H S, Company Secretary & Compliance Officer are the Key Managerial Personnel in accordance with the provisions of Section 203 of the Companies Act, 2013.

a. Board Meetings:

The Board of Directors duly met five (5) times in respect of which proper notices were given and the proceedings were properly recorded and signed in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The details of which are given in the Corporate Governance Report.

b. Declaration by Independent directors:

The Company has received necessary declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Status on Independent Directors' proficiency test

The Independent Directors on the Board of the Company have the integrity, expertise & experience and the said Directors have either cleared the proficiency self-assessment test conducted by the Institute of Corporate Affairs notified under sub-section (i) of section 150 of the Act or were exempted from appearing for the proficiency self-assessment test.

c. Remuneration Policy:

The Board has, upon recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration as required under Section 178(3) of the Companies Act, 2013. The policy is available on the company's website <https://www.centumelectronics.com/investor-relations/>. There has been no change in the policy since the last financial year.

d. Annual evaluation of Board, its Committees and Individual Directors:

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the requirements of Section 134 (3) (p) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, Independent directors have reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as

stipulated under Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at their separate meeting held on 6th February, 2024.

e. Committees of the Board:

Details with respect to the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee and meetings of the said Committees held during the year forms part of the Corporate Governance Report annexed to this Report.

f. Risk Management

The Company follows well-established and detailed risk assessment and minimization procedures, which are periodically reviewed by the Board. The Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy. The details on composition and meetings of the Committee forms part of the Corporate Governance Report annexed to this report.

15. Directors' Responsibility Statement:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors confirm:

- i. that in the preparation of annual accounts for the year ended March 31, 2024, the applicable Accounting Standards have been followed along with the proper explanations relating to material departures;
- ii. that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been adopted and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. that the annual financial statements have been prepared on a going concern basis;
- v. that proper internal financial controls were in place and that the financial controls were adequate and operating effectively;
- vi. that systems to ensure compliance with the provisions of all applicable laws were in place, were adequate and operating effectively.

Further the Board of Directors confirm that the Company has complied with the Secretarial Standards on the Board and General Meetings issued by the Institute of Company Secretaries of India, as applicable to the Company, during the financial year ended March 31, 2024.

16. Particulars of Loans, Guarantees or Investments:

The particulars of loans given, investments made, securities provided and guarantees given as required under Section 186 of the Companies Act, 2013 are provided in note 5, 6, 14 and 45(c)(i) forming part of the standalone financial statements.

17. Contracts and Arrangements with Related Parties:

All related party transactions that were entered into during the financial year were in the ordinary course of business and were at arm's length basis. There were no material significant related party transactions made by the company during the year with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the company at large.

All the related party transactions were placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of foreseen and repetitive nature in terms of Regulation 23(3)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The company has framed a policy on dealing with the related party transactions and the same is available on the company's website <https://www.centumelectronics.com/investor-relations>.

Your directors draw attention of the members to Note no. 42 to standalone to financial statement which sets out the related party disclosures.

18. Auditors:

a. Statutory auditors

The members at the Twenty Ninth Annual General Meeting of the Company held on August 12, 2022, approved the appointment of M/s. S.R Batliboi & Associates LLP, Chartered Accountants (Firm registration number: 101049W/E300004) for second term of five years as Statutory Auditors of the Company to hold office from the conclusion of 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting.

The Report of the Statutory Auditors for the financial year 2023-24 does not contain any qualification on the financial statements of the Company.

The details of remuneration of the Statutory Auditors with break-up of fee paid as required by the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year 2023-2024 is given as part of the Corporate Governance Report.

b. Secretarial audit

In terms of Section 204(1) of the Companies Act, 2013, the Board had appointed Ms. Aarthi G Krishna, Practicing Company Secretary (CP No.5645), to conduct Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024 is enclosed as "Annexure-2" to this Report.

The said secretarial audit report does not contain any qualification, reservation or adverse remark or disclaimer made by the secretarial auditor.

c. Cost auditors

As required under Section 148 of the Companies Act, 2013 the Board of Directors of the Company has appointed M/s. K.S. Kamalakara & Co., Cost Accountants (Firm Registration No. 000296) as Cost Auditors of the Company for the financial year 2024-25 at a fee of ₹1,50,000/- plus applicable taxes and out of pocket expenses. The ratification of remuneration payable to Cost Auditors is placed as an agenda item for approval of shareholders at the ensuing annual general meeting.

19. Corporate Governance:

Your Company believes in adopting best practices of corporate governance. A report on corporate governance as required under the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 is forming part of this Annual Report as “**Annexure – 6**”.

A certificate from the Practicing Company Secretary of the Company regarding compliance of the conditions stipulated for Corporate Governance as required under Clause E of Schedule V read with Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report. The declaration by the Managing Director addressed to the Members of the Company pursuant to Clause D of Schedule V Read with Regulation 34 (3) Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct by the Members of the Board and by the Members of the Senior Management Personnel of the Company is also attached to this Report.

20. Conservation of Energy, Technology absorption, Research & Development and Foreign Exchange Earnings and Outgo:

The particulars prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are enclosed as “**Annexure-3**” to this Report.

21. Corporate Social Responsibility:

As part of the Company’s initiatives under “Corporate Social Responsibility (CSR)”, the Company has funded several projects that aid and improve education, literacy and healthcare for children. It has also funded and participated in projects that support and aid children with disabilities.

The disclosures as required under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as “**Annexure-4**” to this Report.

22. Details of establishment of Vigil Mechanism:

In accordance with Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism and has a Whistle Blower Policy. The Policy is available at the Company’s website <https://www.centumelectronics.com/investor-relations>.

The Company did not receive any complaints during the year under review.

23. Particulars of Employees:

The information relating to remuneration and other details as required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is enclosed as “**Annexure-5**” to this report.

Further, the details of employees who are in receipt of remuneration exceeding the limits prescribed under Section 134 of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request.

In terms of Section 136(1) of the Companies Act, 2013 and the Rules made thereunder, the Annual Report is being sent to the shareholders and others entitled thereto excluding the information on employees’ particulars. The same is available for inspection by the shareholders at the Registered Office of the company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

24. Prevention, Prohibition and Redressal of Sexual Harassment at workplace:

The Company has zero tolerance for sexual harassment at workplace and has formulated a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has also constituted an Internal Complaints Committee, to inquire into complaints of sexual harassment and recommend appropriate action. All the employees of the Company as a part of induction are sensitized about the provisions of the said Act.

The Company has not received any complaint of sexual harassment during the financial year 2023-24.

25. Annual Return:

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at <https://www.centumelectronics.com/annual-return/>.

26. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is forming part of the Annual Report.

27. Business Responsibility and Sustainability Report:

As required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report is provided in a separate section and forms part of the Annual Report as "Annexure - 7".

28. Employee Stock Option Plan:

As a measure of rewarding the employees, your Company had introduced an Employee Stock Option Plan (ESOP) during the year 2013.

Further, "Centum Electronics Limited - Restricted Stock Unit Plan 2021" scheme was approved by the Shareholders of the Company through the 'Postal Ballot' process on October 5, 2021. BSE Limited and the National Stock Exchange of India vide their letters dated October 28, 2021 and October 12, 2021 respectively have accorded their in-principle approval for listing up to a maximum of 1,75,000 Restricted Stock Units under the scheme.

The certificate from the Secretarial Auditor on the implementation of ESOP 2013 and RSU 2021 in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 has been uploaded on the website of the Company at www.centumelectronics.com.

The particulars prescribed under Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 has been uploaded on the website of the Company at www.centumelectronics.com.

29. Awards and Recognitions:

The Company is proud recipient of:

- Best Quality Supplier Award from Stanley Black & Decker
- National Level Energy Management Gold Award from the Society of Energy Engineers and Managers (SEEM)

30. General:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions with regard to the following during the year under review:

- Details relating to deposits covered under Chapter V of the Companies Act, 2013
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the company under any scheme save and except ESOP referred to in this report.
- There is no remuneration received by the Managing Director/Whole Time Director from the subsidiary company.
- No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and the Company's operations in future.
- No application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- No frauds are reported by Auditors under sub-section (12) of Section 143.

31. Acknowledgements:

Your Directors thank the customers for their continued patronage and the investors, bankers and vendors for their continued support.

Your Directors acknowledge and thank the invaluable contributions of all the employees, who have demonstrated their skill, teamwork and commitment through their competence, hard work, cooperation and support.

Your Directors would also like to place on record the support received from, the Electronic Hardware Technology Park, the Customs and GST Departments, the Reserve Bank of India, the Department of Industries and Commerce, Karnataka, the Karnataka Udyog Mitra and all the other Central and State Governmental agencies.

By order of the Board
For **Centum Electronics Limited**

Place : Bengaluru, India
Date : May 22, 2024

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Whole Time Director
DIN: 00288551

Annexure - 1

Form AOC - 1

Statement containing salient features of the financial statement of subsidiaries and associate company

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of the Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries											(in ₹ million)		
Sl. No.	Name of the subsidiary	Currency	Equity Share capital	Other Equity	Total Assets*	Total Liabilities	Investment in associate	Total Income	Profit/(Loss) before tax	Total tax expenses	Profit/(Loss)	Proposed dividend	% of Shareholding by the company
1	Centum T&S Private Limited, India (formerly known as Centum Adeneo India Private Limited)	INR	1	19	266	246	-	584	1	-	1	-	100%
2	Centum Electronics UK Limited	EUR	1,077	102	1,181	2	-	3	(7)	-	(7)	-	100%
3	Centum T&S Group SA (CAG), France	EUR	407	713	3,344	2,313	89	395	(28)	-	(28)	-	90.08%
4	Centum T&S (Centum Technologies ET Solutions), France (formerly known as Centum Adeneo SAS)	EUR	47	759	3,565	2,759	-	3,897	(98)	-	(98)	-	held by CAG 100%
5	Centum R&D (Centum Recherche ET development), France (formerly known as Centum Adeneo CRD SAS)	EUR	23	(9)	75	61	-	392	2	-	2	-	held by CAG 100%
6	Centum Adetel Transportation System SAS, France (CATS)	EUR	753	(477)	887	611	-	149	(30)	-	(30)	-	held by CAG 100%
7	Centum T&S (Centum Technologies ET Solutions), Canada (formerly known as Centum Adetel Solution)	CAD	5	(246)	552	793	-	271	(123)	-	(123)	-	held by CATS 100%
8	Centum E&S (Centum Equipments ET Systemes), Canada (formerly known as Centum Adetel Equipment)	CAD	3	(161)	700	858	-	508	(46)	-	(46)	-	held by CATS 100%
9	Centum T&S (Technologies & Solutions) Belgium SRL (formerly known as Centum Adeneo Belgium)	EUR	1	9	58	48	-	184	(5)	-	(5)	-	held by CAG 100%

Part "B": Associate

Shares of Associate held by the Company on the year end						(in ₹ million)		
Sl. No.	Name of the associate	Currency	Amount of Investment in associate		Extent of holding %	Networth attributable to parent Shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year	OCI for the year
			Number in million	Amount of Investment in associate				
1	Ausar Energy SAS	EUR	1	-	held by CAG 30.45%	(86)	-	1

* excluding investment in associate

Form No. MR-3

SECRETARIAL AUDIT REPORT¹

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to section 204(i) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
Centum Electronics Limited
Bengaluru

CIN L85110KA1993PLC013869
Authorised Capital Rs. 15.50 Crores

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Centum Electronics Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Centum Electronics Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Centum Electronics Limited ("the Company") for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;²
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2021
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;²
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;² and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;²
- (vi) Other Laws as applicable to Electronic System Design and Manufacturing (ESDM) Company viz:-
 1. EXIM Policy of India relating to Export Oriented Unit (EOU)
 2. Semiconductor Integrated Circuits Layout Design Act, 2000
 3. Environment (Protection) Act, 1986, Water (Prevention and Control of Pollution) Act, 1974; Air (Prevention and Control of Pollution) Act, 1981; e-waste & hazardous waste (Management and Handling Rules).

4. Micro Small and Medium Enterprises Development Act, 2006

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with the National Stock Exchange of India Limited and BSE Limited and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc, mentioned above subject to the following disclaimer:

My opinion is based on audit evidence, explanations and information given to me during the audit and the Management Representation Letter in support of compliances in respect of the Act, Rules, Regulations, Guidelines, Standards, etc, mentioned above.

I Further Report That

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

UDIN: F005706F000422188

Date : 22nd May, 2024

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I Further Report That There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I Further Report That during the audit period the company has:

- (i) Granted 27,500 Stock Options to eligible employees of the Company and its Subsidiaries under the 'Restricted Stock Unit Plan, 2021'.
- (ii) Allotted 3,653 shares of Rs. 10/- each on the exercise of options vested to the employees of the Company under the 'Employees Stock Option Plan, 2013'.
- (iii) Increased its stake in its step-down Subsidiary company to 90.08% by making further investment through its wholly owned Subsidiary company.

AARTHI GOPALAKRISHNA

FCS# 5706 CP# 5645

Peer Review Cert# 1110/2021

¹ To be read with the letter annexed hereto which forms an integral part of this report

² There were no actions necessitating compliance under these Regulations



Annexure

To,
The Members,
Centum Electronics Limited
Bengaluru

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 (“CSAS”) prescribed by the Institute of Company Secretaries of India (“ICSI”). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date : 22nd May, 2024

AARTHI GOPALAKRISHNA
FCS# 5706 CP# 5645

Annexure – 3

INFORMATION PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013

1. CONSERVATION OF ENERGY:

The Company continues to accord priority to energy conservation. The company's '**Energy Saving Team**' is committed to minimize the energy consumption and has implemented several energy-saving projects. Consistent efforts are being made to identify potential areas for energy saving.

Some of the measures the company had undertaken during the period under report in the high-priority area of Energy Conservation are:

- **Variable Frequency Drive (VFD) Installations:** VFDs have been installed for process chiller pumps, cooling tower fan motors, and clean room air handling units (AHUs). These installations help control flow rates, fan speeds, and temperatures efficiently, reducing energy consumption.
- **Auto RH Control System:** Implemented for heater banks in critical cleanrooms to optimize energy usage.
- **Power and Gas Cut-off Plans:** Equipment not in production have been systematically powered down to reduce idle consumption.
- **Monitoring and Control Systems:** Regular monitoring of process gases (He & N₂), energy management via SCADA software, and daily consumption monitoring of top power-consuming equipment like HVAC systems and air compressors.

Renewable Energy Usage:

- **High Renewable Energy Use:** Approximately 90% of energy consumption is from renewable sources (solar and wind), significantly reducing the company's carbon footprint.

Maintenance and Efficiency Improvements:

- **Thermography Studies:** Conducted for electrical systems to identify and rectify defects, improving system efficiency.
- **Cooling Tower Maintenance:** Effective monitoring and maintenance of condenser water quality has led to better heat exchange and energy conservation.
- **HVAC and Compressor Maintenance:** Regular upkeep ensures maximum efficiency and energy savings.

Innovative Practices:

- **Automation and Control:** Use of automated timers and BMS automation for HVAC systems to align operations with production needs.
- **Leakage Checks:** Regular checks and immediate repair of gas and air pipeline leaks to conserve resources.
- **Motion & Lux Based Lighting:** Installed in office areas to eliminate idle energy waste.
- **Conversion of Wrapped V belt drives to Raw edge belt drive** to increase the efficiency of AHU's.
- **Operation of Heat Pump** to generate hot water for maintaining shopfloor humidity, it operates through reverse recovery principle and 2 times energy efficient than conventional water heaters.
- **Jigs modification** led to an increase in the loading capacity of walk in ESS chamber by reducing 40% of energy consumption per cycle.

Awards and Recognition:

Gold Award: Received the National Level Energy Management Award from the Society of Energy Engineers and Managers (SEEM) in September 2023 for best practices and contributions in energy conservation.

2. NEW PROCESSES DEVELOPED

The Process & NPI Team is constantly working on the development of various new processes. This has succeeded in the development of various new processes which has helped in enhancing the product performance and in getting new business opportunities.

- **SMT Line Upgrade:** Addition of new equipment to enhance assembly processes.
- **Complex RF PCB Assemblies:** Developed processes for assembling complex RF PCB assemblies for critical defense applications.
- **Heat Pipe Assembly:** Established a process to assemble heat pipe assemblies for dissipating heat from electronic assemblies.
- **Mixed Alloy Soldering:** Implemented processes for mixed alloy soldering.

- MEMS Based Gyro Assembly: Developed assembly processes for MEMS-based gyro assemblies.
- Glob Top Application: Developed processes for applying glob top in Chip on Board (COB) assemblies for space applications.
- Rb Vapour Cell Packaging: Qualified packaging processes for rubidium vapor cells for space applications.
- Solder Paste Printing: Improved the solder paste printing process by enhancing transfer efficiency.

These efforts showcase the company's dedication to not only conserving energy and reducing environmental impact but also to continuously

improving and developing innovative processes to stay ahead in the industry.

3. EXPENDITURE ON R & D

Particulars	₹ in million	
	2023-24	2022-23
A. Capital	90.78	57.65
B. Recurring	115.71	130.31
C. Total	206.49	187.96
Total R&D expenditure as a % of total turnover	3.26%	3.76%

4. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earnings: ₹ 4,399.75 Million and Outgo: ₹ 3,980.27 Million for the year ended March 31, 2024.

Annexure – 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy:

In accordance with Section 135 of the Companies Act, 2013 and Corporate Social Responsibility (CSR) Rules, 2014 together with Schedule VII of the Companies Act, 2013 the Company has in place Corporate Social Responsibility Policy.

The Company's CSR initiatives are presented at the annual planning and budgeting meet of the Company and forms an integral part of the business plan annually. All projects are assessed under an agreed strategy and are monitored every quarter, measured against targets and budgets. Whenever necessary, midcourse corrections would be carried out. To measure the impact of the work done, a social satisfaction audit is carried out from time to time.

2. Composition of the CSR Committee:

The Composition of the CSR Committee is as follows:

Name	Designation	Position	No. of meetings held during the FY 23-24	No. of meeting attended during the FY 23-24
Mr.Thiruvengadam P	Independent Director	Chairman	1	1
Ms.V Kavitha Dutt	Independent Director	Member	1	1
Dr.Swarnalatha Mallavarapu*	Non – Executive Director	Member	1	1
Ms. Tanya Mallavarapu**	Non – Executive Director	Member	1	-

* Dr.Swarnalatha Mallavarapu ceased to be a member of CSR Committee w.e.f closing hours of 27th May, 2023

** Ms.Tanya Mallavarapu was appointed as member of the CSR Committee w.e.f 27th May, 2023

3. The Company has formulated a CSR Policy and the web-link where the Composition of the Committee, CSR Policy and CSR Projects approved by the Board are disclosed is available at Investor page on the Company website:

<https://www.centumelectronics.com/wp-content/uploads/2023/08/CSR-Committee-Composition-Project.pdf>

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2021-22	20,219	-
2	2022-23	898	-
3	2023-24	2,97,542	-
	Total	3,18,659	-

6. Average net profits of the Company as per Section 135(5): ₹ 22,89,82,919/-

7. a. 2% of the average Net Profit of the Company as per section 135(5): ₹ 45,79,658/-
 b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 c. Amount required to be set off for the financial year: Nil
 d. Total CSR obligation for the financial year (a+b-c) = ₹ 45,79,658/-
8. a. CSR Amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount unspent (in ₹)	
	Total Amount transferred to Unspent CSR account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)
₹ 48,77,000	Nil	Nil

- b. Details of CSR amount spent against ongoing projects for the financial year: Nil
 c. Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation – Direct (Yes/No)	Details of Implementation Agency
				State	District			
1.	Promoting Education - Blind School	Education	Yes	Karnataka	Bangalore	7,59,000	No	Mathru Educational Trust - CSR00015120
2.	Meal Distribution	Eradicating Hunger	Yes	Karnataka	Bangalore	5,00,000	No	The Akshaya Patra Foundation - CSR00000286
3.	Healthcare – Distribution of wheel chairs	Healthcare	Yes	Karnataka	Bangalore	2,50,000	No	proVISION ASIA - CSR00009130
4.	Education, Women Empowerment, Health Care and Social activities	Promoting Education and Health care	Yes	Karnataka	Bangalore	3,68,000	No	Shri Vishwanath Raghunath Rao Memorial Trust - CSR00010355.
5.	Art & Culture	Promotion and Development of art and culture	Yes	Karnataka	Bangalore	30,00,000	No	Art & Photography Foundation - CSR00000053
Total						48,77,000		

- d. Amount spent in Administrative Overheads: Nil
 e. Amount spent in Impact Assessment: Not Applicable
 f. Total amount spent for the Financial Year: ₹ 48,77,000 /-
 g. Excess amount for set off:

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	45,79,658
(ii)	Total amount spent for the Financial Year	48,77,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,97,542
(iv)	Surplus arising out of CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,97,542

- 9. a.** Details of Unspent CSR amount for the preceding three financial years: Nil
- b.** Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable
- 10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in financial year:
Not Applicable
- 11.** Specify the reason(s) if the Company fails to spend the 2% of the average net profit as per Section 135(5):
Not Applicable.

Place : Bengaluru, India
Date : May 22, 2024

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Thiruvengadam P
Chairman of CSR Committee
DIN: 00016375

Annexure – 5

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 are as under:

Sr No.	Name of the Director/KMP and Designation	% increase in Remuneration in the Financial Year 2023-24	Ratio of remuneration of each Director/ to median remuneration of employees
1	Apparao V Mallavarapu Chairman and Managing Director	101%	38.94
2	Nikhil Mallavarapu Whole-time Director	101%	38.94
3	Manoj Nagrath Non-Executive Independent Director	4%	1.09
4	Rajiv C Mody Non-Executive Independent Director	23%	0.92
5	Pranav Kumar N Patel Non-Executive Independent Director	4%	1.09
6	Swarnalatha Mallavarapu* Non-Executive Director	-82%	0.15
7	Thiruvengadam P Non-Executive Independent Director	4%	1.05
8	V Kavitha Dutt Non-Executive Independent Director	5%	0.92
9	Tanya Mallavarapu** Non-Executive Director	Not applicable	0.77
10	K. S. Desikan Chief Financial Officer	9%	Not applicable
11	Indu H S Company Secretary	22%	Not applicable

*Swarnalatha Mallavarapu resigned w.e.f closing hours of 27th May, 2023

**Tanya Mallavarapu was appointed w.e.f 27th May, 2023

- (i) During the financial year, there was an increase of 10.43% in the median remuneration of employees.
- (ii) On standalone basis, there were 1290 permanent employees on the rolls of Company as on March 31, 2024
- (iii) Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year i.e., 2023-24 was 7.16% and increase in the managerial personnel for the same financial year was 74.14%.
- (iv) Affirmation that the remuneration is as per the Remuneration Policy of the Company.

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company

Annexure – 6

Corporate Governance Report

1) Company's philosophy on code of governance

Centum's vision and continuing endeavor to create value by contributing to the success of our customers, has always been achieved and will continue to be achieved by adhering to its core values of Teamwork, Openness and Trust, Integrity, Customer Relationship, Excellence and Social Responsibility.

Centum Electronics Limited firmly believes that implementation of good corporate governance will help the Company to achieve Corporate goals and enhance stakeholders value. Your company's philosophy on corporate governance envisages attainment of the highest level of transparency, accountability and integrity in all facets of its operation. The fundamental objective is enhancement of long-term Shareholder value, while at the same time protecting the interests of other stakeholders.

Your Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time ("SEBI Listing Regulations"), as applicable.

2) Board of Directors

a) Composition:

As on March 31, 2024, the Board of Directors of the Company comprises of 8 Directors out of which 5 are Independent Non-Executive Directors. The

composition of Board is in due compliance of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has an active, experienced and a well-informed Board. The Board along with its committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's Corporate Governance philosophy. The Nomination and Remuneration Committee of the Board ensures the right composition of the Board. The Board is primarily responsible for the overall management of the Company's business. The Directors on the Board are from varied fields with wide range of skills and expertise.

All Independent Directors possess the requisite qualifications and are very experienced in their own fields. These Independent Directors have the necessary experience and expertise. Necessary disclosures have been obtained from all the Directors regarding their Directorship and have been taken on record by the Board at its meeting held on May 22, 2024. The Board, thus, hereby confirms that in the opinion of the Board all the Independent Directors appointed by the Company fulfills the conditions specified in these regulations and are independent of the management.

The composition of the Board of Directors as at March 31, 2024 is as follows:

Name of the Director	Category	Designation	No. of shares held and percentage to paid up share capital	Number of other Directorships		Number of other Committees Membership/ Chairmanship		Name of other Listed entities & category of Directorships*
				Chairmanship	Membership	Chairmanship	Membership	
Mr. Apparao V Mallavarapu	Promoter - Executive and Non-Independent	Chairman & Managing Director	58,97,549 45.76	-	2	-	-	-
Mr. Nikhil Mallavarapu	Promoter - Executive and Non-Independent	Whole Time Director	6,52,855 5.07	-	-	-	-	-
Mr. Manoj Nagrath	Non-Executive and Independent	Director	-	-	-	-	-	-

Name of the Director	Category	Designation	No. of shares held and percentage to paid up share capital	Number of other Directorships		Number of other Committees Membership/ Chairmanship		Name of other Listed entities & category of Directorships*
				Chairmanship	Membership	Chairmanship	Membership	
Mr. Rajiv C Mody	Non-Executive and Independent	Director	-	1	2	-	1	1. Sasken Technologies Limited – CMD
Mr. Pranav Kumar N Patel**	Non-Executive and Independent	Director	-	-	-	-	-	-
Ms. Tanya Mallavarapu***	Promoter -	Director	6,44,240	-	-	-	-	-
	Non-Executive and Non-Independent		5.00					
Mr. Thiruvengadam P	Non-Executive and Independent	Director	-	-	9	-	3	1. Fine Organic Industries Limited – ID 2. Western India Plywoods Limited – NED 3. The K.C.P. Limited – ID
Ms.V Kavitha Dutt	Non-Executive and Independent	Director	-	-	9	2	3	1. The K.C.P. Limited – JMD 2. DCM Shriram Industries Limited – ID 3. Apollo Hospitals Enterprise Limited – ID

* CMD – Chairman and Managing Director; ID – Independent Director; JMD – Joint Managing Director; NED – Non-Executive Director

** Ceased to be a Director w.e.f 31.03.2024 on completion of two terms as Independent Director

*** Was appointed with effect from 27th May, 2023

- The Directorships, held by the Directors as mentioned above, do not include Directorship(s) in Foreign Companies and Section 8 Companies under the Companies Act, 2013.
- Membership(s) / Chairmanship(s) of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies have been considered.

The number of Directorships, Committee Membership(s), Chairmanship(s) of all the directors are within the limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Apparao V Mallavarapu is the father of Mr. Nikhil Mallavarapu and Ms. Tanya Mallavarapu. Mr. Nikhil Mallavarapu and Ms. Tanya Mallavarapu are siblings.

None of the other Directors on the Board are related to any other Director.

None of the Independent Non-Executive directors of the Company have any pecuniary relationships or transactions with the company.

The Board based on the recommendations of the Nomination and Remuneration Committee Meeting held on 22nd May, 2024 approved the appointment of Mr. Tarun Sawhney (DIN: 00382878) as an Additional Director in the capacity of Non-Executive Independent Director with effect from 22nd May, 2024, for a period of five years subject to the approval of shareholders of the Company.

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

The mapping of the same with each of the Directors are as below:

Name of the Director	Competencies
Mr.Apparao V Mallavarapu	Knowledge on key industry and technology trends, Global Business, Strategy and Planning, Risk Management, Financial Management, Governance, Stakeholder Management, Performance Management and Evaluation.
Mr. Nikhil Mallavarapu	Knowledge on key industry and technology trends, Global Business, Strategy and Planning, Risk Management, Financial Management, Governance, Stakeholder Management, Performance Management and Evaluation.
Mr. Manoj Nagrath	Risk Management, Financial Management, Governance, Stakeholder Management, Performance Management and Evaluation.
Mr. Rajiv C Mody	Knowledge on key industry and technology trends, Global Business, Strategy and Planning, Risk Management, Financial Management, Performance Management and Evaluation.
Mr. Pranav Kumar N Patel**	Knowledge on key industry and technology trends, Global Business, Strategy and Planning, Risk Management, Financial Management, Performance Management and Evaluation.
Mr. Thiruvengadam P	Knowledge on key industry and technology trends, Global Business, Strategy and Planning, Risk Management, Financial Management, Governance, Performance Management and Evaluation.
Ms. V Kavitha Dutt	Strategy and Planning, Risk Management, Financial Management, Governance, Stakeholder Management, Performance Management and Evaluation.
Ms. Tanya Mallavarapu*	Risk Management, Financial Management, Governance, Stakeholder Management, Performance Management and Evaluation.
Mr. Tarun Sawhney***	Knowledge on key industry and technology trends, Global Business, Strategy and Planning, Risk Management, Financial Management, Governance, Stakeholder Management, Performance Management and Evaluation.

*Appointed with effect from 27th May, 2023

** Ceased to be a Director w.e.f 31.03.2024 on completion of two terms as Independent Director

***Appointed with effect from 22nd May, 2024

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above from time to time. The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, expertise, diversity and independence. The Board provides leadership, strategic guidance, an objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its composition and size.

b) Board Meetings:

The details of the Board Meetings held during the financial year 2023-24 are as follows:

Sl. No.	Day & Date
1	Saturday, May 27, 2023
2	Friday, August 11, 2023
3	Thursday, November 9, 2023
4	Wednesday, February 7, 2024
5	Thursday, February 29, 2024

The necessary quorum was present in all the Board Meetings. The maximum gap between any two meetings was in compliance with the provisions of the Companies Act, 2013. The attendance of Directors in Board Meetings and previous Annual General Meeting (AGM) are as follows:

Name of the Director	Number of meetings attended	Attendance at the last AGM
Mr. Apparao V Mallavarapu	5	Yes
Mr. Nikhil Mallavarapu	5	Yes
Mr. Manoj Nagrath	5	Yes
Mr. Rajiv C Mody	5	Yes
Mr. Pranav Kumar N Patel	5	Yes
Dr. Swarnalatha Mallavarapu*	1	No
Ms. Tanya Mallavarapu**	4	Yes
Mr. Thiruvengadam P	5	Yes
Ms. V Kavitha Dutt	5	Yes

* Resigned with effect from closing hours of 27th May, 2023

**Appointment with effect from 27th May, 2023

The Board has accepted all recommendations of its committees of the Board during the financial year.

c) Code of Conduct for Directors and Senior Management:

The company has adopted the Code of Conduct for Directors and Senior Management and the company received the annual affirmations with regard to the adherence to the Code of Conduct for the financial year 2023-24. The Code of Conduct is available on the company's website (<https://www.centumelectronics.com/investor-relations/policies/>).

All the Independent Directors of the Company at the time of their first appointment to the Board and thereafter in the first meeting of the Board in each financial year give a declaration that they meet the criteria of independence as provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. The Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

d) Familiarisation programmes for Board members:

At the time of appointing a Director, a formal letter of appointment is given which inter alia explains the role, function, duties and responsibilities expected from them as a Director of the company. The Director is also explained in detail the compliances required from him under the Companies Act, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other relevant regulations. The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Quarterly updates on important changes in the regulatory environment is presented to the Board by the functional heads. Apart from this, the statutory auditors present to the Audit Committee/ Board on regular intervals on important regulatory changes.

The details of Familiarisation Programmes imparted to the Independent Directors is disclosed on its website (<https://www.centumelectronics.com/investor-relations/policies/>).

e) Separate meeting of the independent directors:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors is being held every financial year. None of the non-independent directors, Members of the management or Key Managerial Personnel are present for this meeting.

During the financial year 2023-24 the meeting of the Independent Directors was held on Tuesday, February 6, 2024 to review the performance of the Non-Independent directors (including the Chairman & Managing Director) and the Board as a whole. Based on the guidance note issued by SEBI on January 05, 2017 on the Board Evaluation, Independent Directors also reviewed the quality, content and timelines of the flow of information between the management and the Board and its Committees which is necessary to perform and discharge their duties effectively and reasonably.

3) Board Committees

The Board of Directors has constituted the committees, which are mandatory with appropriate delegation of powers. These committees are functioning as required.

a) Audit Committee:

As a measure of good corporate governance and to provide assistance to the Board of Directors in overseeing the Board's responsibilities, an Audit Committee was formed as a sub-committee of the Board. The Committee is in line with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The terms of reference of the Audit Committee covers all matters specified in Part C of Schedule II of Regulation 18 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also those specified in Section 177 of the Companies Act, 2013. The terms of reference broadly include the following:

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/ audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements

and / or recommendation, if any, made by the Statutory Auditors in this regard.

- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgment about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India.
- Review the investments made by the Company.

Internal Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

Audit

- Review the scope of the Statutory Auditors, the Annual Audit Plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the Statutory and Internal audits carried out, the recommendations and Management response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors considering their independence and effectiveness and their replacement and removal.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- Recommend to the Board the remuneration of the Statutory Auditors.
- Discuss with the Statutory Auditors/ Internal Auditors any significant difficulties encountered during the course of the Audit.

Other Duties

- To approve the appointment, removal and terms of remuneration of the Internal Auditor.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.
- The composition and attendance of the members for the Committee meetings held during the year are as follows:

Sl. No.	Name	Position	Number of Meetings	
			Held	Attended
1.	Mr. Manoj Nagrath	Chairman	4	4
2.	Mr. Apparao V Mallavarapu	Member	4	4
3.	Mr. Pranav Kumar N Patel*	Member	4	4
4.	Mr. Thiruvengadam P	Member	4	3

*Ceased to be a Director w.e.f 31.03.2024 on completion of two terms as Independent Director

The Chairman of the Audit Committee is an Independent Director. The Company Secretary acts as the Secretary to the Committee.

During the year under review, Four Audit Committee Meetings were held and gap between two meetings did not exceed one hundred and twenty days. Audit Committee meetings were held on May 26, 2023, August 10, 2023, November 8, 2023 and February 6, 2024. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on August 11, 2023, to answer the shareholder queries.

Self-Assessment by the Audit Committee

The Audit Committee has set in place a process to measure and benchmark its performance each year. The assessment broadly covers composition, structure and committee meetings, overview of the financial reporting process, internal control systems and overview of internal and external audits.

b) Nomination and Remuneration Committee:

In compliance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act,

2013, the Board has constituted the "Nomination and Remuneration Committee".

The composition of the Nomination & Remuneration Committee & attendance in the meetings for the financial year 2023-24 was as follows:

Sl. No.	Name	Position	Number of Meetings	
			Held	Attended
1.	Mr. Manoj Nagrath	Chairman	4	4
2.	Ms. V Kavitha Dutt	Member	4	4
3.	Mr. Rajiv C Mody	Member	4	4
4.	Mr. Apparao V Mallavarapu	Member	4	4

The Nomination & Remuneration Committee Meetings were held on May 27, 2023, August 11, 2023, September 25, 2023 and November 9, 2023. The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on August 11, 2023 to answer the shareholder queries.

The quorum for a meeting of the Nomination and Remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. This requirement was adhered to during the year under review.

The Company Secretary acts as the Secretary to the Committee.

The terms of reference of the Committee as stipulated under Schedule II Part (D) of the Regulation 19 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which inter alia includes the following:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of performance of independent directors and the Board;
- To devise a policy on Board diversity;
- To identify persons who are qualified to become directors and who may be appointed in the senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- To recommend the Board whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- To carry out such other function as may be mandated by the Board from time to time;

The Nomination & Remuneration Committee has laid down the Performance Evaluation criteria of Independent Directors in terms of Regulation 19 read with Part D of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

Policy for selection and Appointment of Directors and their Remuneration

The Nomination and Remuneration Committee (NRC) has formulated a policy which, inter alia, deals with the manner of selection of the Board of Directors and the Senior Management. Link for the policy is (<https://www.centumelectronics.com/investor-relations/policies/>).

The details of remuneration paid to the Directors for the year ended March 31, 2024 are as follows:

(Amount in ₹)

Name of the Director	Salary & Perquisites	Sitting Fees	Commission	Total
Mr. Apparao V Mallavarapu	94,97,060	-	1,78,78,214	2,73,75,274
Mr. Nikhil Mallavarapu	1,10,30,699	-	1,63,44,575	2,73,75,274
Mr. Manoj Nagrath	-	2,70,000	5,00,000	7,70,000
Mr. Rajiv C Mody	-	1,50,000	5,00,000	6,50,000
Mr. Pranav Kumar N Patel*	-	2,70,000	5,00,000	7,70,000
Dr. Swarnalatha Mallavarapu**	-	30,000	78,082	1,08,082
Ms. Tanya Mallavarapu***	-	1,20,000	4,21,918	5,41,918
Mr. Thiruvengadam P	-	2,40,000	5,00,000	7,40,000
Ms.V Kavitha Dutt	-	1,50,000	5,00,000	6,50,000

* Ceased to be a Director w.e.f 31.03.2024 on completion of two terms as Independent Director

** Resigned with effect from closing hours of 27th May, 2023

***Appointed with effect from 27th May, 2023

A sitting fee of ₹ 30,000 is paid to the Non-Executive Directors for attending each Meeting of the Board and the Audit Committee. The payment of Commission of ₹ 5,00,000 (Rupees Five Lakhs) to the Non – Executive Directors annually commencing from April 1, 2020 was approved by the Members of the Company at the Annual General Meeting held on September 18, 2020. The approval was based on the responsibilities and their contribution to the Company in their respective capacities.

c) Stakeholders' Relationship Committee (SRC):

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has constituted the "Stakeholders' Relationship Committee".

The Stakeholders' Relationship Committee has been formed for the effective redressal of the investors' complaints, reviewing the activities of the share transfer committee and reporting of the same to the Board periodically.

The Stakeholders' Relationship Committee meeting was held on May 27, 2023, during the year. The details of attendance of the committee members in the meeting are given below.

Status of complaints from the stakeholders from 01.04.2023 to 31.03.2024

Sl. No.	Nature of Complaints	Opening Balance	Received	Redressed	Pending
1.	Non receipt of securities	NIL	74	74	NIL
2.	Non receipt of Dividend Warrants	NIL	123	123	NIL
3.	Non receipt of Annual reports	NIL	1	1	NIL
4.	Through SEBI	NIL	5	5	NIL
5.	Through Stock Exchange	NIL	1	1	NIL
6.	General Enquiries	NIL	1411	1411	NIL
Total		NIL	1615	1615	NIL

d) Corporate Social Responsibility (CSR) Committee:

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board has constituted Corporate Social Responsibility (CSR) Committee. The terms of the Committee broadly comprise the following:

- To review the CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The composition of the Stakeholders' Relationship committee is as follows:

Name	Particulars	Number of meetings	
		Held	Attended
Mr. Manoj Nagrath	Chairman	1	1
Mr. Nikhil Mallavarapu	Member	1	1
Dr. Swarnalatha Mallavarapu*	Member	1	1
Ms. Tanya Mallavarapu**	Member	1	-

* Resigned with effect from closing hours of 27th May, 2023

**Appointment with effect from 27th May, 2023

The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

The company has received complaints/requests during the year from the shareholders. All the complaints have been redressed to the satisfaction of the shareholders. An analysis of the complaints / requests are as follows:

The CSR Committee Meeting was held on May 27, 2023. The details of attendance of the Committee Members in the meeting are given below.

Name	Particulars	Number of meetings	
		Held	Attended
Mr. Thiruvengadam P	Chairman	1	1
Dr. Swarnalatha Mallavarapu*	Member	1	1
Ms. V Kavitha Dutt	Member	1	1
Ms. Tanya Mallavarapu**	Member	1	0

* Resigned with effect from closing hours of 27th May, 2023

**Appointed with effect from 27th May, 2023

e) Risk Management Committee:

In compliance with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has constituted "Risk Management Committee". The Committee has laid down the Policy on Risk Management and its mitigation. The Policy on Risk Management of the Company is available at (<https://www.centumelectronics.com/investor-relations/policies/>).

The Risk Management Committee meetings were held on June 21, 2023 and December 15, 2023. The details of attendance of the Committee Members in the meetings are given below.

Sl. No.	Name	Particulars	Number of meetings	
			Held	Attended
1.	Mr. Pranav Kumar N Patel*	Chairman	2	2
2.	Mr. Thiruvengadam P	Member	2	2
3.	Mr. Nikhil Mallavarapu	Member	2	2
4.	Mr. K S Desikan	Member	2	2

*Ceased to be a Director w.e.f 31.03.2024 on completion of two terms as Independent Director

4) Disclosures

a) Annual evaluation of Board, its Committees and Individual Directors

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the requirements of the Act and the Listing Regulations.

b) Subsidiary Companies

The company has the following subsidiary companies:

1. Centum T&S Private Limited (Formerly known as Centum Adeneo India Private Limited), a wholly owned Indian Subsidiary company.
2. Centum Electronics UK Limited, UK based company.

Centum T&S Group S.A. (Formerly, Centum Adetel Group S.A), French based company, which is the subsidiary of Centum Electronics UK Limited.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at

the Audit Committee and Board Meetings of the company.

Copies of the Minutes of the Audit Committee / Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings.

The company has a policy on material subsidiaries and the weblink for the same is (<https://www.centumelectronics.com/investor-relations/policies/>).

The Material Subsidiaries of the Company are:

- Centum Electronics UK Limited

It was incorporated by Centum Electronics Limited during 2016. The Statutory Auditors of Centum Electronics UK Limited are Blick Rothenberg.

- Centum T&S Group S A (Formerly, Centum Adetel Group S.A)

It was acquired by Centum Electronics Limited in the year 2016. The Statutory Auditors of Centum T&S Group S A are E&Y, France.

c) Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil mechanism/ Whistleblower policy under which the employees are free to report violations of applicable laws, regulations and the Code of Conduct. During the year under review, there are no such events to report. The copy of Whistle Blower Policy is available on the website of the Company (<https://www.centumelectronics.com/investor-relations/policies/>).

The Board hereby affirms that no personnel has been denied access to the Audit Committee.

d) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and at an arm's length basis. There are no material significant related party transactions during the financial year i.e. transactions of the company of material

nature with its promoters, the Directors, the Management, their subsidiaries or the relatives etc., that may have potential conflict with the interests of the company at large. However, the company has taken approval of the Audit Committee and Board of Directors for all the related party transactions during the year.

Details of the significant related party transactions with the group companies are given in the appended financial statements under Note no. 42 of the notes to the accounts of the standalone financial statements.

Pursuant to the said regulations, the Company has framed a policy for dealing with the related party transactions, which has been uploaded on the Company's website. The weblink for the same is (<https://www.centumelectronics.com/investor-relations/policies/>).

e) There are no loans and advances in the nature of loans to firms/companies in which directors are interested

f) Fees Paid to Statutory Auditors:

During the year ended March 31, 2024 fees paid to Statutory Auditors are as follows:

Particulars	Fees (in ₹) (Excluding GST)
Audit and related services	52,00,000
Fees paid for Subsidiary	7,00,000
Total	59,00,000

g) Compliance with Statutory/legal requirements:

During the year, there are no non-compliances by the company. There are no other penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any other statutory authority, on any matter related to capital matters, during the last three years.

h) Compliance with Accounting Standards:

Your company confirms that it has complied with all the applicable Accounting Standards issued by the Ministry of Corporate Affairs.

i) Internal Controls:

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company's business

processes are on LN -ERP and has a strong monitoring and reporting process resulting in financial discipline and accountability.

j) CMD/CFO Certification:

The CMD and the CFO have issued certificate pursuant to the provisions of Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

k) Outstanding GDRs / ADRs

The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instruments which is likely to have an impact on Company's equity.

l) Certification from Company Secretary in Practice:

None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of company by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such Statutory Authority. A Certificate to this effect, issued by the Practising Company Secretary is annexed to this Report.

m) Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has formulated a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. A reference disclosure on the same is also made in the Board's Report forming part of the Annual Report.

The Company has not received any complaint of sexual harassment during the financial year 2023-24.

n) Compliance of mandatory requirements:

The company is pleased to inform that your company has complied with all the mandatory requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including Regulation 17 to 27 read with Schedule V and Regulation 46 as applicable and amended from time to time.

5. General Body meetings:

a) Date and venue of the last three AGMs are given below:

Year	Date	Venue	Time	Number of special resolutions
2020-21	August 12, 2021	Meeting held through Video Conference from the Registered Office: No.44, KHB Industrial Area Yelahanka New Town Bangalore – 560 106	4.00 P.M	1
2021-22	August 12, 2022	Meeting held through Video Conference from the Registered Office: No.44, KHB Industrial Area Yelahanka New Town Bangalore – 560 106	4.30 P.M	0
2022-23	August 11, 2023	Meeting held through Video Conference from the Registered Office: No.44, KHB Industrial Area Yelahanka New Town Bangalore – 560 106	4.30 P.M	0

b) Means of Communication:

The company has its own website viz. www.centumelectronics.com. The quarterly, half-yearly and annual results are posted on the company's website for the information of the shareholders.

The results are also published in Business Standard – All editions, Economic Times – Bangalore & Mumbai editions and Vijayavani/ Prajavani – Bangalore edition.

All the material information is promptly sent to the stock exchanges where the shares of the company are listed. The Management Discussion and Analysis Report forms part of the Annual Report.

In accordance with the MCA Circulars and Circular No. SEBI/HO/CFD/CFD-PoD-2/P CIR/2023/167 dated October 07, 2023 issued by SEBI, the Notice of the 31st AGM along with the Annual Report of the Company for the financial year ended 31 March 2024 are being sent only through electronic mode (e-mail) to those Members whose email addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA") or with their respective Depository Participant/s (DPs).

Members may note that the Notice and Annual Report for the financial year ended 31st March 2024 is also available on the Company's website www.centumelectronics.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

6. General Shareholder Information

1	Registration Details	Company is registered in the State of Karnataka and the Corporate Identity Number allotted by Ministry of Corporate Affairs (MCA) is L85110KA1993PLC013869
2	Registered Office	No.44, KHB Industrial Area, Yelahanka New Town, Bangalore – 560 106
3	Compliance Officer	Ms. Indu H S
4	Date, time & venue of the 31 st AGM	Friday, August 9, 2024 at 11:30 a.m. IST The Company is conducting meeting through Video Conferencing/ Other Audio-Visual Means pursuant to the MCA Circulars and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.
5	Financial Year	2023-2024
6	Record Date for Dividend	31 st July, 2024
7	Dividend	The Board of Directors of the Company have recommended a dividend of ₹ 3/- (30%) per equity share. Dividend, if approved in the ensuing Annual General Meeting will be paid to those Shareholders, whose name appear in the Register of Members as on 31 st July, 2024.

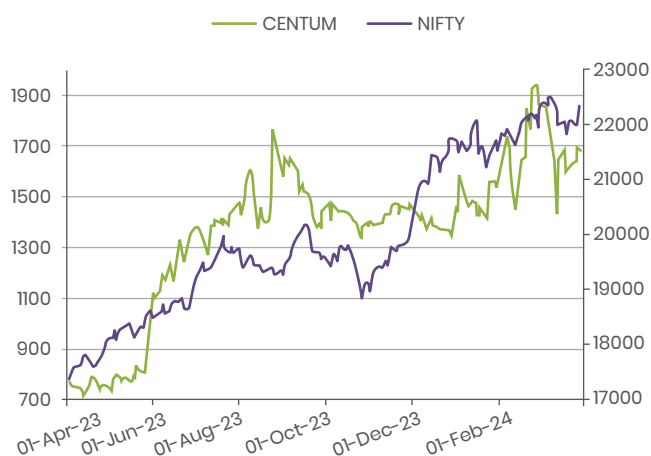
8	Listing in Stock Exchanges	The Equity Shares of the Company are listed in the following Stock Exchanges: The National Stock Exchange of India Limited BSE Limited	
9	Stock Code	National Stock Exchange of India Limited – CENTUM BSE Limited – 517544	
10	Listing Fees	Listing Fees as prescribed has been paid fully to all the Stock Exchanges where the shares of the Company are listed.	
11	Details of Credit Ratings	Total Bank Loan Facilities Rated	₹ 398.20 Crores (Rupees Three Hundred Ninety Eight Crore and Twenty Lakhs Only)
		Long Term Bank Facilities	CARE BBB; Stable (Triple B; Outlook: Stable)
		Long Term / Short Term Bank Facilities	CARE BBB; Stable / CARE A3+ (Triple B; Outlook: Stable/ A Three Plus)

7. Stock Performance

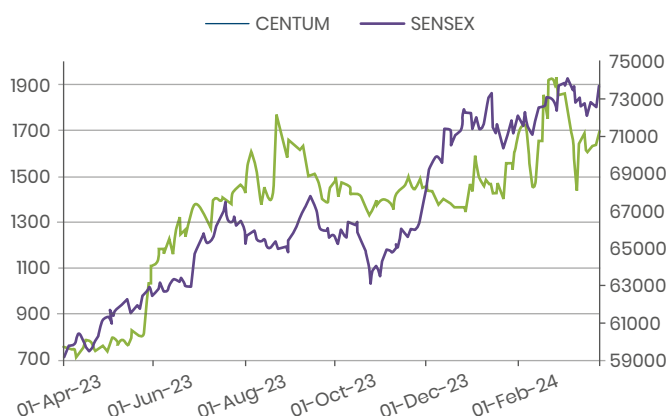
Month	National Stock Exchange of India Limited (NSE)			BSE Limited (BSE)		
	High	Low	Total Turnover (in Lakhs)	High	Low	Total Turnover (in Lakhs)
April	810.00	701.00	3,312.07	810.00	706.00	231.93
May	1,079.65	732.80	13,014.62	1,079.25	730.00	1,023.18
June	1,411.85	1,032.80	14,777.55	1,411.15	1,027.10	3,316.75
July	1,520.00	1,256.65	7,492.65	1,499.90	1,248.00	10,428.64
August	1,948.65	1,244.20	26,614.16	1,970.00	1,251.00	2,868.30
September	1,697.85	1,350.50	3,152.07	1,698.00	1,335.20	585.44
October	1,504.90	1,273.00	2,161.29	1,513.00	1,275.00	222.70
November	1,484.00	1,324.65	2,598.13	1,514.65	1,330.00	230.46
December	1,481.00	1,341.15	2,695.64	1,481.00	1,345.10	327.61
January	1,650.00	1,348.85	7,378.28	1,645.35	1,362.00	1,185.70
February	2,011.05	1,435.05	21,281.42	2,011.40	1,443.15	1,780.05
March	1,985.00	1,412.05	12,589.13	1,985.00	1,412.55	1,359.49

The performance of the stock in National Stock Exchange of India Limited and BSE Limited for the period from April 1, 2023, to March 31, 2024, was as follows:

Exchange: NSE; Date: 01-04-2023 End date: 31-03-2024



Exchange: BSE; Date: 01-04-2023 End date: 31-03-2024



8. Dematerialisation of shares

The ISIN for the Equity Shares of the Company is INE320B01020. A total of 1,28,07,736 Equity Shares aggregating to 99.37% of the total shares of the Company are in dematerialised form as on March 31, 2024.

9. Registrars and Share Transfer Agents

For Share related matters, members are requested to correspond with the Company's Registrar and Transfer Agent – KFin Technologies Limited (formerly KFin Technologies Private Limited) quoting their folio no./ DP ID & Client ID at the following Address.

KFin Technologies Limited
(Formerly KFin Technologies Private Limited)
Selenium Tower B, Plot Nos.31 & 32, Financial District
Nanakramguda, Serilingampally Mandal,
Hyderabad – 500032
Ph No.: +91 40 6716 2222, Fax No.: +91 040 23001153
Toll Free No. 1800 3454 001
Email: einward.ris@kfintech.com

10. Share transfer system

The composition of the Share Transfer Committee is as follows:

Sl. No.	Name	Designation
1.	Mr. Apparao V Mallavarapu	Chairman & Managing Director
2.	Mr. K S Desikan	Chief Financial Officer
3.	Ms. Indu H S	Company Secretary

11. Distribution of shareholding

The distribution of the shareholding as on March 31, 2024 is as follows:

Category (Shares)	No. of Shareholders	%	No. of Shares	% to Equity
1-5000	23,389	99.54	16,49,399	12.80
5001- 10000	50	0.21	3,72,584	2.89
10001- 20000	21	0.09	2,91,860	2.26
20001- 30000	12	0.05	3,04,910	2.37
30001- 40000	4	0.02	1,54,932	1.20
40001- 50000	4	0.02	1,79,590	1.39
50001- 100000	5	0.02	3,43,089	2.66
100001 & Above	12	0.05	95,92,070	74.42
Total	23,497	100.00	1,28,88,434	100.00

The Share Transfer Committee meets as and when required. The Committee reports periodically to the Stakeholders' Relationship Committee on receipt of the Investors' complaints, if any.

In terms of Regulation 40(i) of the Listing Regulations, securities can be transferred only in dematerialized form with effect from April 1, 2019.

In case of shares held in electronic form, the transfers are processed by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') through respective Depository Participants.

The Company obtains a certificate from Practicing Company Secretary as required under Regulation 40(9) of listing regulations and the same is filed with the Stock Exchanges.

Suspense Escrow Demat Account:

There were no instances during the financial year where shares were liable to be transferred to the Suspense Escrow Demat Account on account of non-receipt of demat request from the investor within 120 days of issuance of the Letter of Confirmation by RTA.

The company has delegated the power of share transfers to KFin Technologies Limited, the company's Registrar and Share Transfer Agent ('RTA'). They process the share transfers and the same are approved by the Share Transfer Committee periodically. The share transfers are effected within 15 days from the date of receipt. The shareholders can send their share transfer/demat requests either to the RTA directly or to the company.

12. Shareholding Pattern

Categories of Shareholders as on March 31, 2024 is as follows:

Category	No. of Shares	% to Total Shares
Promoters & Promoter Group	75,76,478	58.79
Employees	1,46,555	1.14
Mutual Funds	5,89,154	4.57
Financial Institutions / Banks	4,11,022	3.19
Non-Resident Indians	28,671	0.22
Non-Resident Indian Non Repatriable	25,834	0.20
Foreign Portfolio- CORP	47,744	0.37
Indian Public	29,54,710	22.93
Bodies Corporate	9,02,065	6.99
IEPF	1,00,924	0.78
HUF	1,05,277	0.82
Total	1,28,88,434	100.00

Promoters / Promoter group haven't pledged any equity shares of the Company held by them in the Company during the financial year 2023-24.

13. Transfer of Unclaimed/Unpaid Dividend

Pursuant to applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of 7 (seven) years. Further, according to the Rules, shares in respect of which dividend has not been paid or claimed by the Shareholders for 7 (seven) consecutive years or more shall also be transferred to the Demat account created by the IEPF Authority.

The Company will be transferring the unclaimed/unpaid dividends as mentioned hereunder to the Investors Education and Protection Fund established by the Central Government, in terms of the provisions of Section 124 and 125 of the Companies Act, 2013:

SI No.	Dividend Year	AGM/ Board Meeting Date at which the Dividend declared	Dividend per Share (in ₹)	Due date for transfer of unclaimed Dividend to IEPF
1	2016-17 - Final	11-07-2017	3.00	19-07-2024
2	2017-18 - Interim	13-02-2018	1.00	25-02-2025
3	2018-19 - Interim	06-02-2019	1.00	10-03-2026
4	2018-19 - Final	13-08-2019	4.00	19-09-2026
5	2019-20- Final	18-09-2020	2.50	24-10-2027
6	2020-21 - Interim	10-02-2021	2.00	18-03-2028
7	2020-21- Final	12-08-2021	2.00	10-09-2028
8	2021-22 - Final	12-08-2022	2.50	25-08-2029
9	2022-23 - Final	11-08-2023	4.00	24-08-2030
10	2023-24 - Interim	07-02-2024	3.00	14-03-2031

The Shares Transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are available on the Company's Website at <https://www.centumelectronics.com/unclaimed-dividend/>.

During the year under review, the Company has transferred ₹ 6,68,258/- to Investor Education and Protection Fund Account which was pertaining to Unpaid Second Interim Dividend Account - Centum Electronics Limited 2015-16 and Interim Dividend Account - Centum Electronics Limited 2016-17 and remained as unclaimed for a period of 7 years from the date of transfer to Unpaid Dividend account.

14. Transfer of the 'Shares' to Investor Education and Protection Fund (IEPF) (in cases where dividend has not been paid or claimed for seven consecutive years or more)

In terms of Section 124(6) of the Act read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unpaid/unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred the required number of shares to the IEPF. The Company has accordingly transferred 6,991 shares to the Demat Account of the IEPF Authority.

15. Disclosures with respect to the Demat Suspense Account / Unclaimed Suspense Account:

There are no equity shares lying in the Demat suspense account.

16. Financials Release Dates for 2024-25

Quarter	Release Date (tentative & subject to change)
1 st Quarter ending June 30, 2024	Second week of August 2024
2 nd Quarter ending September 30, 2024	Second week of November 2024
3 rd Quarter ending December 31, 2024	Second week of February 2025
4 th Quarter ending March 31, 2025	Last week of May 2025

Internet access: www.centumelectronics.com

The website of the Company contains all relevant information about the Company. The Annual Reports, Shareholding pattern, un-audited quarterly results and all other material information are hosted in this site.

Email Id for Investor Grievances:

Company has a dedicated e-mail id (investors@centumelectronics.com) for redressal of grievances of investors. Investors can also write to the Company on the below address:

Company Secretary,

Centum Electronics Limited,
No. 44, KHB Industrial Area,
Yelahanka New Town,
Bangalore – 560 106
Telephone: +91 80 41436000
Fax : +91 80 41436005

17. Registered Office & Plant Address /Phone and Fax Numbers

Location I	Location II
Centum Electronics Limited No. 44, KHB Industrial Area, Yelahanka New Town, Bangalore – 560 106. Telephone: +91 80 41436000 Fax: +91 80 41436005	Centum Electronics Limited Avansa, Plot-58P, Survey No.8, KIADB, Bangalore Aerospace Park, Industrial Area, Jala Hobli, Budigere Post, Bangalore – 562 129. Telephone: +91 80 71214000 Fax: +91 80 71214005

18. Compliance with discretionary requirements:

All mandatory requirements of the SEBI Listing Regulations have been complied with by the Company. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the SEBI Listing Regulations are as under:

- The quarterly financial results are published in the leading English and Kannada newspapers and not sent to individual shareholders. Significant events are published as news items/advertisements in newspapers. Further, the financial results are available on the company's website and also communicated to the Stock Exchanges where the shares of the company are listed i.e., BSE Ltd and National Stock Exchange of India Limited.
- The Auditors' Opinion on the Financial Statements is unmodified.
- M/s KPMG, Assurance & Consulting Services, LLP were the Internal Auditors of the Company during the year. The Internal Auditors report directly to the Audit Committee on a quarterly basis on their findings and corrective actions taken.

By order of the Board
For **Centum Electronics Limited**

Place : Bengaluru, India
Date : May 22, 2024

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Wholetime Director
DIN: 00288551

Corporate Governance Compliance Certificate

To
The Members of
Centum Electronics Limited

I have examined all the relevant records of Centum Electronics Limited ('the Company') for the purpose of certifying compliance of conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period from 1st April, 2023 to 31st March, 2024. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in ;

- Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E Schedule V of the Listing Regulations.
- Paragraphs C and E of Discretionary requirements specified in Part E of Schedule II of the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date : 22nd May, 2024
UDIN: F004078FE000422309

RAJSHEKAR
Practicing Company Secretary
FCS 4078, CP No 2468

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Centum Electronics Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Centum Electronics Limited having CIN L85110KA1993PLC013869 and having registered office at 44, KHB Industrial Area, Yelahanka Bangalore 560064 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No	Name of Director	Director Identification Number (DIN)	Date of original appointment in Company
Executive Directors			
1	Mr. Apparao Venkata Mallavarapu	00286308	08.01.1993
2	Mr. Nikhil Mallavarapu	00288551	13.02.2020
Non-Executive Directors			
3	Mr. Manoj Nagrath	01974412	05.01.2010
4	Mr. Rajiv Chandrakanth Mody	00092037	07.08.2010
5	Mr. Pranavkumar Nalinkumar Patel	06784801	28.01.2014 ¹
6	Mr. Thiruvengadam Parthasarathi	00016375	08.02.2016
7	Ms. V Kavitha Dutt	00139274	25.03.2020
8	Ms. Tanya Mallavarapu	01728446	27.05.2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date : 22nd May, 2024
UDIN: F004078F000422331

RAJSHEKAR
Practicing Company Secretary
FCS 4078, CP No 2468

¹ Ceased to be a Director w.e.f 31.03.2024 on completion of two terms as Independent Director

Certificate of Code of Conduct

Declaration regarding Code of Conduct pursuant Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Centum Electronics Limited

I, Apparao V Mallavarapu, Managing Director of Centum Electronics Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2024.

Place: Bengaluru
Date : 22nd May, 2024

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Compliance Certificate Pursuant To Regulation 17(8) Of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

The Board of Directors,
Centum Electronics Limited
No.44, KHB Industrial Area,
Yelahanka New Town, Bangalore – 560 106

This is to certify that:

- a. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2024 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2024, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d. We have indicated to the Auditors and the Audit Committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.
- e. We further declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year 2023-2024.

For CENTUM ELECTRONICS LIMITED

Apparao V Mallavarapu
Chairman & Managing Director
DIN: 00286308

K S Desikan
Chief Financial Officer

Bangalore
May 22, 2024

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING – FY 2023-24

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1 Corporate Identity Number (CIN) of the Listed Entity	L85110KA1993PLC013869
2 Name of the Listed Entity	Centum Electronics Limited
3 Year of incorporation	1993
4 Registered office address	No. 44, KHB Industrial Area, Yelahanka New Town, Bangalore – 560 106
5 Corporate address	No. 44, KHB Industrial Area, Yelahanka New Town, Bangalore – 560 106
6 E-mail	investors@centumelectronics.com
7 Telephone	080 4143 6000
8 Website	www.centumelectronics.com
9 Financial year for which reporting is being done	2023-24
10 Name of the Stock Exchange(s) where shares are listed	a. BSE Limited b. National Stock Exchange of India Limited
11 Paid-up Capital	₹ 129 million
12 Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Telephone: 080 4143 6000 email id : investors@centumelectronics.com
13 Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone
14 Whether the company has undertaken reasonable assurance of the BRSR Core?	Not Applicable
15 Name of Assurance Provider	Not Applicable
16 Type of Assurance Provider	Not Applicable

II. Products/Services

17. Details of business activities (accounting for 90% of the turnover):

Description of Main Activity	Description of Business Activity	% of Turnover of the entity
Electronic System Design and Manufacturing	Design services, Manufacture of Systems and Subsystems, Contract Manufacturing	100

18. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr No	Product/Service	NIC Code	% of total Turnover contributed
1	Systems and Subsystems	26109	20
2	Contract Manufacturing	26104	80

III Operations

19. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	2	4
International	-	-	-

20. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	10
International (No. of Countries)	18

b. What is the contribution of exports as a percentage of the total turnover of the entity?

61%

c. A brief on types of customers

The company offers a broad range of products and services across different industry segments. It has domain expertise in Electronics Design & Manufacturing Solutions and offers entire spectrum of design services and manufacturing of systems, subsystems for mission critical products in Defense, Space, Aerospace, Industrial & Energy, Transportation & Automotive and Healthcare sectors. The company has been helping customers turn their ideas into products. The Company's customers primarily include government agencies, defense organizations, aerospace companies, and industrial enterprises. The Company also serves as a trusted partner for Original Equipment Manufacturers (OEMs) seeking custom electronic solutions tailored to their specific requirements.

IV. Employees

21. Details as at the end of Financial Year:

a. Employees and Workers:

Sr No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1	Permanent (D)	495	375	76	120	24
2	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D + E)	495	375	76	120	24
WORKERS						
4	Permanent (F)	795	592	74	203	26
5	Other than Permanent (G)	-	-	-	-	-
6	Total workers (F + G)	795	592	74	203	26

b. Differently abled Employees and Workers:

None

c. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	2	25
Key Management Personnel	4	1	25

22. Turnover rate for permanent employees and workers

Particulars	2023-24			2022-23			2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	30.85	20.81	28.51	34.72	25.56	32.79	31.16	40.25	32.95
Permanent Workers	40.83	41.15	40.92	45.62	20.28	32.66	36.80	29.61	34.52

V. Holding, Subsidiary and Associate Companies (including joint ventures)
23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr No	Name of the Holding / Subsidiary / Associate Companies / Joint Ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Centum T&S Private Limited (Formerly known as Centum Adeneo India Private Limited)	Subsidiary	100	No
2	Centum Electronics UK Limited	Subsidiary	100	No

VI. CSR Details
24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

a. Turnover (in ₹) – FY 22-23 : ₹ 5,005 million

b. Net worth (in ₹) – FY 22-23 : ₹ 2,826 million

VII. Transparency and Disclosures Compliances
25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)*	2023-24			2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	204	-	-	163	-	At the end of the year there were no investor complaints pending resolution.
Employees and workers	Yes	-	-	-	-	-	-
Customers	Yes	-	-	-	-	-	-
Value Chain Partners	Yes	-	-	-	-	-	-

 * The Company's grievance redressal mechanism is available at <https://www.centumelectronics.com/investor-relations/policies/>

26 Overview of the entity's material responsible business conduct issues

The Company demonstrates a robust approach to risk management. The Company's Risk Management Committee periodically evaluates significant risk exposures including the environmental, social and governance (ESG) aspects emphasizing sustainability and responsible corporate citizenship. The risk management framework encompasses thorough processes and systems to identify and report risks effectively. Corrective actions for the identified risks are implemented to mitigate any potential adverse impacts that could arise. The Company is committed to sustainable business practices and stakeholder value.

Sr No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	Incase of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Environmental Impact	O	The Company undertakes to minimize energy consumption, waste generation, and emissions and uses renewable energy sources in its manufacturing operations		Positive
2	Supply Chain Management	O	To ensure that the suppliers adhere to ethical and sustainable standards.		Positive
3	Community Engagement	O	The Company understand the needs and concerns of the local communities, and contribute through social initiatives and philanthropic activities. This engagement fosters goodwill and strengthens relationships with stakeholders.		Positive
4	Employee Retention, Engagement and Talent Development	R	Higher employee turnover will lead to lower productivity and loss of tacit knowledge. Losing skilled employees will delay in productivity.	More focused on providing constructive feedback, giving recognition and rewards, and acknowledging individual strengths and contributions. Fostering positive work culture, opportunities for career development, competitive compensation, acknowledgment, work-life balance.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	All policies are not required to be approved by the Board of Directors. The approval of the Board has been taken on mandatory policies. However, all the policies are approved by the Chairman & Managing Director of the Company.								
c. Web Link of the Policies, if available	www.centumelectronics.com								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the Company has translated the policies into procedures wherever applicable. The same are assimilated in the procedures and practices in all areas of activity that the Company undertakes. Formal communication is sent to internal stakeholders and the external stakeholders are communicated to the extent as may be applicable.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Due diligence is carried on in the process of dealing with the various value chain partners.								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> • ISO Certificate for Quality Management System (ISO 9001:2015). • ISO Certificate for Occupational Health and Safety Management System (ISO 45001:2018). • ISO Certificate for Environment Management System (ISO 14001:2015). • ISO Certificate for Information Security Management System (ISO/IEC 27001:2013). • ISO Certificate for Medical Standard (ISO 13485:2003). • ISO Certificate for Automotive Standard (ISO 16949:2009). • ESD association 20-20 certified. • IRIS Railway certification. • IPC certified for IPC-A-610 Class III & II application specialist. • IPC certified for J-STD-001 certified trainer 								

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

The Company has identified key parameters and implemented an effective mechanism for continuous monitoring. Periodic assessments are conducted by independent third-party service providers and are certified.

6. Performance of the entity against the specific commitments, goals and targets along- with reasons in case the same are not met.

P1	Ethics & Transparency	<ul style="list-style-type: none"> Code of Conduct for Board of Directors and Senior Management Policy for Determination of materiality of events for disclosure to Stock Exchanges Code of Practices and Procedures for Fair Disclosure of UPSI Whistle Blower Policy Company's core values
	The Company adheres to fair and transparent conduct by adopting best practices and standards of ethical behavior.	
P2	Product Responsibility	Quality Policy, Information Security Policy
	Proper mechanisms are in place for conducting life cycle assessments of products. Product labeling complies with all regulatory and customer requirements.	
P3	Human Resources	<ul style="list-style-type: none"> Code of Conduct HR Policies (including Prevention of Sexual Harassment Policy) HR Handbook
	Employees are provided opportunities to demonstrate their skills and capabilities. The Company's code of conduct applies to all employees, ensuring high ethical standards with utmost transparency and accountability. The Company also has a policy for addressing sexual harassment in the workplace, which applies to all stakeholders.	
P4	Responsiveness to Stakeholders	<ul style="list-style-type: none"> Corporate Social Responsibility Policy Code of Conduct
	The Company regularly engages with stakeholders to discuss environmental, social, and governance issues.	
P5	Respect for Human Rights	<ul style="list-style-type: none"> Code of conduct Whistle Blower Policy HR Policies Prevention of Sexual Harassment Policy
	The Human Resource department communicates labor laws and other policies to all employees.	
P6	Environment Restoration	<ul style="list-style-type: none"> Environment Policy Quality Policy
	All steps are taken to ensure sustainable manufacturing.	
P7	Public Policy Advocacy	Considering the business activities of the Company and the nature of its business, the Board has not felt the need to formulate certain policies.
P8	Inclusive Growth	<ul style="list-style-type: none"> Corporate Social Responsibility Policy HR Policies
	The Company's CSR policy is formulated with a focus on the holistic development of the community and the environment. The CSR initiatives aim to uplift and support the underprivileged.	
P9	Customer Engagement	<ul style="list-style-type: none"> Code of Conduct Quality policy Information Security Policy
	The Company regularly interacts with key customers, and annual customer satisfaction surveys are conducted.	

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

ESG (Environmental, Social, and Governance) principles are integral to Centum Electronics corporate strategy and organizational culture. We recognize that embracing ESG not only enhances our resilience to environmental, social, and governance risks but also unlocks opportunities for innovation, growth, and competitive advantage. By aligning our business practices with ESG principles, we reaffirm our commitment to sustainable development, responsible citizenship, and long-term value creation for all stakeholders.

Given the urgent need for sustainable development and living, our emphasis is provided to adopt clean energy. The impact of climate change on the environment and human life is undeniable, and it is thought crucial to prioritize energy conservation and reduce the carbon footprint.

Our efforts in reducing single-use plastic and promoting community development through CSR activities showcase a holistic approach towards sustainability. By prioritizing ESG principles, Centum not only contributes to mitigating climate change but also fosters positive social and environmental impacts within the community.

At Centum Electronics, strong corporate governance practices form the foundation of our operations. We adhere to the highest standards of transparency, accountability, and integrity in all our business dealings. Our robust governance framework ensures effective risk management, regulatory compliance, and ethical business conduct, thereby safeguarding the interests of all stakeholders.

We believe in creating value for our shareholders through consistent financial performance and prudent capital allocation. Centum Electronics maintains a balanced approach to dividend payout, considering both the company's financial position and future growth prospects. Our commitment to delivering sustainable returns to shareholders underscores our focus on long-term value creation.

Centum Electronics is committed to compliance with all applicable laws, regulations, and industry standards. We maintain a proactive approach to regulatory management, staying abreast of evolving requirements and implementing necessary measures to ensure full compliance. By upholding the highest standards of regulatory adherence, we mitigate legal and reputational risks while fostering trust and confidence among stakeholders.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Mr.Mallavarapu Venkata Apparao, Chairman & Managing Director

Governance, leadership and oversight

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). No director has been specifically nominated. The Corporate Social Responsibility (CSR) Committee of the Board comprising of Mr. Thiruvengadam P, Ms. V Kavitha Dutt and Ms. Tanya Mallavarapu drive the social responsibility initiatives.

Further, the relevant policies are administered by the Departmental Heads who report to the Management of the Company.

10 Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances									
Subject for Review	Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
Performance against above policies and follow up action Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances									
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.									

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)							No		
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Note on P7: Centum Electronics Limited actively participates in various industry forums to discuss relevant topics and share opinions. The Company engages in public good initiatives independently as well as in collaboration with trade bodies and industry colleagues as needed. It is believed that there is no requirement for a specific policy for this purpose.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors (BOD) and Key Managerial Personnel (KMP)	4	The Board of Directors receives periodic updates on business, statutory, and governance matters. Strategic presentations on company strategy, performance, and growth plans are regularly delivered to the Directors. Performance reviews, strategy updates, and key regulatory developments are presented at quarterly board meetings and the annual Board strategy meeting.	100
Employees other than BOD and KMPs	6	Training covers a variety of essential skills including interviewing techniques, email etiquette, POSH (Prevention of Sexual Harassment), emotional intelligence, MS Excel proficiency, and guidance for first-time managers.	100
Workers	6	Training covers Kaizen, ESD, POSH (Prevention of Sexual Harassment), 5S, EHS (Environmental Health and Safety), and QMS (Quality Management System).	100

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

No penalties or fines were reported.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and provide a web-link to the policy.

The Centum Code of Conduct applies to all employees of the Company. It includes a clear policy on gifts and corporate hospitality, prohibiting employees from giving or receiving gifts from suppliers, vendors, or partners. Gifts received by employees, if any, are to be handed over to the HR department, which will distribute them through a random selection system during monthly employee meetings. The Code of Conduct is available on the Company's website at www.centumelectronics.com.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Nil

6. Details of complaints with regard to conflict of interest:

Directors disclose their interests at the beginning of the year. Any changes to these disclosures are noted by the Board. Both the Board of Directors and senior management are subject to the provisions of the code of conduct.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest:

Nil

8. Number of days of accounts payables:

Particulars	2023-24	2022-23
Number of days of accounts payables	149	176

9. Open-ness of business:

Parameter	Metrics	2023-24	2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	3.78%	6.15%
	b. Number of trading houses where purchases are made	65	66
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	69.80%	75.29%
Concentration of Sales	a. Sales to dealer / distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	2.33%	0.65%
	b. Sales (Sales to related parties/Total Sales)	4.93%	3.21%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	19.41%	31.85%
	d. Investments (Investments in related parties/Total Investments made)	100%	98.26%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Centum conducts awareness and training programs for its value chain partners based on business needs, stakeholder feedback, and regulatory requirements, covering various topics.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

The Company has a Code of Conduct for its Board Members and Senior Management that defines Conflict of Interest and outlines procedures for its avoidance. This Code of Conduct is available on the Company's website.

PRINCIPLE 2:

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Centum is actively involved in designing, developing subsystems and systems, and indigenizing various products for the Defense, Space, and Aerospace sectors. These are utilized by defense and space agencies to support the nation. This effort aligns with the Make in India and Atmanirbhar Bharat policies of the Government of India

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**
b. If yes, what percentage of inputs were sourced sustainably?

The Company has well-established procedures for sustainable sourcing, with approximately 80% of our inputs being sustainably sourced.

Sourcing is conducted systematically. Initially, the compatibility of potential sources with our requirements is carefully evaluated. Subsequently, sources undergo thorough evaluation using supplier evaluation criteria, including policies such as the Conflict Minerals Policy.

Based on the supplier evaluation rating, decisions are made to engage with specific sources. Initial samples from new suppliers are evaluated before they are added to the Approved Vendor List (AVL). Supplies from newly qualified vendors are gradually increased in a phased manner.

Centum is dedicated to maintaining a socially responsible supply chain, particularly focusing on Conflict Minerals. Centum, supported by its customers and suppliers, addresses this global challenge by taking proactive measures to ensure responsible minerals sourcing.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Centum Electronics Limited implements a Life Cycle Assessment (LCA) process for its products. The company has a well-established waste management system that includes collection, segregation, storage, and disposal of hazardous and non-hazardous waste. Waste generated is reused, recycled, or disposed of through authorized vendors and recyclers.

Specific waste management practices include:

- (a) Plastics (including packaging) – Disposed through approved Plastics Recycler.
- (b) E-waste – Disposed through approved E-waste recycler.
- (c) Hazardous waste – Disposed through approved hazardous waste incinerators.
- (d) Other waste – Disposed through authorized vendors.

Centum also recycles wastewater through treatment plants for internal operations, following procedures aligned with State Government guidelines for the collection, storage, and disposal of hazardous and non-hazardous waste.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:**

Not Applicable

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?**

NIC Code	Name of Product / Service	% of Total turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
26109, 26104	Design, Manufacture and supply of electronic modules, sub systems, Printed Circuit Board Assembly (PCBA) Integration, Box Build and repairs, screening of electronic components and module for Space, Avionics and Defense applications, Plastic moulded components and assemblies	100%	Gate to Gate	No	No

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same:**

None of our products cause significant social or environmental concerns.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input Material	Recycled or re-used input material to total material	
	2023-24	2022-23
Solder Dross	55	45

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Not applicable

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category:**

Not applicable

PRINCIPLE 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators
1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	375	375	100	375	100	N.A.	N.A.	-	-	-	-
Female	120	120	100	120	100	120	100	N.A.	N.A.	-	-
Total	495	495	100	495	100	120	100	-	-	-	-
Other Permanent Employees											
Male											
Female											
Total											

b. Details of measures for the well-being of workers:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	592	117	19.76	592	100	N.A.	N.A.	-	-	-	-
Female	203	54	26.60	203	100	203	100	N.A.	N.A.	-	-
Total	795	171	21.51	795	100	203	100	-	-	-	-
Other Permanent workers											
Male											
Female											
Total											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent)

Particulars	2023-24	2022-23
Cost incurred on wellbeing measures as a % of total revenue of the company	0.91	0.89

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	2023-24			2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	YES
Gratuity	100	100	Yes	100	100	YES
ESI	0.4	78.5	Yes	0.4	72.8	YES
Others – please specify						

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Most offices/workplaces are well-equipped for accessibility by differently abled individuals. Currently, there are no differently abled employees or workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company's hiring policy ensures there is no discrimination against persons with disabilities.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Particulars Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N.A.	N.A.	N.A.	N.A.
Female	83.33%	83.33%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (If yes, give the details of mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

The Human Resource Manager serves as the single point of contact for addressing all grievances related to employees and workers.

In compliance with Section 177(9) and Regulation 22 of SEBI LODR, the Company has established a vigil mechanism for directors and employees to report concerns, which is detailed in the Policy available on the Company's website at www.centumelectronics.com.

The Company has also formulated a Policy on Prevention of Sexual Harassment at Workplace to prevent, prohibit, and address incidents of sexual harassment. An Internal Complaints Committee has been established to handle any complaints received. The Company conducts regular sensitization sessions across the organization on the Policy and the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

None

8. Details of training given to employees and workers:

Category	2023-24					2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
EMPLOYEES										
Male	375	375	100	168	44.8	350	350	100	140	40
Female	120	120	100	45	37.5	101	101	100	40	39.60
Total	495	495	100	213	43.03	451	451	100	180	39.91
WORKERS										
Male	592	592	100	592	100	560	560	100	560	100
Female	203	203	100	203	100	215	215	100	215	100
Total	795	795	100	795	100	775	775	100	775	100

9. Details of performance and career development reviews of employees and worker:

Category	2023-24			2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
EMPLOYEES						
Male	375	375	100	350	350	100
Female	120	120	100	101	101	100
Total	495	495	100	451	451	100
WORKERS						
Male	592	592	100	560	560	100
Female	203	203	100	215	215	100
Total	795	795	100	775	775	100

10. Health and safety management system:
a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Centum Electronics Limited is certified under ISO 45001:2018 for its Occupational Health and Safety Management System (OHSMS). The company has implemented and maintains this system across all activities, products, and services, adhering to ISO 45001:2018 standards. This system includes mechanisms for managing occupational health, safety, and environmental concerns through the formulation of EOHS (Environmental, Occupational Health, and Safety) policies and objectives, compliance with applicable legal and other requirements, and the management of unacceptable risks.

The scope of the Occupational Health, Safety, and Environmental Management System is clearly defined and implemented at all Centum locations in accordance with ISO/OHSMS 45001:2018 standards.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Centum Electronics has established a risk assessment process known as Hazard Identification and Risk Assessment (HIRA). Regular safety walks are conducted at the company's plants to identify and mitigate incidents that could cause harm to people or property. This approach includes documenting identified risks, hazards, their causes, associated consequences, and recommendations for containment.

The company employs a participative and consultative approach involving all stakeholders, including employees, associates, and contract workers. This inclusive

participation enhances understanding of processes and facilitates the identification of workplace hazards. By addressing these risks promptly, Centum aims to prevent injuries, protect assets, and ensure sustainability across all organizational activities and processes.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Centum Electronics utilizes a Shop Floor Management (SFM) tool to foster a safety culture within the company. The SFM online portal enables employees to report health or safety hazards and risks that could lead to unsafe conditions.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Employees and workers have access to non-occupational medical and healthcare services. Centum Electronics has partnered with well-established hospitals to handle incidents, accidents, or medical emergencies. Employees undergo annual health check-ups, receive healthcare advice, and are provided with medical insurance facilities.

11. Details of safety related incidents, in the following format:

Safety Incident/ Number	Category	2023-24	2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-

Safety Incident/ Number	Category	2023-24	2022-23
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill- health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Centum Electronics is dedicated to providing healthy and safe working conditions:

- The Health and Safety Committee ensures the establishment, implementation, maintenance, and continual improvement of processes to eliminate hazards and minimize risks.
- A Safety Walk-through Audit program aligns with the EOHS (Environmental, Occupational Health, and Safety) policy to ensure safe and healthy working conditions.

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Centum Electronics conducts internal EHS audits covering 100% of the plant area to assess health and safety practices. Annually, the company undergoes external assessments by certifying bodies to verify compliance with the ISO 45001:2018 standard for Occupational Health and Safety Management Systems (EOHS).
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Centum Electronics has established processes to address non-conformities and incidents by implementing corrective actions such as engineering controls, automation, and safety guards as necessary. Changes to documented procedures are recorded and standardized in relevant operational procedures to prevent recurrence of incidents.

Safety systems implemented include:

- Safety sensors interlock for cutting/trimming machines.
- Online monitoring and SMS alerts for temperature in chemical storage rooms.

- EHS (Environmental Health and Safety) awareness is promoted through training and communication initiatives.
- Trained Emergency Response Teams (ERT), firefighters, and First Aid teams are available during all shifts.
- Regular evacuation mock drills are conducted as scheduled to raise awareness and readiness in case of emergencies.
- The company utilizes an online portal (SFM) for incident management, facilitating hazard identification and containment in the workplace or plant areas to prevent injuries or property damage.

13. Number of Complaints on the following made by employees and workers:

Centum Electronics prioritizes the health, safety, and well-being of its employees through the establishment, implementation, maintenance, and continuous improvement of processes and practices. This commitment ensures a healthy and safe working environment for all employees.

- Automatic changeover of chemicals in cleaning machines.
- Permit-to-Work system.
- Hazard identification and risk assessment.
- Aspect and impact identification.
- Process Safety Information.
- Pre-Start-up Safety Review.

With a substantial onsite workforce, Centum prioritizes safe and organized building evacuations, conducting bi-annual mock drills. All incidents are thoroughly investigated according to company

safety guidelines, with findings communicated across departments to prevent similar incidents. Employees and workers are encouraged to report unsafe acts and conditions to eliminate potential hazards.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

The mentioned instances are not applicable as there have been no such incidents.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company engages exclusively with suppliers and value chain partners who adhere to statutory requirements. Regular due diligence is conducted to ensure that all applicable statutory dues are deducted and deposited by our partners.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose

family members have been placed in suitable employment:

None

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Not applicable, as there have been no instances of injury, illness, or fatalities.

5. Details on assessment of value chain partners: The Company engages exclusively with value chain partners who comply with statutory requirements, including health and safety practices and safe working conditions.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

All incidents are thoroughly investigated according to company safety guidelines for incident reporting and investigation. Findings are communicated across all departments to prevent similar incidents from occurring.

PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity

The Company has identified internal and external stakeholder groups, including employees, suppliers, contractors, customers, investors, lending institutions, and regulatory and statutory authorities. Well-established grievance redressal mechanisms are in place for these stakeholder groups.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	N	Email, Other	O	<ul style="list-style-type: none"> Addressing Customer feedback Addressing Customer grievances Providing information regarding products and services

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ Shareholders	N	Email, Newspaper, Website and Other	O	<ul style="list-style-type: none"> • Business update • Financial Performance • Statutory Communications
Employees	N	Email, Notice Board and Other	O	<ul style="list-style-type: none"> • Employee Productivity • Talent management • Learning and development
Regulatory and Statutory Authorities	N	Email, Other	O	Regulatory compliance
Suppliers	N	Email, Other	O	Keep track of orders placed
Communities	Y	Community Meetings	O	Community Engagement Meetings

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

It is an ongoing process where the leadership team engages with various stakeholders across different platforms. The outcomes of these interactions are regularly presented to the Board. Additionally, the CSR activities, their implementation schedule, and their impact are also reported to the Board.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, the Company consults its stakeholders when identifying its CSR programs. Following consultations with authorities and local communities, the Company partnered with Akshaya Patra. Additionally, the Company has a Memorandum of Understanding with the Art and Photography Foundation for promoting art.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

Through its CSR initiatives, the Company provides essential support to vulnerable and marginalized communities. This includes supporting specially abled individuals and successfully diagnosing and treating patients from economically challenged groups.

PRINCIPLE 5:

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	2023-24			2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	495	495	100	451	451	100
Other than permanent	-	-	-	-	-	-
Total Employees	495	495	100	451	451	100
Workers						
Permanent	795	795	100	775	775	100
Other than permanent	-	-	-	-	-	-
Total Workers	795	795	100	775	775	100

2. Details of minimum wages paid to employees and workers, in the following format:

Category	2023-24					2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	375	-	-	375	100	350	-	-	350	100
Female	120	-	-	120	100	101	-	-	101	100
Others	-	-	-	-	-	-	-	-	-	-
Other than permanent										
Male										
Female										
Others										
Permanent Workers										
Male	592	-	-	592	100	560	-	-	560	100
Female	203	-	-	203	100	215	-	-	215	100
Others	-	-	-	-	-	-	-	-	-	-
Other than permanent										
Male										
Female										
Others										

3. Details of remuneration/salary/wages, in the following format:

- a. Median remuneration / wages:

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In ₹)	Number	Median remuneration/ salary/ wages of respective category (In ₹)
Board of Directors (BoD)	6	7,70,000	2	5,41,918
Key Managerial Personnel	3	95,87,004	1	13,14,487
Employees other than BoD and KMP	373	8,56,320	119	5,40,000
Workers	591	2,04,708	203	2,04,708

b. Gross wages paid to females:

Particulars	FY 2023-24	FY 2022-23
Gross wages paid to females (Gross wages paid to females as % of total wages)	18%	19%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Complaints related to human rights issues are handled by the Human Resource Department or the respective department heads, who take appropriate actions according to the Company's policies. The Head of Human Resources (HR) is the authorized personnel responsible for overseeing human rights functions within the Company.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to providing an enabling working environment for its employees and workers.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2023-24	FY 2022-23
i) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
ii) Complaints on POSH as a % of female employees / workers		
iii) Complaints on POSH upheld		

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Concerns regarding discrimination and harassment, if any, will be handled confidentially.

The Company ensures that principles of natural justice are observed throughout the investigation and decision-making process.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Centum ensures that all agreements with stakeholders include clauses pertaining to human rights, such as the prohibition of child labor, requirements for personal hygiene, and provisions for safety and welfare measures for workers.

10. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	100%
Wages	
Others - please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No corrective action was required.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

The Company has not received any grievance / complaints regarding human rights.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company did not conduct any specific human rights due diligence during FY 2023-24. However,

human rights diligence is integrated into other audits conducted by the Company.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

The Company engages exclusively with value chain partners who comply with all statutory requirements under applicable statutes.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective actions were required during FY 2023-24.

PRINCIPLE 6:

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following form:

Parameter	Units	2023-24	2022-23
From Renewable Sources			
Total electricity consumption (A)	GJ	16,412.4	14,094
Total fuel consumption (B)	GJ	-	-
Energy consumption through other sources (C)	GJ	11,147.4	11,266.98
Total energy consumed from renewable sources (A+B+C)	GJ	27,559.8	25,360.98
From non-renewable sources			
Total electricity consumption (D)	GJ	2,335.11	2,951.19
Total fuel consumption (E)	GJ	517.32	469.80
Energy consumption through other sources (F)	GJ	-	-
Total energy consumed from non-renewable sources (D+E+F)	GJ/₹	2,852.43	3,420.99
Total energy consumed (A+B+C+D+E+F)	GJ/₹	30,412.23	28,781.97
Energy intensity per rupee of turnover (Total energy consumption/Revenue from operations)	GJ	0.00000480	0.00000575
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	GJ/₹	0.00010996	0.00013156
Energy intensity in terms of physical Output	GJ	0.0275374	0.0477893

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, Independent assessment/evaluation/assurance has been carried out by KPMG.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)

No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	2023-24	2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	62,549	46,513
(iii) Third party water	1,292	1,592
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	63,841	48,105
Total volume of water consumption (in kilolitres)	63,841	48,105
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.000010	0.000009
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000230	0.000220
Water intensity in terms of physical output	0.057806	0.079873

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Provide the following details related to water discharged:

Parameter	2023-24	2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	10,657	11,354.7
- No treatment	-	-
- With treatment - please specify level of treatment	10,657	11,354.7
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third parties	18	54
- No treatment	18	54
- With treatment - please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
Total water discharged (in kilolitres)	10,675	11,408.7

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Centum Electronics recognizes the significance of water conservation and operates a Sewage Treatment Plant (STP) and a recirculation plant. The re-treated water from these facilities is utilized for maintaining the in-house landscape, thereby reducing our dependence on freshwater consumption.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	2023-24	2022-23
NOx	Mg/nm3	607.8	637.9
SOx	Mg/nm3	136.2	105.5
Particulate matter (PM)	Mg/nm3	381.1	439.3
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	PPM	VOC monitoring values are within defined limit	VOC monitoring values are within defined limit
Hazardous air pollutants (HAP)	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

In order to conduct a monthly assessment of the source emissions, National Accreditation Board for testing and calibration laboratories (NABL) and Ministry of Environment and Forests (MOEF) approved external laboratories are engaged.

Yes, Assessment done by National Analytical Laboratories & Research Center Bengaluru.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2023-24	2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCo ₂ e	1,197	1,262
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCo ₂ e	622	790
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCo ₂ e / ₹	0.00000028	0.00000040
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCo ₂ e / ₹	0.00000657	0.00000937
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCo ₂ e	0.00164705	0.00304712

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, Centum has implemented various projects aimed at reducing GHG emissions:

- The company's green (wind + solar) energy consumption accounted for approximately 90% of its overall consumption in FY 2023-24.
- Energy Savers controls have been installed for all split air conditioners to minimize power consumption.
- Sensor-based automatic on/off operations have been implemented to reduce nitrogen gas consumption in machines, thereby lowering Scope-1 emissions.
- Process solder waste is recovered and reused in wave machines.

- Installation of Variable Frequency Drives (VFDs), timers, and automatic control systems has been undertaken to reduce power consumption and CO2 emissions.
- Continuous monitoring is conducted to detect and prevent any leakage of nitrogen and helium gases, further reducing Scope-1 emissions.

9. Provide details related to waste management by the entity, in the following format:

Parameter	2023-24	2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	22.79	6.16
E-waste (B)	3.43	1.89
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	1.64
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any (G) (Spent solvents, lead bearing residues, contaminated cotton rags, oil-soaked cotton waste, empty barrels, waste residues containing oil)	13.97	11.13
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) Corrugated cotton box, Paper, Metal waste, Aluminium etc.	49.43	39.96
Total (A+B + C + D + E + F + G + H)	89.62	60.78
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00000001	0.00000001
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.00000032	0.00000027
Waste intensity in terms of physical output	0.00008115	0.00010091
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	2.29	0.54
(ii) Re-used	2.29	0.54
(iii) Other recovery operations	-	-
Total	4.58	1.08
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	10.99	10.04
(ii) Landfilling	-	-
((iii) Other disposal operations	-	-
Total	10.99	10.04

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Centum Electronics is dedicated to minimizing waste generation by focusing on behavioral aspects. We

ensure that all waste generated from our activities follows the 3R (Reduce, Recover, Reuse) approach to minimize hazardous waste generation. Any unrecovered waste is collected, segregated, and disposed of by authorized recyclers and vendors.

The company has established processes for waste management in each department. Hazardous waste is segregated, stored, and transported in compliance with applicable regulatory requirements

and industry best practices. It is disposed of in an environmentally sound manner through authorized vendors for recycling, as mandated by regulations.

Non-hazardous waste includes paper, cardboard, scrap metal, and e-waste. Our strategic goal is to eliminate or reduce waste generation and divert waste from disposal through reuse and recycling wherever feasible.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No new construction of our own office building occurred, therefore no environmental assessment of projects undertaken by us was necessary.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	2023-24	2022-23
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	MtCo ₂ e	1.15	1.30
Total Scope 3 emissions per rupee of turnover	MtCo ₂ e/₹	0.00000000072	0.00000000078

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) if yes, name of the external agency.

No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Centum Electronics does not operate in or around ecologically sensitive areas that require environmental approvals or clearances.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr.No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Purchase of renewable energy	Purchase of open access power from solar & wind energy through third party	<ul style="list-style-type: none"> 90% of overall energy consumption comes from renewable sources. Reduction of Co₂ emission from 5,427 ton in 2017-18 to 304 ton of Co₂ emission in 2023-24.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes, Centum Electronics complies with all applicable environmental laws, regulations, and guidelines in India.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

None of Company's facility/plant is located in areas of water stress.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) if yes, name of the external agency.

Not Applicable

Sr.No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
2	VFD operation of HVAC pumps	Installation of VFD for Cooling tower fans and Process Chiller pumps with closed loop	<ul style="list-style-type: none"> • Saved 53,085 KWH units electricity consumption. • Reduction of 42 ton of Co2 emission
3	Installation of RO system for HVAC plant	Installed RO system for HVAC to reduce the scaling of chiller condenser tubes for efficient operation	<ul style="list-style-type: none"> • Saved 1,56,000 KWH units electricity consumption. • Reduction of 150 ton of Co2 emission
4	Product Jig modification	With Jigs modification increased the loading capacity of walk in ESS chamber, which reduces 40% of energy consumption per cycle.	<ul style="list-style-type: none"> • Saved 180 KWH units/Cycle electricity consumption
5	Recirculation & Sewage treatment plant	Recycled & sewage treated water in STP used for landscaping, this helped to reduce freshwater requirement	<ul style="list-style-type: none"> • Recycled & re-used 10,657 KL of wastewater through sewage treatment plants
6	Recycling of waste	Recycling of waste generated at process & re-used as raw material	<ul style="list-style-type: none"> • 54% of solder waste recycled & reused as raw materials. • 10% of recycled plastic runners used as raw material. • 10% in reduction of chemical consumption in cleaning machines by chemical filtration process.
7	Converting incinerable waste to AFR	Non-recyclable hazardous waste sending to cement kiln as alternative fuel	<ul style="list-style-type: none"> • Instead of incineration, co-processing the waste. • Using as alternative fuel to cement kiln. • Zero waste to landfill.
8	Installation of inverter chiller for process	Installation of inverter-based energy efficient chiller for operation, rather than convention chiller	<ul style="list-style-type: none"> • Saved 64,308 KWH units electricity consumption. • Avoided 58 ton of Co2 emission
9	Effectively monitoring & reducing gas consumption	Effectively monitoring and controlling the Gas (Helium & N2)	Reduced the helium consumption from 150M3/Month to 46M3/Month in 2023-24.
10	Installation of auto RH control system	Installation of auto RH control system for heater banks in Chip & Wire department	Reduce the power consumption by 5,600 units/year in 2023-24.
11	VFD for Old Wait AHU	Installation of Variable frequency drive to the JIG testing area and old wait air handling unit for effective control of flow rate and temperature as per requirement	Maintain the Temp & RH as per internal customer requirements and reduced the power consumption -9,984units/kw

Sr.No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
12	Thermography study	Thermography study (thermal imaging) is done for all electrical systems	Corrective actions are taken in the annual electrical shutdown to rectify the identified electrical defects such as loose connection, overload circuits, transformer cooling faults, and induced currents to improve our electrical system efficiency.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link

Centum has implemented a comprehensive Business Continuity Plan (BCP) to assess potential risks to the business posed by disaster situations. This plan is crucial for evaluating all possible incidents and their potential impact on the organization's ability to maintain normal business operations. The BCP process involves examining the likelihood of severe situations disrupting business operations and assessing the potential consequences of such events.

The Business Continuity Team comprises General Managers from all Business Units, as well as representatives from IT, Finance, IE, EHS, and other functional areas. Centum's BCP includes a mechanism to assess the criticality of all organizational business processes and determine

the impact and consequences of service loss or a reduction in normal service levels.

The site-specific Business Continuity Plan contains information on threats to normal service levels and their impact on profitability and continued viability.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

There are no significant adverse environmental impacts arising from our value chain

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Centum engages exclusively with value chain partners who comply with all applicable statutes.

PRINCIPLE 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations :12

Centum is a member of various industry and trade bodies, actively participating in industry events and stakeholder consultations. This involvement contributes to policy formulation by various regulatory bodies.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	Electronic Industries Association of India (ELCINA)	National
3	Indo-French Chamber of Commerce and Industry	National

Sr.No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
4	Indo-American Chamber of Commerce	National
5	India Electronics and Semiconductor Association (IESA)	National
6	Bangalore Chamber of Commerce	State
7	Software Technology Parks of India (STPI)	National
8	Federation of Karnataka Chambers of Commerce and Industry	State
9	Society of Indian Defence Manufacturer	National
10	Indian Space Association (ISPA)	National
11	Karnataka Employer Association	State
12	Electronic & Computer Software Export Promotion Council	National

c. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities:

None

Leadership Indicators

Details of public policy positions advocated by the entity: Centum Electronics Limited actively participates in various industry forums to discuss relevant topics and share views and opinions. The company engages in activities for the public good, both independently and in collaboration with trade bodies and industry colleagues. Details of Centum's participation in various public platforms and industry body discussion forums are available on our LinkedIn page: Centum Electronics LinkedIn Page.

PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

The Company has not conducted any social impact assessments as it is currently not applicable. However, such assessments will be undertaken whenever necessary.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

No projects requiring Rehabilitation and Resettlement (R&R) have been undertaken.

3. Describe the mechanisms to receive and redress grievances of the community.

The Company is dedicated to fostering sustainable and inclusive development within the community. We engage with the community regularly, either directly or through implementing agencies. Grievances received, whether informally or formally through such forums, are carefully addressed, and resolutions are provided.

Our CSR projects are aimed at tackling concerns and challenges that impact the surrounding communities, including underprivileged groups within the community.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	16.78	13
Sourced directly from within the district and neighboring districts	11.5	17.5

* districts within the state are only considered

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	% of Job creation 2023-24	% of Job creation 2022-23
Rural	-	-
Semi-urban	-	-
Urban	-	-
Metropolitan	100	100

Place categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

The Company has not conducted any social impact assessments as it is currently not applicable. However, such assessments will be conducted whenever necessary.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

No CSR projects are undertaken in aspirational districts as identified by government bodies.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/ No)

Centum does not have a preferential procurement policy that gives preference to purchases from suppliers belonging to marginalized or vulnerable groups. However, the Company sources products also from local

and small producers after evaluating them based on necessary requirements. We actively engage with various vendors to develop and enhance their capabilities and capacities over time. Continuous feedback is provided to local suppliers to improve their performance in terms of quality and capacity.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

For the FY 2023-2024, 1 Patent is Filed, 10 Patents have been Granted. 10 technical papers have been published. No commercial benefits for current & previous FY.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

None

6. Details of beneficiaries of CSR Projects:

Sr.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Promoting Education - Blind School - Mathru Educational Trust	164	100
2	Meal Distribution - The Akshaya Patra Foundation	334	60
3	proVISION ASIA	21	100
4	Shri Vishwanath Raghunath Rao Memorial Trust	Not Applicable	
5	Art & Photography Foundation	Not Applicable	

PRINCIPLE 9:

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Centum has a well-established process and procedure to receive customer inquiry, grievance, complaint, or feedback. Customers can directly contact the respective Program Manager, Quality Leads, or Sales Team.

Centum addresses customer complaints using the RCCA (Root Cause and Corrective Actions) approach within a stipulated timeline, depending on the type of complaint or feedback received. The company has a complaint redressal mechanism through which consumers can contact and lodge their grievances.

Additionally, our sales teams regularly engage with customers through emails and formal meetings. In

case of any complaints, customers can raise them with the Company's Single Point of Contact (SPOC) or send their complaints via mail to the company.

2. Turnover of products and / services as a percentage of turnover from all products/ service that carry information about:

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Particulars	2023-24			2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services		-			-	
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

None

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.

Yes, Centum has implemented an Information Security Management System in accordance with ISO/IEC 27001:2013 for the scope of Design, Manufacturing, Integration, and Screening of PCB Assembly and Electronic Modules. The company has established layered security measures for People,

Process, and Technology, adopting the protect, detect, and respond method in its IT security process.

Various controls are in place within the IT security framework, including perimeter controls, internal controls, and access controls. Centum also conducts cybersecurity assessments, including Annual Vulnerability Assessments and Penetration Tests carried out by third-party cybersecurity partners. Additionally, internal ISMS audits are conducted every six months, with annual ISMS surveillance audits by the certification agency, annual IT General Controls (ITGC) audits by the statutory financial audit team, and customer audits on the Information Security Management System.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

The Company continuously strengthens and upgrades its infrastructure while implementing various monitoring tools in accordance with cybersecurity and data privacy requirements for individuals and customers. The Company adopts stringent data privacy policies in line with global standards. Regular employee training on data privacy and cybersecurity best practices are provided.

Regular safety audits of products and services are taken up to ensure compliance with regulatory standards.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches.

To date, Centum has not reported any instances of data breaches. The company is committed to establishing, implementing, maintaining, and continually improving its information security management system related to the design and manufacturing of electronic products. This commitment ensures the confidentiality, integrity, and availability of information involved in its activities, supported by measurable objectives and compliance with applicable legal, statutory, regulatory, and contractual requirements.

b. Percentage of data breaches involving personally identifiable information of customers:

Nil

c. Impact, if any, of the data breaches:

Not Applicable as there are no data breaches reported.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The Company provides information about its products and services through its website, www.centumelectronics.com.

[centumelectronics.com](http://www.centumelectronics.com). Additionally, Centum actively participates in trade fairs and exhibitions related to electronics manufacturing.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company manufactures and supplies products according to customer specifications. There is ongoing interaction with customers throughout the project execution phase, and end users are educated accordingly. Information regarding product usage and end-use applications is provided in the respective product catalogs, instruction manuals, installation manuals, and user guides.

We continuously evaluate and improve our product safety measures based on customer feedback, industry best practices, and regulatory requirements. This includes updating product labeling, enhancing user manuals, and implementing new safety features or technologies.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Centum Electronics Limited is not directly involved in providing essential services as defined by The Essential Services Maintenance Act, 1981. However, the company maintains continuous communication with its customers to ensure the smooth operation of its activities.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief.

The Company manufactures and supplies products according to customer specifications. The product information displayed complies with all relevant local laws and customer instructions. For exported products, information aligns with the requirements of respective countries' laws. Barcodes on products contain all necessary information.

The products are clearly labeled with relevant safety information, usage instructions, and precautions. This includes warning labels for potentially hazardous materials or components, as well as instructions for proper disposal or recycling.

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No).

Yes, Centum is a customer-centric organization where customer satisfaction is paramount. Feedback is solicited from customers starting from the design

and manufacturing stages through to product delivery. Continuous engagement and support are provided to ensure customer satisfaction. Annual customer satisfaction surveys are conducted to gather feedback on various parameters including sales, project execution, delivery, documentation, quality, health and safety, and information security management systems. Customer scorecards are periodically reviewed to gauge service satisfaction.

Independent Auditor's Report

To the Members of Centum Electronics Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Centum Electronics Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statements of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone Ind AS Financial Statements' section of our report. We are independent of the Company 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 standalone 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 standalone 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 standalone Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone 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 standalone 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 standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Allowance for inventory obsolescence (as described in note 2.3(k), note 11 and note 41 of the standalone Ind AS financial statements)</p> <p>The Company held an inventory balance of ₹ 2,874.16 million as at March 31, 2024, as disclosed in Note 11 and is a material balance for the Company. Inventory obsolescence allowance is determined using policies/methodologies that the Company 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.</p>	<p>Our procedures in relation to evaluate the allowance of inventories included:</p> <ul style="list-style-type: none"> 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;

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> • We also assessed the 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 Company's disclosures concerning this in Note 41 on significant accounting estimates and judgements and Note 11 on Inventories to the standalone Ind AS financial statements.
<p>Impairment testing of investments in a subsidiary (as described in note 2.3(i), note 5 and note 41 of the standalone Ind AS financial statements)</p>	
<p>As at March 31, 2024, the carrying amount of investment in Centum Electronics UK Limited, a subsidiary of the Company is ₹ 1,079.81 million which has underlying investment in Centum T&S Group SA, France (formerly known as Centum Adetel Group SA, France). Centum T&S Group has been incurring losses leading to erosion of net worth whereby the carrying value of the investment in Centum T&S Group as at March 31, 2024, is higher than Centum T&S Group net worth. The determination of recoverable amounts of the Company's investments in Centum Electronics UK Limited relies on management's estimates of future cash flows and their judgment with respect to the Centum T&S Group 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 significance of the Company's investment as at March 31, 2024, we have considered this as a key audit matter.</p> <p>The basis of impairment of investment in subsidiary is presented in the accounting policies in Note 2.3(i) to the standalone Ind AS financial statements.</p>	<p>Our procedures in relation to evaluate the impairment of investment included:</p> <ul style="list-style-type: none"> • We assessed whether the Company's accounting policy with respect to impairment is in accordance with Ind AS 36 "Impairment of assets." • 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 Company's disclosures concerning this in Note 41 on significant accounting estimates and judgements and Note 5 pertaining to the disclosures of investment in subsidiary to the standalone Ind AS financial statements.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The 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 standalone 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 standalone 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 standalone 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 standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 Company has adequate internal financial controls with reference to standalone 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 Company's ability 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 standalone 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 standalone 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.

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, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report to the extent applicable, that:
 - (a) We 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except as detailed in note 57 of the standalone 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 Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone 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 as on March 31, 2024 taken on record by the Board of Directors, none of the directors 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 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 these standalone Ind AS financial statements and the operating effectiveness of such controls,

refer to our separate Report in “Annexure 2” to this report;

- (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 45(c) to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 28 to the standalone Ind AS financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 58(v) to the standalone 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 Company to or in any other person(s) or entity(ies), 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 Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief and as disclosed in the note 58(vi) to the standalone Ind AS financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company 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 such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. As stated in note 19 to the standalone Ind AS financial statements, the final dividend paid by the 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 the approval of the 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 Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

- vi. Based on our examination which included test checks, the Company has 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 57 to the standalone 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: 24061207BKBJWS7270

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 Company')

In terms of the information and explanations sought by us and given by the 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, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in note 3 to the standalone Ind AS financial statements included in property, plant and equipment are held in the name of the Company except as under:

Description of Property	Gross carrying value (₹ In Mn)	Held in name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in the name of Company
Land at Bengaluru Aerospace Park, Industrial Area	114.61	Karnataka Industrial Areas Development Board (KIADB)	NA	December 18, 2013	Lease deed has expired on December 17, 2023, and the management has applied for transfer of title in the name of the Company.

Certain immovable properties are pledged with banks and their title deeds are not available with the Company. The same has been independently confirmed by the bank.

- (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible asset during the year ended March 31, 2024.
- (e) As disclosed in note 58(i) to the accompanying standalone Ind AS financial statements, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory excluding inventory lying with third parties and goods in transit at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2024. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification and confirmation.
- (b) As disclosed in note 23 to the standalone Ind AS financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone Ind AS financial statements, the quarterly returns/statements filed by the Company with such banks and financial

institutions are in agreement with the books of accounts of the Company.

- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. However, the Company has an outstanding loan of ₹ 10 million as at March 31, 2024 to Centum T&S Private Limited ('CTNSI'), a subsidiary company.
- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.
- (c) In respect of loan granted to subsidiary company, the schedule of repayment of principal and payment of interest has been stipulated and the receipts are regular.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 ('the Act') are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company and hence not commented upon.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act related to the products manufactured by the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including goods and services tax, professional tax, provident fund, employees' state insurance, income-tax, custom duty, cess and other material statutory dues, as applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a delay in payment of advance tax. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed dues in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable

- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (in ₹ million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Disallowance of exemptions	46.44	Financial year 2016-2017	Commissioner of Income Tax (Appeals) - Bangalore
Central Excise Act, 1944	Non-payment of service tax	89.25 (3.54)*	Financial year 2009-2010 to 2017-2018	Customs, Excise and Service Tax Appellate Tribunal ('CESTAT'), Bangalore

Name of the statute	Nature of the dues	Amount (in ₹ million)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Disallowance of CENVAT Credit availed	9.99	Financial year 2004-2005 to 2005-2006	Commissioner of Central Excise, Bangalore
Central Excise Act, 1944	Disallowance of CENVAT Credit availed	22.26	Financial year 2010-2011 to 2012-2013	CESTAT, Bangalore
The Goods and Service Tax Act	Recovery of erroneous refund sanctioned	2.72 (0.44)*	Financial year 2017-2018	Additional Commissioner Central tax (Appeals)

* Amount in parenthesis represents the payment made under protest.

- (viii) As disclosed in note 58(vii) to the accompanying standalone Ind AS financial statements, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone Ind AS financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates during the year.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.
- The Company does not have any joint venture. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor, secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the

- requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with the directors as referred to in section 192 of the Act and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year or the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 49 to the standalone Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 53 to the standalone Ind AS financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in note 53 to the standalone Ind AS financial statements.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani

Partner

Membership Number: 061207

UDIN: 24061207BKBJWS7270

Place of Signature: Bengaluru

Date: May 22, 2024

Annexure 2

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Centum Electronics Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“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 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 Company’s internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as 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 these standalone 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 these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 standalone 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 Company’s internal financial controls with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements

A company’s internal financial controls with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to standalone 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 standalone 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 standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the 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: 24061207BKBJWS7270

Place of Signature: Bengaluru

Date: May 22, 2024

Standalone Ind AS Balance Sheet

as at March 31, 2024

Corporate Identification Number (CIN): L85110KA1993PLC013869

(₹ in million)

	Notes	March 31, 2024	March 31, 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	1,053.03	992.56
(b) Capital work-in-progress	3a	2.87	54.09
(c) Goodwill	4	36.35	36.35
(d) Other intangible assets	4	17.59	29.11
(e) Right-of-use assets	45a	22.84	35.42
(f) Financial assets			
(i) Investments	5	1,080.81	762.98
(ii) Loans	6	-	10.00
(iii) Other financial assets	7	157.70	205.25
(g) Deferred tax assets (net)	8	88.82	62.11
(h) Non-current tax assets (net)	9	9.38	9.59
(i) Other assets	10	10.24	21.46
Total non-current assets		2,479.63	2,218.92
(2) Current assets			
(a) Inventories	11	2,874.16	2,315.71
(b) Financial assets			
(i) Trade receivables	12	2,202.63	2,094.87
(ii) Cash and cash equivalents	13	129.50	137.59
(iii) Bank balances other than cash and cash equivalents	13	234.58	69.25
(iv) Loans	14	10.00	10.00
(v) Other financial assets	15	19.04	5.99
(c) Other assets	16	278.48	202.04
Total current assets		5,748.39	4,835.45
Total assets (1+2)		8,228.02	7,054.37
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	128.88	128.85
(b) Other equity	18	2,995.00	2,697.58
Total equity		3,123.88	2,826.43
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	102.62	-
(ii) Lease liabilities	45a	2.70	7.56
(b) Government grants	21	16.40	24.43
(c) Net employee defined benefit liabilities	22	49.88	59.48
(d) Other liabilities	26	563.37	167.39
Total non-current liabilities		734.97	258.86
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	912.30	1,059.22
(ii) Lease liabilities	45a	2.25	6.48
(iii) Trade payables	24		
Total outstanding dues of micro enterprises and small enterprises		73.78	69.84
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,576.06	1,455.01
(iv) Other financial liabilities	25	159.36	166.98
(b) Government grants	21	8.03	8.16
(c) Other liabilities	26	1,500.55	1,024.76
(d) Net employee defined benefit liabilities	27	7.90	7.08
(e) Provisions	28	81.04	62.10
(f) Liabilities for current tax (net)	29	47.90	109.45
Total current liabilities		4,369.17	3,969.08
Total equity and liabilities (1+2+3)		8,228.02	7,054.37

Summary of material accounting policies

2.3

The accompanying notes are an integral part of the standalone Ind AS financial statements.

As per our report of even date.

For and on behalf of Board of Directors of **Centum Electronics Limited**

For **S.R. Batliboi & Associates LLP**

Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Apparao V Mallavarapu
Chairman and Managing Director
DIN: 00286308

Nikhil Mallavarapu
Whole Time Director
DIN: 00288551

per **Sandeep Karnani**

Partner
Membership number: 061207

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

Standalone Ind AS Statement of Profit and Loss

for the year ended March 31, 2024

Corporate Identification Number (CIN): L85110KA1993PLC013869

(₹ in million)

	Notes	March 31, 2024	March 31, 2023
I Income			
Revenue from operations	30	6,327.98	5,005.54
Other income	31	46.87	31.42
Finance income	32	20.35	15.34
Total income		6,395.20	5,052.30
II Expenses			
Cost of materials consumed	33	4,184.83	3,157.25
(Increase) / decrease in inventories of work-in-progress and finished goods	34	(149.92)	(1.15)
Employee benefits expense	35	960.15	818.08
Finance costs	36	180.19	157.46
Depreciation and amortisation expenses	37	184.35	162.34
Other expenses	38	545.62	494.54
Total expenses		5,905.22	4,788.52
III Profit/(loss) before tax (I - II)		489.98	263.78
IV Tax expenses			
(a) Current tax	39	151.62	118.74
(b) Adjustment of tax relating to earlier period	39	3.70	(10.32)
(c) Deferred tax (credit) /expense	39	(27.86)	(38.63)
Total tax expenses		127.46	69.79
V Profit/(loss) for the year (III - IV)		362.52	193.99
VI Other comprehensive income			
(A) Other comprehensive income not to be reclassified to profit or loss in subsequent periods :			
(i) Re-measurement gains / (losses) on defined benefit plans	43b(ii)	4.60	7.35
(ii) Income tax effect on above	39	(1.21)	(1.85)
(B) Other comprehensive income to be reclassified to profit or loss in subsequent periods :			
(i) Net movement on effective portion of cash flow hedge	51	(0.22)	0.02
(ii) Income tax effect on above	39	0.06	(0.01)
Total other comprehensive income for the year (net of tax)		3.23	5.51
VII Total comprehensive income for the year (V + VI)		365.75	199.50
VIII Earnings per equity share (EPS) (nominal value of ₹ 10 each)	40		
Basic (₹)		28.13	15.06
Diluted (₹)		27.82	14.91

Summary of material accounting policies 2.3

The accompanying notes are an integral part of the standalone Ind AS financial statements.

As per our report of even date.

For and on behalf of Board of Directors of **Centum Electronics Limited**

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Apparao V Mallavarapu

Chairman and Managing Director

DIN: 00286308

Nikhil Mallavarapu

Whole Time Director

DIN: 00288551

per Sandeep Karnani

Partner

Membership number: 061207

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

Standalone Ind AS Statement of Cash Flows

for the year ended March 31, 2024

(₹ in million)

	March 31, 2024	March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	489.98	263.78
Non-cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation and amortisation expenses	184.35	162.34
Provisions / liabilities no longer required, written back	(25.99)	(12.86)
Fair value loss/ (gain) on financial instruments	0.22	(0.02)
Net foreign exchange differences (unrealised)	(2.20)	(3.19)
(Gain)/ loss on sale/discard of property, plant and equipment	(1.07)	(0.58)
Provision for expected credit loss / bad debts written off/ doubtful advances	-	27.31
Provision for inventory obsolescence	(9.88)	95.11
Provision for onerous contract	8.24	15.41
Government grants	(8.16)	(10.50)
Employee share based compensation cost	21.68	13.91
Impairment of non-current investments	13.26	-
Finance income	(20.35)	(15.34)
Finance costs	180.19	130.66
Operating profit before working capital changes	830.28	666.03
Working capital adjustments:		
(Increase) / decrease in inventories	(547.39)	(424.25)
(Increase)/ decrease in trade receivables	(97.21)	(1,213.38)
(Increase)/ decrease in non current/ current financial assets, loans and other assets	(75.23)	(6.50)
Increase / (decrease) in trade payables, non current/ current provisions, financial liabilities and other liabilities	1,072.08	1,189.00
Cash generated from / (used in) operations	1,182.53	210.90
Direct taxes paid (net of refunds)	(228.13)	3.03
Net cash flow from / (used in) operating activities	954.40	213.93
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets and capital advances	(225.51)	(99.28)
Proceeds from sale of property, plant and equipment	1.65	0.63
Purchase of non-current investments	(331.09)	(135.13)
Investment in bank deposits (having original maturity of more than three months) and other bank balances	(119.40)	68.80
Interest income received	8.96	23.19
Repayment of loans granted	10.00	-
Government grant received	-	8.65
Net cash flow (used in) / from investing activities	(655.39)	(133.16)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	154.32	-
Payment of principal portion of lease liabilities	(3.84)	(13.45)
Payment of interest portion of lease liabilities	(0.98)	(1.78)
(Repayment)/ proceeds of short term borrowings (net)	(75.23)	(66.34)
Finance costs paid	(170.10)	(119.63)
Dividend paid (including amount transferred to Investor Education & Protection Fund)	(90.67)	(32.49)
Net cash flow (used in) / from financing activities	(186.50)	(233.69)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	112.51	(152.92)
Cash and cash equivalents at the beginning of the year	(3.33)	149.19
Effect of exchange differences on cash and cash equivalents held in foreign currency	0.22	0.40
Cash and cash equivalents at the end of the year	109.40	(3.33)

Standalone Ind AS Statement of Cash Flows

for the year ended March 31, 2024

(₹ in million)

	March 31, 2024	March 31, 2023
Components of cash and cash equivalents for the purpose of cash flow statement		
Cash on hand	1.13	1.03
Balance with banks (refer note 13)		
- On current accounts	11.05	19.71
- Deposit with original maturity of less than three months	80.14	-
- On exchange earners foreign currency (EEFC) accounts	37.18	116.85
Overdraft from banks	(20.10)	(140.93)
Total cash and cash equivalents	109.40	(3.33)

Explanatory notes to statement of cash flows

Changes in liabilities arising from financing activities:-

(₹ in million)

Particulars	Liabilities arising from financing activities			
	Unpaid dividend on equity shares (refer note 25)	Long term borrowings (including current maturities of long term borrowings) (refer note 20 and 23)	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 45a)
As at April 01, 2023	2.61	-	918.29	14.04
Cash flows	(90.67)	154.32	(75.23)	(4.82)
Non-cash changes				
Foreign exchange fluctuations loss/(gain)	-	-	-	-
Interest payable	-	-	(2.56)	-
Accretion of interest	-	-	-	0.98
Modification of lease liabilities	-	-	-	(5.25)
Dividend declared during the year	90.21	-	-	-
As at March 31, 2024	2.15	154.32	840.50	4.95
As at April 01, 2022	2.89	-	979.44	13.35
Cash flows	(32.49)	-	(66.34)	(15.23)
Non-cash changes				
Foreign exchange fluctuations loss/(gain)	-	-	2.55	-
Interest payable	-	-	2.64	-
Accretion of interest	-	-	-	1.78
Recognition of lease liabilities	-	-	-	14.14
Dividend declared during the year	32.21	-	-	-
As at March 31, 2023	2.61	-	918.29	14.04

Summary of material accounting policies

2.3

The accompanying notes are an integral part of the standalone Ind AS financial statements.

As per our report of even date.

For and on behalf of Board of Directors of **Centum Electronics Limited**For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Apparao V Mallavarapu

Chairman and Managing Director

DIN: 00286308

Nikhil Mallavarapu

Whole Time Director

DIN: 00288551

per Sandeep Karnani

Partner

Membership number: 061207

Indu HS

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

Standalone Ind AS Statement of Changes in Equity

for the year ended March 31, 2024

(a) Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid

Particulars	Number	₹ in million
At April 01, 2022	1,28,84,841	128.85
Issue of share capital (refer note 17)	-	-
At March 31, 2023	1,28,84,841	128.85
Issue of share capital (refer note 17)	3,653	0.03
At March 31, 2024	1,28,88,494	128.88

(b) Other equity

Particulars	Attributable to equity shareholders						Total other equity
	Reserves and surplus						
	Securities premium (refer note 18)	General reserve (refer note 18)	Retained earnings (refer note 18)	Effective portion of cash flow hedge (refer note 18)	Share based payments reserve (refer note 18)	Capital reserve (refer note 18)	
For the year ended March 31, 2024							
As at April 01, 2023	28.07	440.26	2,211.58	0.01	14.23	3.43	2,697.58
Profit / (loss) for the year	-	-	362.52	-	-	-	362.52
Cash dividends (refer note 19)	-	-	(90.21)	-	-	-	(90.21)
Compensation for options granted (refer note 46)	-	-	-	-	21.68	-	21.68
Other comprehensive income/(loss) for the year (net of taxes)*	-	-	3.39	(0.16)	-	-	3.23
Exercise of share options (refer note 18)	0.20	-	-	-	-	-	0.20
As at March 31, 2024	28.27	440.26	2,487.28	(0.15)	35.91	3.43	2,995.00
For the year ended March 31, 2023							
As at April 01, 2022	28.07	440.26	2,044.30	-	0.32	3.43	2,516.38
Profit / (loss) for the year	-	-	193.99	-	-	-	193.99
Cash dividends (refer note 19)	-	-	(32.21)	-	-	-	(32.21)
Compensation for options granted (refer note 46)	-	-	-	-	13.91	-	13.91
Other comprehensive income/(loss) for the year (net of taxes)*	-	-	5.50	0.01	-	-	5.51
As at March 31, 2023	28.07	440.26	2,211.58	0.01	14.23	3.43	2,697.58

*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 standalone Ind AS financial statements.

As per our report of even date.

 For and on behalf of Board of Directors of **Centum Electronics Limited**

 For **S.R. Batliboi & Associates LLP**

 Chartered Accountants
 ICAI Firm registration number: 101049W/E300004

Apparao V Mallavarapu
 Chairman and Managing Director
 DIN: 00286308

Nikhil Mallavarapu
 Whole Time Director
 DIN: 00288551

per Sandeep Karnani

 Partner
 Membership number: 061207

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

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

1. Corporate information

Centum Electronics Limited (“Centum” or “the 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.

Centum designs, manufactures and also exports electronic products. It also provides design services to its customers. These include systems, subsystems and modules.

Information on related party relationships of the Company is provided in Note 42.

The standalone Ind AS financial statements for the year ended March 31, 2024, were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on May 22, 2024.

In the current year, the 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 Company in the preparation of its standalone Ind AS financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these standalone Ind AS financial statements, unless otherwise indicated.

2.1. Basis of Preparation

The standalone Ind AS financial statements of the Company, 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.

The standalone 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 Company is Indian Rupee (“₹”) which is the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest million (₹ 000,000), except when otherwise indicated.

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

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 Company applied for the first time these amendments.

(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 had no impact on the Company’s standalone 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 have had an impact on the Company’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company’s standalone Ind AS financial statements.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(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 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 standalone 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. Current versus non-current classification

The Company presents assets and liabilities in the standalone 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.

b. Fair value measurement

The Company 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 Company.

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 Company 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.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

All assets and liabilities for which fair value is measured or disclosed in the standalone 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;

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 standalone Ind AS financial statements on a recurring basis, the Company 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 Company 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)

c. 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 Company expects to be entitled in exchange for those goods or services. The Company 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 recognised as the service is performed and there are no unfulfilled obligations.

The Company 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 Company 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 Company 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.

Scrip Sales

Export entitlements in the form of Merchandise Export from India (MEIS) are recognized in the standalone 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.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

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 Company 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. 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 (o) Financial instruments below.

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 (o) Financial instruments below.

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 Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

d. 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.

e. 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 Company'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

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

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 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 it 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.

f. Non-current assets held for sale

The Company classifies non-current assets as held for sale 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 Company 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.

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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 standalone Ind AS balance sheet.

g. Property, plant and equipment ('PPE')

On transition to Ind AS, the Company 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 Company 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 Company 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 Company 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.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category of asset*	Estimated useful life
Plant and equipment (including the related intellectual property)	8 years*
Office equipment	5 years
Furniture and fixtures	10 years
Electrical installations	10 years
Computers	3 years
Buildings	30 years
Vehicles	4 years

* The Company, based on technical assessment made by the technical expert and management estimate, depreciates certain items of plant and equipment (including the related intellectual property) over estimated useful lives 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.

h. 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

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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 Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Goodwill	Indefinite	No amortisation	Acquired
Computer software	Definite (5 years)	Straight-line basis	Acquired
Intellectual property rights	Definite (8 years)	Straight-line basis	Acquired

i. 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.

j. Leases

The Company has lease contracts for office spaces, various items of plant and machinery and other equipment. The Company 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.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company 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 Company 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

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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 Company 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 (I) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company 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 Company 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.

Company as a lessor

Leases in which the Company 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.

k. 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.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

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.

I. Impairment of non-financial assets and investments in subsidiaries and associates

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, intangible assets, including goodwill and investments in subsidiary and 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.

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 Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company 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 Company 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 been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

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m. Provisions and contingent liabilities

General

Provisions are recognised when the Company 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 Company 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 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 Company 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 Company 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 Company 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 Company 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 Company does not recognize a contingent liability but discloses its existence in the standalone 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 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.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund and pension fund are defined contribution scheme. The Company has no obligation, other than the contribution payable. The Company 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 Company measures the expected cost of such absences as the additional amount that it expects to

Notes to the Standalone Ind AS Financial Statements

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pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company 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 Company presents the leave as a current liability in the standalone 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 standalone 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 Company recognises the following changes in the net defined benefit obligation as an expense in the 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.

o. Financial instruments

Financial assets and financial liabilities are recognised when the Company 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 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 Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company 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 Company has applied the practical expedient are measured at the transaction price as disclosed in section 2.3.(c) Revenue recognition.

Notes to the Standalone Ind AS Financial Statements

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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 subsidiaries, 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 investments in subsidiaries and 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 Company 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 approximate fair value due to the short maturity of these instruments.

De-recognition of financial assets

The Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company 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 statement of profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company 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 Company 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 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 Company 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 statement of profit and loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone 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.

p. Derivative financial instruments

The Company 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

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

are subsequently re-measured at fair value through 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 51 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.

q. Cash and cash equivalents

Cash and cash equivalent in the standalone 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 Company's cash management.

r. Share-based payments

Certain employees of the Company and its subsidiaries 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 Company'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 Company'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.

s. 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.

t. Foreign currencies

The standalone Ind AS financial statements are presented in INR, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses 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.

Notes to the Standalone Ind AS Financial Statements

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Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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).

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

u. 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 Company 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 standalone statement of profit and loss. During the period of development, the asset is tested for impairment annually.

v. Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

w. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the Company 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

There are no standards that are notified and not yet effective as on the date.

2.5 Climate – related matters

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company 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 standalone Ind AS financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

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3. Property, plant and equipment

Particulars	(₹ in million)										
	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 1, 2022	4.41	-	504.39	824.38	93.85	27.74	39.01	55.47	38.23	114.61	1,702.09
Additions	-	-	1.13	83.26	0.60	8.21	0.84	5.91	-	-	99.95
Disposal/discard during the year	-	-	-	(3.01)	-	-	-	-	-	-	(3.01)
As at March 31, 2023	4.41	-	505.52	904.63	94.45	35.95	39.85	61.38	38.23	114.61	1799.03
Additions	-	1.31	2.65	203.82	0.20	1.60	0.35	2.10	12.35	-	224.38
Disposal/discard during the year	-	-	-	(5.18)	(0.24)	(1.56)	(0.15)	(0.49)	-	-	(7.62)
As at March 31, 2024	4.41	1.31	508.17	1103.27	94.41	35.99	40.05	62.99	50.58	114.61	2015.79
Accumulated depreciation											
As at April 1, 2022	-	-	86.45	436.78	47.56	24.47	37.70	23.94	12.06	-	668.96
Charge for the year	-	-	17.68	96.13	8.97	3.58	0.73	5.36	8.07	-	140.52
Disposal/discard during the year	-	-	-	(3.01)	-	-	-	-	-	-	(3.01)
As at March 31, 2023	-	-	104.13	529.90	56.53	28.05	38.43	29.30	20.13	-	806.47
Additions	-	0.40	17.59	114.69	8.88	4.35	0.56	5.96	10.90	-	163.33
Disposal/discard during the year	-	-	-	(4.60)	(0.24)	(1.56)	(0.15)	(0.49)	-	-	(7.04)
As at March 31, 2024	-	0.40	121.72	639.99	65.17	30.84	38.84	34.77	31.03	-	962.76
Net block											
As at March 31, 2024	4.41	0.91	386.45	463.28	29.24	5.15	1.21	28.22	19.55	114.61	1,053.03
As at March 31, 2023	4.41	-	401.39	374.73	37.92	7.90	1.42	32.08	18.10	114.61	992.56

Notes:

- (a) Karnataka Industrial Area Development (KIADB) has allotted land to the Company 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 ₹ 114.61 million (March 31, 2023: ₹ 114.61 million). The agreement gives a right to the Company 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 expired and the Company has applied for the transfer of the land in its name.
- (b) The Company'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 20 and 23.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

3. Property, plant and equipment (Contd..)

(₹ in million)

Particulars	Capital work-in-progress
As at April 1, 2022	0.09
Additions	154.92
Capitalised during the year	(100.92)
As at March 31, 2023	54.09
Additions	175.33
Capitalised during the year	(226.55)
As at March 31, 2024	2.87

Capital work-in-progress ageing schedule

(₹ in million)

As at March 31, 2024	Amount in capital work-in-progress for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	2.87	-	-	-	2.87
Projects temporarily suspended	-	-	-	-	-
Total	2.87	-	-	-	2.87

(₹ in million)

As at March 31, 2023	Amount in capital work-in-progress for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	54.09	-	-	-	54.09
Projects temporarily suspended	-	-	-	-	-
Total	54.09	-	-	-	54.09

The Company 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.

4. Other intangible assets and goodwill

(₹ in million)

Particulars	Other intangible assets				
	Goodwill (A) (refer note b)	Computer software (B)	Intellectual property rights (C)	Subtotal (D=B+C)	Total (A+D)
Gross block (at cost / deemed cost)					
As at April 1, 2022	36.35	102.60	9.51	112.11	148.46
Additions	-	0.97	-	0.97	0.97
Disposals	-	-	-	-	-
As at March 31, 2023	36.35	103.57	9.51	113.08	149.43
Additions	-	2.17	-	2.17	2.17
Disposals	-	(6.73)	-	(6.73)	(6.73)
As at March 31, 2024	36.35	99.01	9.51	108.52	144.87

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

4. Other intangible assets and goodwill (Contd..)

(₹ in million)

Particulars	Other intangible assets				Total (A+D)
	Goodwill (A) (refer note b)	Computer software (B)	Intellectual property rights (C)	Subtotal (D=B+C)	
Accumulated amortization					
As at April 1, 2022	-	61.31	8.63	69.94	69.94
Charge for the year	-	13.36	0.67	14.03	14.03
Disposals	-	-	-	-	-
As at March 31, 2023	-	74.67	9.30	83.97	83.97
Charge for the year	-	13.48	0.21	13.69	13.69
Disposals	-	(6.73)	-	(6.73)	(6.73)
As at March 31, 2024	-	81.42	9.51	90.93	90.93
Net block					
As at March 31, 2024	36.35	17.59	-	17.59	53.94
As at March 31, 2023	36.35	28.90	0.21	29.11	65.46

(a) Also, refer note 3(b).

(b) The Company had entered into a business transfer agreement with Centum Industries Private Limited, an enterprises 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 Company had purchased the net assets pertaining to plastic and defence and space of Centum Industries Private Limited for an aggregate consideration ₹ 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.

5. Non - current financial assets: Investments

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Investment carried at cost		
- Unquoted equity shares		
i. Subsidiary Company		
Centum Electronics UK Limited ¹ (refer note 42) 11,158,164 equity shares (March 31, 2023: 8,018,900) equity shares of GBP 1 each, fully paid up.	1,079.81	748.72
Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited) 100,000 (March 31, 2023: 100,000) equity shares of ₹ 10 each, fully paid up	1.00	1.00
Investment carried at fair value through statement of profit and loss account		
ii. Others		
Unquoted equity shares		
Qulsar Inc. ² 74,184 equity share (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)	-
Total investments (i+ii)	1,080.81	762.98
Aggregate value of unquoted investments	1,080.81	762.98

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

5. Non-current financial assets: Investments (Contd..)

1. a) 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.

During the year ended March 31, 2024, the Board of Directors of Company 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 March 31, 2024 in Centum T&S Group SA. Centum T&S Group SA has been incurring losses and the carrying value of the aforesaid investment continues to be higher than the net worth of Centum T&S Group SA.

However, based on internal assessment performed as at March 31, 2024 with regard to future operations, the management of the Company is of the view that the carrying value of the Company's investment in Centum Electronics UK Limited is appropriate.

2. The Company has investments in Qulsar Inc. Based on internal assessment performed with regard to future operations, the management of the Company has created provision for impairment amounting to ₹ 13.26 million during the year ended March 31, 2024.

6. Non-current loans

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Loans (secured considered good unless otherwise stated)¹		
Loan to related party (refer note 42)	-	10.00
Total loan	-	10.00

1. Loan are non-derivative financial instruments which generate a fixed interest income for the Company. The carrying value may be affected by the changes in the credit risk of the counter parties. The loan is repayable in eight equal quarterly installments starting from June 2023.

7. Other non-current financial assets

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Unsecured, considered good unless otherwise stated		
Carried at amortised cost		
Security deposits - others (refer note 42)	20.37	21.98
Non-current bank balance (refer note 13)	137.33	183.27
Total other non-current financial assets	157.70	205.25

8. Deferred tax assets (net)

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Deferred tax liability		
Property, plant and equipments: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	(19.73)	(28.20)
Leases	(4.50)	(5.38)
	(A) (24.23)	(33.58)

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

8. Deferred tax assets (net) (Contd.)

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	43.78	26.72
Impact of provision for expected credit losses	4.94	12.79
Others	64.33	56.18
	(B) 113.05	95.69
Deferred tax assets (net)	(A+B) 88.82	62.11
Movement for the year	(26.71)	(36.77)
Reconciliation to the statement of profit and loss		
(Credit)/ expense during the year as above	(26.71)	(36.77)
Tax expense / (income) during the year recognized in OCI	1.15	1.86
(Credit)/ expense during the year	(27.86)	(38.63)

9. Non-current tax assets (net)

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Advance income tax (net of provision for current tax and including tax paid under protest)	9.38	9.59
	9.38	9.59

10. Other non-current assets

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Capital advances		
Unsecured, considered good	1.79	10.39
	(A) 1.79	10.39
Prepaid expenses	4.08	6.70
	(B) 4.08	6.70
Balance with statutory / government authorities		
Unsecured, considered good	4.37	4.37
	(C) 4.37	4.37
Total other non-current assets	(A+B+C) 10.24	21.46

11. Inventories (valued at lower of cost and net realisable value)

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Raw materials	2,212.15	1,804.10
[Includes raw material in transit ₹ 159.46 million (March 31, 2023: ₹ 178.75 million)]		
Work-in-progress	590.80	474.75
Finished goods	69.04	35.17
Stores and spares	2.17	1.69
Total inventories (valued at lower of cost and net realisable value)	2,874.16	2,315.71

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

12. Trade receivables

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Carried at amortised cost		
Receivables from related parties (refer note 42)	355.42	126.21
Other trade receivables	1,847.21	1,968.66
Total trade receivables	2,202.63	2,094.87

Break-up for security details:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Trade receivables:		
Unsecured, considered good	2,183.55	2,089.05
Trade receivables which have significant increase in credit risk	38.69	56.62
Trade receivables - credit impaired	-	-
	2,222.24	2,145.67
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	(19.61)	(50.80)
Trade receivables - credit impaired	-	-
Total trade receivables	2,202.63	2,094.87

- 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.
- Refer note 48(c)(c) for details pertaining to expected credit loss.

12.1 Trade receivables ageing schedule

As at March 31, 2024

(₹ 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	1.92	1,106.48	644.16	284.83	144.62	0.11	1.43	2,183.55
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	7.81	17.83	4.17	8.88	38.69
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	1,106.48	644.16	292.64	162.45	4.28	10.31	2,222.24

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

12. Trade receivables (Contd..)

As at March 31, 2023

(₹ 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	1.92	1,508.40	513.42	65.20	0.11	-	-	2,089.05
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	3.23	20.22	11.85	21.32	56.62
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	1,508.40	513.42	68.43	20.33	11.85	21.32	2,145.67

13. Cash and cash equivalents and other bank balances

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Balances with banks:		
- On current accounts ³	11.05	19.71
- Deposit with original maturity of less than three months ⁴	80.14	-
- On exchange earners foreign currency (EEFC) accounts	37.18	116.85
Cash on hand	1.13	1.03
Total cash and cash equivalents (A)	129.50	137.59
Other bank balances		
Balance with banks		
- On current account ^{1,3}	2.15	2.61
- On margin money accounts ^{2,4}	369.76	249.91
	371.91	252.52
Amount disclosed under other non-current financial assets (refer note 7)	(137.33)	(183.27)
Total bank balance other than cash and cash equivalent (B)	234.58	69.25
(A+B)	364.08	206.84

- Includes balance in unclaimed dividend account ₹ 2.15 million (March 31, 2023: ₹ 2.61 million).
- 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.
- Balances with banks on current accounts does not earn interest.
- Deposits are made for varying periods depending on the cash-requirement of the Company and earn interest @ 3.25% to 7.45% p.a. (March 31, 2023: 2.70% to 7.45% p.a.).

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

14. Current loans

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Loans (secured considered good unless otherwise stated)¹		
Loan to related party (refer note 42)	10.00	10.00
	10.00	10.00

1. Loan are non-derivative financial instruments which generate a fixed interest income for the Company. The carrying value may be affected by the changes in the credit risk of the counter parties.

15. Other current financial assets

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Unsecured, considered good unless otherwise stated		
Carried at amortised cost		
Security deposits - others (refer note 42)	0.32	0.32
	(A) 0.32	0.32
Staff advances	2.42	2.27
Interest accrued on fixed deposits and others	16.30	3.38
	(B) 18.72	5.65
Derivative instruments at fair value through OCI		
Cash flow hedges		
Derivative assets (refer note 51)	-	0.02
	(C) -	0.02
	(A+B+C) 19.04	5.99

16. Other current assets

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Unsecured considered good		
Prepaid expenses	40.37	44.88
Balance with statutory / government authorities	26.93	7.63
Advance to suppliers and other advances (refer note 42)	211.18	147.80
Other receivables (refer note 42)	-	1.73
	278.48	202.04

17. Equity share capital

Particulars	Equity shares of ₹ 10 each	
	In Numbers	(₹ in million)
Authorised share capital:		
At April 01, 2022	1,55,00,000	155.00
Increase / (decrease) during the year	-	-
At March 31, 2023	1,55,00,000	155.00
Increase / (decrease) during the year	-	-
At March 31, 2024	1,55,00,000	155.00

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

17. Equity share capital (Contd.)

(a) Issued equity share capital:

Equity shares of ₹ 10 each issued, subscribed and fully paid

Particulars	In Numbers	(₹ in million)
At April 01, 2022	1,28,84,841	128.85
Changes during the period	-	-
At March 31, 2023	1,28,84,841	128.85
Changes during the period	3,653	0.03
At March 31, 2024	1,28,88,494	128.88

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 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 ₹ 10 each fully paid				
Apparao V Mallavarapu*	58,97,549	45.76%	66,04,715	51.26%
Nikhil Mallavarapu*	6,52,855	5.08%	5,89,929	4.58%
Tanya Mallavarapu*	6,44,240	5.00%	-	-
Swarnalatha Mallavarapu*	3,69,150	2.86%	3,69,150	2.86%
M S Swarnakumari*	12,684	0.10%	12,684	0.10%
HDFC Mutual funds	5,89,154	4.57%	6,67,637	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 ₹ 10 each fully paid					
Apparao V Mallavarapu	66,04,715	(7,07,166)	58,97,549	45.76%	(10.71)%
Nikhil Mallavarapu	5,89,929	62,926	6,52,855	5.08%	10.67%
Tanya Mallavarapu	-	6,44,240	6,44,240	5.00%	100.00%
Swarnalatha Mallavarapu	3,69,150	-	3,69,150	2.86%	-
M S Swarnakumari	12,684	-	12,684	0.10%	-

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

17. Equity share capital (Contd..)

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 ₹ 10 each fully paid					
Apparao V Mallavarapu	66,04,715	-	66,04,715	51.26%	-
Nikhil Mallavarapu	5,89,929	-	5,89,929	4.58%	-
Swarnalatha Mallavarapu	3,69,150	-	3,69,150	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 Company, refer note 46.

18. Other equity (Contd..)

Particulars	(₹ 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
Retained earnings	
Balance as at April 01, 2022	2,044.30
Profit for the year	193.99
Less: Dividends	(32.21)
Add: Remeasurement of defined benefit plans (net of tax)	5.50
Balance as at March 31, 2023	2,211.58
Profit for the year	362.52
Less: Dividends	(90.21)
Add: Remeasurement of defined benefit plans (net of tax)	3.39
Balance as at March 31, 2024	(C) 2,487.28
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

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

Particulars	(₹ in million)
Capital reserve	
Balance as at April 01, 2022	3.43
Balance as at March 31, 2023	3.43
Balance as at March 31, 2024	3.43
Total other equity (A+B+C+D+E+F)	(F)
Balance as at March 31, 2023	2,697.58
Balance as at March 31, 2024	2,995.00

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 Company 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 Statement of Profit and Loss.

Effective portion of cash flow hedge

The Company uses hedging instruments as part of its management of foreign currency risk. For hedging foreign currency, the Company 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 46 for further details of these plans.

Capital reserve

The Company recognizes the exercise or cancellation of vested options of the Company's equity-settled share-based payments to capital reserve.

19. Distribution made and proposed

Particulars	(₹ 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: ₹ 4 per share (March 31, 2022: ₹ 2.50 per share)	51.54	32.21
Interim dividend for the year ended on March 31, 2024: ₹3 per share (March 31, 2023: ₹Nil per share)	38.67	-
	90.21	32.21

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

19. Distribution made and proposed (Contd..)

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Proposed dividend on equity shares^{1,2}		
Final dividend for the year ended on March 31, 2024: ₹ 3 per share (March 31, 2023: ₹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 Company at its meeting held on May 22, 2024 had recommended a final dividend of 30% (i.e. ₹ 3 per equity share) for the year ended March 31, 2024 which is in compliance with Section 123 of the Companies Act, 2013.

20. Non-current financial liabilities: Borrowings

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Term loan		
From bank		
Indian rupee term loan (secured) ¹	102.62	-
	102.62	-

1) Term loan from bank

- a) Indian rupee term loan from a bank of ₹ 154.32 million (March 31, 2023: Nil) (including current maturities of long term borrowings amounting to ₹ 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 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.

21. Government grants

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
At April 1	32.59	34.44
Received during the year	-	8.65
Released to the statement of profit and loss	(8.16)	(10.50)
At March 31	24.43	32.59
Current	8.03	8.16
Non - current	16.40	24.43
	24.43	32.59

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

21. Government grants (Contd..)

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.

22. Net non-current employee defined benefit liabilities

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for gratuity (refer note 43)	49.88	59.48
	49.88	59.48

23. Current financial liabilities: Borrowings

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
From Banks		
Cash credit and overdraft (secured) ¹	20.15	180.98
Packing credit loan (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 borrowing (secured) (refer note 20(1))	51.70	-
Interest payable	2.26	4.83
	912.30	1,059.22
Secured borrowings	912.30	1,059.22
Unsecured borrowings	-	-

1. 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, 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.).

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

23. Current financial liabilities: Borrowings (Contd.)

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.

- The quarterly returns or statements filed by the Company with banks or financial institutions towards sanction of working capital limits are in agreement with the books of account of the Company.
- The Company has not been declared as a wilful defaulter by any banks or financial institutions.
- The Company has not defaulted in repayment of borrowings or in the payment of interest thereon to banks or financial institutions.

24. Financial liabilities: Trade payables

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Carried at amortised cost		
Trade payables	1,594.12	1,490.44
Trade payables to related parties (refer note 42)	55.72	34.41
	1,649.84	1,524.85
The above amount includes		
Total outstanding dues of micro enterprises and small enterprises	73.78	69.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,576.06	1,455.01
	1,649.84	1,524.85

- a) Trade payables include due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2016). Amount due to suppliers under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMED Act 2006 is not expected to be material. The Company has not received any claim for interest from any supplier as at balance sheet date. The disclosure pursuant to the said Act is as under:

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	73.78	69.84
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

24. Financial liabilities: Trade payables (Contd..)

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

- b) Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing
 - For explanations on the Company's currency and liquidity risk, refer to note 48(d).
 - The dues to related parties are unsecured
- c) The 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 Company and receive the payment due from the bank before the due date. As per the arrangement the bank agrees to pay amounts which Company owes to its suppliers and the 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 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 Company has not derecognised the liabilities which are factored and disclosed the said amount within trade payables. The 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 Company to the bank which does not exceed 90 days. The amount payable under supply chain financing arrangement amounts to ₹ 155.80 million as at March 31, 2024 (March 31, 2023: ₹38.19 million).

24.1 Trade payable ageing schedule

As at March 31, 2024

(₹ in million)

Particulars	Unbilled dues					Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises*	17.55	56.23	-	-	-	73.78
Undisputed dues of creditors other than micro enterprises and small enterprises	284.77	1,270.45	15.56	-	0.14	1,570.92
Disputed dues of micro enterprises and small enterprises*	-	-	-	-	-	-
Disputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	5.14	5.14
Total	302.32	1,326.8	15.56	-	5.28	1,649.84

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

24. Financial liabilities: Trade payables (Contd..)

As at March 31, 2023

(₹ in million)

Particulars	Unbilled dues					Total
		Less than 1 year	1- 2 years	2- 3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises*	9.68	60.16	-	-	-	69.84
Undisputed dues of creditors other than micro enterprises and small enterprises	295.71	1,152.54	1.54	-	0.15	1,449.94
Disputed dues of micro enterprises and small enterprises*	-	-	-	-	-	-
Disputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	5.07	5.07
Total	305.39	1,212.70	1.54	-	5.22	1,524.85

* There are certain vendors who have been registered as micro enterprises and small enterprises and the ageing disclosed above is based on the amount outstanding to them and not on the basis of their registration as micro enterprises and small enterprises.

25. Other current financial liabilities

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
At amortised cost		
Unpaid dividends (refer note 13)	2.15	2.61
Accrued salaries and benefits (refer note 42)	149.44	98.03
Payable for capital goods	7.55	66.34
	(A)	166.98
Derivative instruments at fair value through OCI		
Cash flow hedges		
Derivative liability (refer note 51)	0.22	-
	(B)	-
Total	(A+B)	166.98

26. Other liabilities

(₹ in million)

Particulars	Non- Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Advance from customers (refer note 42)	563.37	167.39	1,318.22	744.94
Deferred revenue	-	-	89.98	97.77
Withholding and other taxes / duties payable	-	-	37.66	180.53
Payable towards security deposit (refer note 42)	-	-	-	1.12
Other liabilities	-	-	54.69	0.40
	563.37	167.39	1,500.55	1,024.76

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

27. Net current employee defined benefit liabilities

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for gratuity (refer note 43)	7.90	7.08
	7.90	7.08

28. Provisions

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for compensated absences	57.39	46.69
Provision for loss making contracts	23.65	15.41
	81.04	62.10

The following table summarises the changes in the provision for loss making contracts:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Opening balance	15.41	-
Amount provided/ (reversed) during the year	8.24	15.41
Amount utilised during the year	-	-
Closing balance	23.65	15.41

29. Liabilities for current tax (net)

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Provision for taxation, net of advance tax	47.90	109.45
	47.90	109.45

30. Revenue from operations

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Sale of products (refer note 42)	6,290.59	4,938.86
Sale of services (refer note 42)	29.96	54.67
Other operating revenues		
Sales commission	7.43	11.24
Others	-	0.77
Total revenue	6,327.98	5,005.54

Notes to revenue from contracts with customers

a) Timing of revenue recognition - March 31, 2024

(₹ in million)

Particulars	Performance obligation satisfied at point in time	Performance obligation satisfied over time	Total
Sale of products	6,290.59	-	6,290.59
Sale of services	-	29.96	29.96
Sales commission	7.43	-	7.43
	6,298.02	29.96	6,327.98

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

30. Revenue from operations (Contd..)

Timing of revenue recognition – March 31, 2023

(₹ in million)

Particulars	Performance obligation satisfied at point in time	Performance obligation satisfied over time	Total
Sale of products	4,938.86	-	4,938.86
Sale of services	-	54.67	54.67
Management fees	-	0.77	0.77
Sales commission	11.24	-	11.24
	4,950.10	55.44	5,005.54

b) Contract Balances:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Trade receivables (including unbilled revenue) (refer note 12)		
- Current (gross)	2,222.24	2,145.67
- Provision for impairment loss (current)	(19.61)	(50.80)
Contract liabilities (refer note 26)		
Advance received from customers		
- Non current	563.37	167.39
- Current	1,318.22	744.94
Deferred revenue (refer note 26)		
- Current	89.98	97.77

c) Revenue recognised during the year

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Arising out of contract liabilities as at the beginning of the year	448.01	400.85

d) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Revenue as per contracted price	6,348.14	5,020.86
Less:		
Cash discount	(20.16)	(15.32)
Revenue from contract with customers	6,327.98	5,005.54

- e) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to ₹ 42.32 million (March 31, 2023 : ₹ 9.77 million).

31. Other income

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Government grants (refer note 21)	8.16	10.50
Rental income (refer note 42 and 45a)	3.61	4.46
Provisions / liabilities no longer required, written back (refer note 55)	25.99	12.86
Net gain on disposal of property, plant and equipment	1.07	0.58
Other non-operating income	8.04	3.02
	46.87	31.42

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

32. Finance Income

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
Interest income on bank deposits	18.64	13.48
Interest income on loan to related party (refer note 42)	1.25	1.60
Interest income on income tax refund	0.20	-
Interest income on others	0.26	0.26
	20.35	15.34

33. Cost of materials consumed

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
Inventory at the beginning of the year	1,805.79	1,477.02
Add: Purchases (refer note 42)	4,593.36	3,486.02
	6,399.15	4,963.04
Less: Inventory at the end of the year	(2,214.32)	(1,805.79)
Cost of materials consumed	4,184.83	3,157.25

34. (Increase) / decrease in inventories of work-in-progress and finished goods

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
Inventories at the end of the year		
- Work-in-progress / finished goods	659.84	509.92
Inventories at the beginning of the year		
- Work-in-progress / finished goods	509.92	508.77
(Increase) / decrease in inventories of work-in-progress and finished goods	(149.92)	(1.15)

35. Employee benefits expense

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
Salaries, wages and bonus (refer note 42)	812.71	697.15
Contribution to provident and other funds (refer note 43a)	36.62	35.14
Employee share based compensation cost (refer note 46)	21.68	13.91
Gratuity expenses (refer note 43b)	17.21	15.77
Staff welfare expenses	71.93	56.11
	960.15	818.08

36. Finance costs

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
Interest expense:-		
- on debt and borrowings	106.48	77.85
- on lease liabilities (refer note 45a)	0.98	1.78
- on income tax	11.66	7.31
- on others	10.33	-
Bank charges	50.74	43.73
Exchange differences regarded as an adjustment to borrowing cost	-	26.79
	180.19	157.46

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

37. Depreciation and amortisation expenses

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Depreciation of tangible assets (refer note 3)	163.33	140.52
Amortisation of other intangible assets (refer note 4)	13.69	14.03
Depreciation of right-of-use assets (refer note 45a)	7.33	7.79
	184.35	162.34

38. Other expenses

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Rent and lease hire charges (refer note 42 and 45a)	9.24	7.81
Rates and taxes	12.34	7.50
Power and fuel	64.93	60.06
Repairs and maintenance	79.54	80.56
Insurance	20.97	17.58
Legal and professional fees (includes payment to auditor (refer details below)) (refer note 42)	68.11	63.11
Travelling and conveyance	57.00	46.93
Purchase of services (refer note 42)	117.42	32.85
Corporate social responsibility expenditure (refer note 53)	4.88	5.30
Freight outwards	30.58	31.58
Foreign exchange differences (net)	9.72	61.62
Provision for expected credit loss / bad debts written off / doubtful advances (refer note 48(c))	-	27.31
Directors' sitting fees (refer note 42)	4.23	3.93
Impairment of non-current investments (refer note 5)	13.26	-
Miscellaneous expenses	53.40	48.40
	545.62	494.54

Payment to auditor (exclusive of taxes & surcharge)

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
As auditor:		
Audit fee (including fees for internal controls over financial reporting, consolidated financial statements of the Group and quarterly limited reviews)	5.20	5.20
Other services (includes certification fees)	0.25	0.30
Reimbursement of expenses	0.86	0.52
	6.31	6.02

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

39. Income tax

The Company is subject to income tax in India on the basis of standalone Ind AS 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 Company 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 the Company has accounted deferred tax asset based on the reduced applicable tax rates.

Income tax expenses in the standalone Ind AS statement of profit and loss consist of the following:

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
(a) Current tax	151.62	118.74
(b) Adjustment of tax relating to earlier period	3.70	(10.32)
(c) Deferred tax (credit)/ expense	(27.86)	(38.63)
(d) Deferred tax expense / (credit) related to items recognized in OCI during the period	1.15	1.86
Total taxes	128.61	71.65

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Profit before taxes	489.98	263.78
Other comprehensive income	4.38	7.37
Applicable tax rates in India	25.17%	25.17%
Computed tax charge	124.42	68.24
Tax effect on permanent non-deductible expenses	4.53	3.17
Adjustment of tax relating to earlier years	3.70	(10.32)
Others	(4.04)	10.56
Total tax expenses	128.61	71.65

40. Earnings per share ('EPS')

Basic EPS amounts are calculated by dividing the profit / loss for the year attributable to equity shareholders of the Company 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.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

40. Earnings per share ('EPS') (Contd..)

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
Face value of equity shares (₹ per share)	10	10
Profit attributable to equity shareholders (A) (₹ in million)	362.52	193.99
Weighted average number of equity shares used for computing EPS (basic) (B)	1,28,86,272	1,28,84,841
EPS - basic (A/B) (₹)	28.13	15.06
Weighted average number of equity shares used for computing EPS (basic) (B)	1,28,86,272	1,28,84,841
Add: Effect of dilutive issues of stock options	1,44,538	1,23,625
Weighted average number of equity shares used for computing EPS (diluted) (C)	1,30,30,810	1,30,08,466
EPS - diluted (A/C) (₹)	27.82	14.91

41. Significant accounting judgements, estimates and assumptions (Contd..)

The preparation of the Company's standalone Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amount 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 impairment of non current asset including goodwill and investments, taxes, fair value measurement of financial instruments, contingencies, defined benefit plans (gratuity benefits), provision for inventory obsolescence and leases - estimating the incremental borrowing rate.

(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 Company based its assumptions and estimates on parameters available when the standalone Ind AS 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 Company. Such changes are reflected in the assumptions when they occur.

Impairment of non current asset including goodwill and investments

Determining whether investment 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 DCF model. Further, the cash flow projections are based on estimates and assumptions which are considered as reasonable by the management.

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.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

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 48 for further disclosures.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, 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.

Leases - Estimating the incremental borrowing rate

The Company 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 Company 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 Company '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 Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

42. Related party transactions

a) Names of related parties and description of relationship

Description of relationship	Name of related parties
Parties where control exists	Apparao V Mallavarapu (directly and indirectly exercises over 50% voting power in the Company)
Subsidiary Companies	Centum Electronics UK Limited Centum T&S Group SA, France (formerly known as 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 Adetel Transportation System SAS, France 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 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	Ausar Energy SAS
Enterprises where key managerial personnel or their close members 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 Mrs. Kavitha Dutt - Independent Women Director Mr. Tarun Sawhney - Independent Director (appointed w.e.f May 22, 2024) 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:

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
i) Sale of products		
Subsidiary companies		
- Centum T&S (Centum Technologies ET Solutions), France	66.26	9.05
- Centum E&S (Centum Equipments ET Systemes), Canada	242.63	150.32
- Centum T&S Private Limited, India	3.11	1.47

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

42. Related party transactions (Contd..)

Particulars	March 31, 2024	March 31, 2023
(₹ in million)		
ii) Finance income		
Subsidiary company		
- Centum T&S Private Limited, India	1.25	1.60
iii) Other income		
Subsidiary company		
- Centum T&S Private Limited, India	3.61	2.19
iv) Purchase of goods and services		
Subsidiary companies		
- Centum T&S (Centum Technologies ET Solutions), France	97.80	4.17
- Centum E&S (Centum Equipments ET Systemes), Canada	2.19	9.32
- Centum T&S Private Limited, India	6.17	9.20
- Centum T&S Group SA, France	0.95	-
v) Expense incurred on behalf of the Group Company:		
Subsidiary companies		
- Centum Electronics UK Limited	-	2.04
- Centum T&S Group SA, France	-	1.49
- Centum E&S (Centum Equipments ET Systemes), Canada	5.80	-
- Centum T&S Private Limited, India	3.79	1.91
vi) Expense incurred on behalf of the Company by:		
Subsidiary companies		
- Centum T&S Private Limited, India	53.20	0.05
- Centum Electronics UK Limited	3.01	-
- Centum T&S Group SA, France	0.08	-
vii) Investment made in equity shares		
Subsidiary company		
- Centum Electronics UK Limited	331.09	135.13
viii) Remuneration to key managerial personnel and their close members		
a) Employee benefit expenses (excluding employee share based payments)(refer (i) below)		
- 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
b) 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
ix) Exercise of share options		
Key managerial personnel		
- Mr. K S Desikan	0.23	-
x) Outstanding balances as at the year ended:		
a) Trade receivables		
Subsidiary companies		
- Centum T&S (Centum Technologies ET Solutions), France	68.78	3.59
- Centum T&S Private Limited, India	1.72	0.10

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

42. Related party transactions (Contd..)

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
- Centum E&S (Centum Equipments ET Systemes), Canada	284.92	122.52
b) Trade payables		
Subsidiary companies		
- Centum T&S (Centum Technologies ET Solutions), France	17.83	10.14
- Centum E&S (Centum Equipments ET Systemes), Canada	0.57	9.81
- Centum T&S Group SA, France	-	1.03
- Centum Electronics UK Limited	3.01	2.04
- Centum T&S (Centum Technologies ET Solutions), Canada	-	3.03
- Centum T&S Private Limited, India	31.31	5.36
c) 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	-
d) Loan to related party (including current and non- current)		
Subsidiary company		
- Centum T&S Private Limited, India	10.00	20.00
e) Other current assets- Other receivables		
Subsidiary company		
- Centum T&S Private Limited, India	-	1.73
f) Other current financial asset- Interest accrued but not due on others		
Subsidiary company		
- Centum T&S Private Limited, India	-	0.12
g) Other non - current financial asset - Security deposit		
Enterprises where key managerial personnel or their close members exercise significant influence		
- Centum Industries Private Limited	0.45	0.45
h) Other current assets - Advance to suppliers and other advances		
Subsidiary company		
- Centum T&S Private Limited, India	53.20	-
- Centum T&S (Centum Technologies ET Solutions), France	32.93	32.26
i) 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
j) Other current liabilities - Advance from customers		
Subsidiary company		
- Centum T&S Private Limited, India	-	0.53
- Centum E&S (Centum Equipments ET Systemes), Canada	0.13	-
k) Other current liabilities - Payable towards security deposit		
Subsidiary company		
- Centum T&S Private Limited, India	-	1.12

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

42. Related party transactions (Contd..)

c) 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	Number outstanding	
		March 31, 2024	March 31, 2023
Centum ESOP - 2013 plan	₹ 71.25	-	3,653
Centum RSU - 2021 plan	₹ 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 Company. Refer to Note 46 for further details on the scheme.

Notes:

- As the liability for gratuity and leave encashment is provided on actuarial basis for the Company, as a whole the amount pertaining to the key managerial personnel's are not disclosed above.
- For investments in related parties, refer note 5.

43. Gratuity and other post-employment benefits plans

a) Defined contribution plan

The Company's contribution to provident fund, Employees' State Insurance and other funds are considered as defined contribution plans. The contributions are charged to the standalone Ind AS statement of profit and loss as they accrue. Contributions to provident and other funds included in employee benefits expense (refer note 35) are as under:

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
Contribution to provident fund	32.76	31.34
Contribution to employees' state insurance	3.86	3.80
	36.62	35.14

b) Defined benefit plans

The Company 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 gratuity on departure at 15 days salary (last drawn 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 standalone Ind AS statement of profit or loss and amounts recognised in the standalone balance sheet for gratuity benefit:

i. Net benefit expenses (recognized in the standalone Ind AS statement of profit and loss)

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
Current service cost	12.16	11.13
Interest cost on defined benefit obligation	5.05	4.64
Net benefit expenses	17.21	15.77

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

43. Gratuity and other post-employment benefits plans (Contd..)

ii. Remeasurement (gains)/ loss recognised in other comprehensive income:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(6.00)	(6.20)
Actuarial loss/ (gain) on obligations arising from changes in financial assumptions	1.40	(1.15)
Actuarial (gain)/ loss recognised in OCI	(4.60)	(7.35)

iii. Net defined benefit (liability)/ asset

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Defined benefit obligation	(72.85)	(66.56)
Fair value of plan assets	15.07	-
(Liability)/asset recognised in the balance sheet	(57.78)	(66.56)

iv. Changes in the present value of the defined benefit obligation are as follows:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Opening defined benefit obligation	66.56	62.87
Current service cost	12.16	11.13
Benefits paid	(6.32)	(4.73)
Interest cost on the defined benefit obligation	5.05	4.64
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(6.00)	(6.20)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	1.40	(1.15)
Closing defined benefit obligation	72.85	66.56

v. Changes in the fair value of plan assets are as follows:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Opening fair value of plan assets	-	-
Interest income on plan assets	-	-
Benefits paid	-	-
Contributions by the employer	15.07	-
Return on plan assets (lesser) / greater than discounted rate	-	-
Closing fair value of plan assets	15.07	-

vi. The following pay-outs are expected in future years:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Within the next 12 months	7.90	7.08
Between 1 and 2 years	3.60	2.98
Between 2 and 3 years	3.38	4.36
Between 3 and 4 years	6.43	3.52
Between 4 and 5 years	5.30	6.35
Between 5 and 10 years	32.93	29.10

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.02 years (March 31, 2023: 9.94 years)

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

43. Gratuity and other post-employment benefits plans (Contd..)

- vii. The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	March 31, 2024	March 31, 2023
Discount rate (in %)	7.09%	7.30%
Salary escalation rate (in %)	10.00%	10.00%
Employee Turnover/ Withdrawal Rate	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:
- 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
 - Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
 - 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:

Particulars	March 31, 2024	March 31, 2023
(₹ in million)		
Discount rate		
Impact on defined benefit obligation due to 1% increase in discount rate	(6.27)	(5.78)
Impact on defined benefit obligation due to 1% decrease in discount rate	7.37	6.81

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

43. Gratuity and other post-employment benefits plans (Contd..)

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Salary escalation rate		
Impact on defined benefit obligation due to 1% increase in salary escalation rate	3.52	3.28
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(3.59)	(3.29)
Attrition rate		
Impact on defined benefit obligation due to 1% increase in attrition rate	(0.44)	(0.47)
Impact on defined benefit obligation due to 1% decrease in attrition rate	0.66	0.69

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.

44. 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 Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company’s other components); (b) whose operating results are regularly reviewed by the Company’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.

CODM evaluates the performance of the Company based on the single operative segment as Electronics System Design and Manufacturing (“ESDM”). Therefore, there is only one reportable segment called ESDM in accordance with the requirement of Ind AS 108 “Operating Segments”.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

44. Segment information - Disclosure pursuant to Ind AS 108 'Operating Segments' (Contd.)

(b) Geographical information

(₹ in million)

Particulars	Segment revenue*		Non-current assets**	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
India	2,768.51	2,259.41	1,142.92	1,168.99
Europe and UK	2,198.13	1,595.45	-	-
North America	1,265.88	1,032.60	-	-
Rest of the world	95.46	118.08	-	-
Total	6,327.98	5,005.54	1,142.92	1,168.99

*Revenue by geographical area are based on the geographical location of the customer.

**Non-current assets excludes financial instruments and tax assets and are determined for the Company as a whole.

- (c) Combined revenue from one external customer group having more than 10% each of the Company's total revenue amounting to ₹ 1,889.09 million (March 31, 2023: Combined revenue from two external customer group having more than 10% each of the Company's total revenue amounting to ₹ 2,027.87 million). Further, the top 5 customer group of the Company contribute to more than 62% of the revenue for the year ended March 31, 2024 and more than 68% of the revenue during the year ended March 31, 2023.

45. Leases, commitments and contingencies

(a) Leases

I. Company as a lessee

The Company has lease contracts for office facilities and equipment. The lease term of the office facilities is generally 3 - 4 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The lease term for equipments is 8 years and the assets are transferred to the Company at the end of lease term.

The Company also has certain leases of computer and computer equipments with low value. The Company applies the 'lease of low-value assets' recognition exemptions for these leases.

The Company has lease contracts that include extension and termination options. The Company 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 Company 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 (₹ in million)

Particulars	Office Buildings	Plant Machinery	Leased Computer	Total
Gross block				
As at April 1, 2022	8.50	37.10	6.95	52.55
Additions	14.14	-	-	14.14
Modification of right-of-use assets/other adjustments	(7.40)	-	-	(7.40)
As at March 31, 2023	15.24	37.10	6.95	59.29
Additions	-	-	-	-
Modification of right-of-use assets/other adjustments	(6.75)	-	-	(6.75)
As at March 31, 2024	8.49	37.10	6.95	52.54

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

45. Leases, commitments and contingencies (Contd.)

(₹ in million)

Particulars	Office Buildings	Plant Machinery	Leased Computer	Total
Accumulated depreciation				
As at April 1, 2022	7.92	8.61	6.95	23.48
Charge for the year	3.17	4.62	-	7.79
Modification of right-of-use assets/other adjustments	(7.40)	-	-	(7.40)
As at March 31, 2023	3.69	13.23	6.95	23.87
Charge for the year	2.71	4.62	-	7.33
Modification of right-of-use assets/other adjustments	(1.50)	-	-	(1.50)
As at March 31, 2024	4.90	17.85	6.95	29.70
Net block as at March 31, 2024	3.59	19.25	-	22.84
Net block as at March 31, 2023	11.55	23.87	-	35.42

The carrying amounts of lease liabilities recognised and the movements during the year is as follows:

Particulars	(₹ in million)
As at April 1, 2022	13.35
Additions	14.14
Accretion of interest	1.78
Payments	(15.23)
As at March 31, 2023	14.04
Additions	-
Accretion of interest	0.98
Payments	(4.82)
Modification of lease liabilities	(5.25)
As at March 31, 2024	4.95

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Current	2.25	6.48
Non current	2.70	7.56

The maturity analysis of lease liabilities are disclosed in note 48(c)(d).

The effective interest rate for lease liabilities is 12%.

The following are the amounts recognised in statement of profit or loss:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Depreciation expense of right-of-use assets (refer note 37)	7.33	7.79
Interest expense on lease liabilities (refer note 36)	0.98	1.78
Expense relating to leases of low-value assets / short term leases (included in other expenses) (refer note 38)	9.24	7.81
Total amount recognised in statement of profit or loss	17.55	17.38

The Company had total cash outflows for leases of ₹14.06 million in March 31, 2024 (March 31, 2023 : ₹23.04 million)

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

45. Leases, commitments and contingencies (Contd..)

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 standalone Ind AS statement of profit and loss

Particulars	₹ in million)	
	March 31, 2024	March 31, 2023
Rental income (refer note 31 and 42)	3.61	4.46
	3.61	4.46

(b) Commitments

(i) Capital commitments

Particulars	₹ 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

(ii) Power purchase agreement

The Company has commitment in nature of variable lease payment towards purchase of solar and wind power with various parties whereby the Company 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 Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the 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 Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(i) Particulars of guarantees	₹ in million)	
	March 31, 2024	March 31, 2023
Bank guarantees (refer note 13)*	29.01	28.65

* 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 Company has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

45. Leases, commitments and contingencies (Contd..)

- (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 entity believes the impact of the change will not be significant.
- (iv) The Company is involved in legal proceedings, both as plaintiff and as defendant. The Company believes the following claims to be material.

Disputes *	(₹ in million)	
	March 31, 2024	March 31, 2023
Matters relating to income taxes under dispute	46.44	46.44
Matters relating to indirect taxes under dispute	136.85	143.34
Others		
Property tax	-	10.86
Claims against the Company not acknowledged as debts	7.56	7.45

* 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.

46. 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 sponsors 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 (whether in India or outside India), who are in whole time employment with the Company and/or its subsidiaries.

The plan is administered by a Compensation committee. Options will be issued to employees of the Company and/or its 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 Company in October 2021. Centum RSU - 2021 plan provides for the issue of 1,75,000 shares to the employees of the Company and its subsidiaries (whether in India or outside India), who are in whole time employment with the Company and/or its subsidiaries.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

46. Share-based payments (Contd..)

The plan is administered by a Nomination and Remuneration committee. Options will be issued to employees of the Company and/or its 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	Centum ESOP - 2013	
	Year ended March 31, 2024	Year ended March 31, 2023
Fair value at grant date	₹ 11.65 - ₹ 277.30	₹ 11.65 - ₹ 277.30
Share price at grant date	₹ 71.25 & ₹ 637.05	₹ 71.25 & ₹ 637.05
Weighted average exercise price (WAEP)	₹ 71.25	₹ 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	Centum RSU - 2021	
	Year ended March 31, 2024	Year ended March 31, 2023
Fair value at grant date	₹ 420.08 / 730.13	₹ 420.08
Share price at grant date	₹ 455.65 / 814.61	₹ 455.65
Weighted average exercise price (WAEP)	₹ 10	₹ 10
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%

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

46. Share-based payments (Contd..)

C Movements during the year

The following table illustrates the number and WAEP of, and movements in, Centum ESOP – 2013 plan during the period

(₹ in million)

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 01	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 year end	8,373	71.25	12,026	71.25

The options outstanding as at March 31, 2024 had an exercise price of ₹ 71.25 (March 31, 2023: ₹71.25) and the weighted average remaining contractual life of 2.62 years (March 31, 2023: 3.77 years).

The following table illustrates the number and WAEP of, and movements in, Centum RSU – 2021 plan during the period

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 01	1,15,400	10	-	-
Granted during the period	27,500	-	1,30,400	10
Forfeited / lapsed during the period	5,300	-	15,000	10
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Options outstanding at March 31	1,37,600	10	1,15,400	10
Exercisable at year end	1,37,600	10	-	10

The options outstanding as at March 31, 2024 had an exercise price of ₹10 (March 31, 2023: ₹10) and the weighted average remaining contractual life of 6.15 years (March 31, 2023: 7.15 years)

D Expense recognised in statement of profit and loss

The expense recognised for employee services received during the year is shown in the following table :

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Expense arising from equity settled share based payment transaction (refer note 35)	21.68	13.91

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

47. Capital Management

The Company's capital management is intended to create value for the shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company 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 Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders of the Company.

The Company 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenants are complied with.

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Borrowings (refer note 20 and 23)	1,014.92	1,059.22
Less: Cash and cash equivalents (refer note 13)	129.50	137.59
Net debt (i)	885.42	921.63
Capital components		
Equity share capital (refer note 17)	128.88	128.85
Other equity (refer note 18)	2,995.00	2,697.58
Total Capital (ii)	3,123.88	2,826.43
Capital and net debt (iii = i + ii)	4,009.30	3,748.06
Gearing ratio (i / iii)	22%	25%

In order to achieve this overall objective, the Company'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 years ended March 31, 2024 and March 31, 2023.

48. Disclosures on Financial Instruments

This section gives an overview of the significance of financial instruments of the Company 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 standalone 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.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

48. Disclosures on Financial instruments (Contd..)

As at March 31, 2024

(₹ in million)

Particulars	Fair value through statement of profit or loss	Fair value through statement of other comprehensive income	Amortised cost	Total fair value	Total carrying value
Financial assets					
(i) Trade receivables	-	-	2,202.63	2,202.63	2,202.63
(ii) Cash and cash equivalents	-	-	129.50	129.50	129.50
(iii) Bank balances other than cash and cash equivalents	-	-	371.91	371.91	371.91
(iv) Loans and other financial assets	-	-	49.41	49.41	49.41
Total	-	-	2,753.45	2,753.45	2,753.45
Financial liabilities					
(i) Borrowings	-	-	1,014.92	1,014.92	1,014.92
(ii) Lease Liabilities	-	-	4.95	4.95	4.95
(iii) Trade payables	-	-	1,649.84	1,649.84	1,649.84
(iv) Other financial liabilities	-	0.22	159.14	159.36	159.36
Total	-	0.22	2,828.85	2,829.07	2,829.07

As at March 31, 2023

(₹ in million)

Particulars	Fair value through statement of profit or loss	Fair value through statement of other comprehensive income	Amortised cost	Total fair value	Total carrying value
Financial assets					
(i) Investments (other than investments in subsidiaries)	13.26	-	-	13.26	13.26
(ii) Trade receivables	-	-	2,094.87	2,094.87	2,094.87
(iii) Cash and cash equivalents	-	-	137.59	137.59	137.59
(iv) Bank balances other than cash and cash equivalents	-	-	252.52	252.52	252.52
(v) Loans and other financial assets	-	0.02	47.95	47.97	47.97
Total	13.26	0.02	2,532.93	2,546.21	2,546.21
Financial liabilities					
(i) Borrowings	-	-	1,059.22	1,059.22	1,059.22
(ii) Lease Liabilities	-	-	14.04	14.04	14.04
(iii) Trade payables	-	-	1,524.85	1,524.85	1,524.85
(iv) Other financial liabilities	-	-	166.98	166.98	166.98
Total	-	-	2,765.09	2,765.09	2,765.09

(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.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

48. Disclosures on Financial instruments (Contd..)

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.

(₹ 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 subsidiaries) (refer note 5)	-	-	-	-
Financial liabilities				
Borrowings (refer note 20 & 23)	1,014.92	-	1,014.92	-
Derivative liability (refer note 25)	0.22	-	0.22	-
March 31, 2023				
Financial assets				
Investments (other than investments in subsidiaries) (refer note 5)	13.26	-	-	13.26
Derivative assets (refer note 15)	0.02	-	0.02	-
Financial liabilities				
Borrowings (refer note 20 & 23)	1,059.22	-	1,059.22	-

- (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 Company 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 year ended March 31, 2023 and March 31, 2024.

(c) Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, other financial assets and cash and bank balances derived from its operations.

In the course of its business, the Company 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 Company 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:

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

48. Disclosures on Financial instruments (Contd..)

- (i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company'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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company'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 Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ 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.

(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 (refer note 54)

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 Company's profit before tax is due to changes in the fair value of monetary assets and liabilities excluding derivative assets. The Company's exposure to other currency is not material.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

48. Disclosures on Financial instruments (Contd.)

(₹ in million)

Particulars	Change in currency	Effect on profit or loss before tax		Effect on profit or loss after tax	
		Strengthening	Weakening	Strengthening	Weakening
March 31, 2024					
USD	5%	(1.35)	1.35	(1.01)	1.01
EURO	5%	(2.90)	2.90	(2.17)	2.17
March 31, 2023					
USD	5%	(29.99)	29.99	(22.44)	22.44
EURO	5%	(5.76)	5.76	(4.31)	4.31

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2024 and March 31, 2023. The period end balances are not necessarily representative of the average debt outstanding during the period.

(c) 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.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 2,753.45 million and ₹ 2,546.21 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 subsidiaries) and other financial assets.

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. Further, the top 5 customer group of the Company contribute to more than 59% of the trade receivables for the year ended March 31, 2024 and more than 57% of the trade receivables during the year ended March 31, 2023.

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.

The following table summarises the changes in the loss allowance measured using ECL:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Opening balance	50.80	39.98
Amount (reversed)/provided during the year	(3.98)	27.31
Amount utilised during the year	(27.21)	(16.49)
Closing balance	19.61	50.80

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

48. Disclosures on Financial instruments (Contd..)

Credit risk from balances with bank and financial institutions and in respect to loans and security deposits is managed by the Company's treasury department in accordance with the Company'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.

(d) 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.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Company's financial liabilities on an undiscounted basis, which may differ from both carrying value and fair value.

	(₹ in million)			
Particulars	0 - 1 years	1 to 5 years	> 5 years	Total
March 31, 2024				
(i) Borrowings	912.30	102.62	-	1,014.92
(ii) Lease liabilities	2.25	3.02	-	5.27
(iii) Trade payables	1,649.84	-	-	1,649.84
(iv) Other financial liabilities	317.61	-	-	317.61
	2,882.00	105.64	-	2,987.64
March 31, 2023				
(i) Borrowings	1,059.22	-	-	1,059.22
(ii) Lease liabilities	6.48	9.89	-	16.37
(iii) Trade payables	1,524.85	-	-	1,524.85
(iv) Other financial liabilities	282.25	-	-	282.25
	2,872.80	9.89	-	2,882.69

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49. Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.32	1.22	8%	-
Debt- Equity Ratio	Total Debt (including lease liabilities)	Shareholder's Equity	0.33	0.38	-14%	-
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses / (income) + Tax expenses + Finance costs - Finance income	Debt service = Interest & Lease Payments + Principal Repayments	3.32	5.14	-35%	Decrease in debt service coverage ratio is on account of increase in repayment of debt during the year.
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.12	0.07	72%	Increase is on account of increase in profits during the year.
Inventory Turnover ratio	Cost of materials consumed + Decrease / (increase) in inventories of work-in-progress and finished goods	Average Inventory	1.55	1.47	6%	-
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade Receivable	2.94	3.35	-12%	-
Trade Payable Turnover Ratio	Purchases made during the year + Non-cash operating expenses + Staff welfare expenses	Average Trade Payables	3.27	3.51	-7%	-
Net Capital Turnover Ratio	Revenue from operations	Working capital = Current assets - Current liabilities	4.59	5.78	-21%	-
Net Profit ratio	Net Profits after taxes	Net sales = Total sales - sales return	0.06	0.04	48%	Increase is on account of increase in profits during the year.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Total tangible Net Worth + Total debt (excluding lease liabilities) - Deferred tax assets (net)	0.17	0.11	50%	Increase is on account of increase in profits during the year.
Return on Investment	NA	NA	NA	NA	NA	NA

(₹ in million)

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

50. Interest in significant investment in subsidiaries and associates as per Ind AS - 27

(₹ in million)

Name of the entity	Relationship as at		Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at		Date of incorporation	Country of incorporation/ place of business
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023		
Centum T&S Private Limited (formerly known as Centum Adeneo India Private Limited)	Subsidiary	Subsidiary	100.00%	100.00%	100.00%	100.00%	Dec 06, 2016	India
Centum Electronics UK Limited	Subsidiary	Subsidiary	100.00%	100.00%	100.00%	100.00%	May 18, 2016	United Kingdom

Note:

1. Disclosure of financial data as per Ind AS – 112 'Disclosure of Interests in Other Entities' has been done based on the financial statements for the respective periods.
2. The above disclosure made do not include step down subsidiaries and associates and are with respect to subsidiaries and associates existing as at March 31, 2024.

51. Hedging activities and derivatives

The Company 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.

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Derivative liability (refer note 25)	0.22	
Derivative assets (refer note 15)	-	0.02

52. The Company is in the process of conducting a transfer pricing study as required by the transfer pricing regulations under the IT Act ('regulations') to determine whether the transactions entered during the year ended March 31, 2024, with the associated enterprises were undertaken at "arm's length price". The management confirms that all the transactions with associate enterprises are undertaken at negotiated prices on usual commercial terms and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

53. Corporate social responsibility expenditure

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
a) Gross amount required to be spent by the Company during the year	4.58	5.30

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

53. Corporate social responsibility expenditure (Contd..)

b) Amount spent during the year ending March 31, 2024 :	In Cash	Yet to be in cash	Total
i) Construction/acquisition of any assets	-	-	-
ii) On purposes other than (i) above	4.88	-	4.88

i) Construction/acquisition of any assets		-	-
ii) On purposes other than (i) above	5.30	-	5.30

d) Details related to spent / unspent obligations :	March 31, 2024	March 31, 2023
i) Contribution to Public Trust	1.88	4.00
ii) Contribution to Charitable Trust	3.00	1.30
iii) Unspent amount in relation to :		
- Ongoing project	-	-
- Other than Ongoing project	-	-

Details of other than ongoing project

For the year ended March 31, 2024

(₹ in million)

In case of S. 135(6) (Ongoing Project)				
Opening balance	Amount deposited in Specified Fund of Sch VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	4.58	4.88	0.30

For the year ended March 31, 2023

(₹ in million)

In case of S. 135(6) (Ongoing Project)				
Opening balance	Amount deposited in Specified Fund of Sch VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
-	-	5.30	5.30	-

54. Unhedged foreign currency exposure:

Particulars of unhedged foreign currency exposure as at balance sheet date:

Particulars	Currency	March 31, 2024		March 31, 2023	
		Amount in foreign currency in million	Amount in ₹ million	Amount in foreign currency	Amount in ₹ million
Short- term borrowings	USD	-	-	5.14	422.87
Trade payables	EUR	1.00	90.48	1.44	128.63
	GBP*	0.00	0.51	0.01	0.60

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

54. Unhedged foreign currency exposure: (Contd..)

Particulars	Currency	March 31, 2024		March 31, 2023	
		Amount in foreign currency in million	Amount in ₹ million	Amount in foreign currency	Amount in ₹ million
	CHF**	0.00	0.00	0.01	0.51
	USD	12.23	1,019.65	13.06	1,074.02
Payable for capital goods	USD	0.09	7.14	0.10	8.61
Trade receivables	EUR	0.26	23.09	0.14	12.94
	GBP	-	-	0.02	1.65
	USD	11.66	972.07	9.59	788.68
Cash and cash equivalents	EUR	0.10	9.45	0.01	0.50
	USD	0.33	27.73	1.42	116.35

* March 31, 2024: GBP 4,827

** March 31, 2024: CHF 28

- 55.** As at March 31, 2024, trade payables amounting to ₹ 96.40 million (March 31, 2023: ₹82.54 million), advance from customers amounting to ₹ 335.13 million (March 31, 2023: ₹113.64) and trade receivables amounting to ₹ 75.28 million (March 31, 2023: ₹52.17) 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 ₹ 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 standalone Ind AS financial statements in this regard.
- 56.** 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 company 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 Company has complied with the requirement for all the IT applications.
- 57.** The Company has 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 Company has 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.

58. Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- The Company does not have any transactions with companies struck off.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

58. Other Statutory Information (Contd..)

- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company 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 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 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:

Centum Electronics UK Limited	16 Great Queen Street, Covent Garden, London, WC2B 5AH	10186046	Subsidiary
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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 Company 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 Company 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 Company 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.

Notes to the Standalone Ind AS Financial Statements

for the year ended March 31, 2024

59. Events after 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 19 for details.

60. Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these standalone Ind AS financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

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

Indu H S

Company Secretary

Membership number: F12285

Place : Bengaluru, India

Date : May 22, 2024

Nikhil Mallavarapu

Whole Time Director

DIN: 00288551

K.S. Desikan

Chief Financial Officer

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.

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 ₹ 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.

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.

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 ₹412.58 million of goodwill, ₹ 314.67 million of intangible assets and ₹ 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 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.

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.

Key audit matters	How our audit addressed the key audit matter
<p>The basis of impairment of goodwill and intangible assets is presented in the accounting policies in 2.3(j) and 2.3(n) to the consolidated Ind AS financial statements.</p>	<ul style="list-style-type: none"> • 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 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 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 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 ₹4,478.07 million as at March 31, 2024, and total revenue from operations of ₹4,602.05 million and net cash inflows of ₹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 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;
 - (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 except 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 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 during the year by the Holding company 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 compliance 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 and that performed by the respective auditors of the subsidiary which is incorporated in India whose financial statements have been audited under the Act, except for the instances discussed in note 56 to the consolidated Ind AS financial statements, the Holding Company and its subsidiary have used accounting software 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. Further, during the course of our audit, we and respective auditors of the above referred subsidiary did not come across any instance of audit trail feature being tampered in respect of the accounting software 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

Place of Signature: Bengaluru

Date: May 22, 2024



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: 24061207BKBJWQ1917

Place of Signature: Bengaluru

Date: May 22, 2024

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.

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

per Sandeep Karnani

Partner

Membership Number: 061207

UDIN: 24061207BKBJWQ1917

Place of Signature: Bengaluru

Date: May 22, 2024

Consolidated Ind AS Balance Sheet

as at March 31, 2024

Corporate Identification Number (CIN): L85110KA1993PLC013869

(₹ 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 and on behalf of Board of Directors of
Centum Electronics Limited

 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

Apparao V Mallavarapu

Chairman and Managing Director

DIN: 00286308

Indu H S

Company Secretary

Membership number: F12285

Place : Bengaluru, India

Date : May 22, 2024

Nikhil Mallavarapu

Whole Time Director

DIN: 00288551

K.S. Desikan

Chief Financial Officer

Consolidated Ind AS Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in million)

Particulars	Notes	March 31, 2024	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)
XI 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)	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 and on behalf of Board of Directors of
Centum Electronics LimitedFor **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Apparao V Mallavarapu

Chairman and Managing Director

DIN: 00286308

Nikhil Mallavarapu

Whole Time Director

DIN: 00288551

per Sandeep Karnani

Partner

Membership number: 061207

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

Consolidated Ind AS Statement of Cash Flows

for the year ended March 31, 2024

(₹ in million)

Particulars	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

Consolidated Ind AS Statement of Cash Flows

for the year ended March 31, 2024

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
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

Explanatory notes to consolidated Ind AS statement of cash flows

1. Changes in liabilities arising from financing activities :-

(₹ 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 and on behalf of Board of Directors of
Centum Electronics LimitedFor **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Apparao V Mallavarapu

Chairman and Managing Director

DIN: 00286308

Nikhil Mallavarapu

Whole Time Director

DIN: 00288551

per Sandeep Karnani

Partner

Membership number: 061207

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

196 Consolidated Ind AS Statement of Changes in Equity

for the year ended March 31, 2024

(a) Equity share capital

Equity shares of ₹10 each issued, subscribed and fully paid

Particulars	Number	₹ in million
At April 01, 2022	1,28,84,841	128.85
Issue of share capital (refer note 16)	-	-
At March 31, 2023	1,28,84,841	128.85
Issue of share capital (refer note 16)	3,653	0.03
At March 31, 2024	1,28,88,494	128.88

(b) Other equity

Particulars	Attributable to equity shareholders						Total other equity and Non-controlling interests (A+B)				
	Equity portion of put option liability (refer note 17)	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)	Total Other equity (A)	Non-controlling interests (B)
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)	-	-	-	-	-	-	-

Consolidated Ind AS Statement of Changes in Equity

for the year ended March 31, 2024

₹ in million

Particulars	Equity portion of put option liability (refer note 17)	Attributable to equity shareholders Reserves and surplus						Total other equity (A)	Non-controlling interests (B)	Total other equity and Non-controlling interests (A+B)
		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)			
Others	-	-	0.03	-	-	-	-	0.03	-	0.03
As at March 31, 2024	-	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)	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)	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

Place : Bengaluru, India

Date : May 22, 2024

K.S. Desikan

Chief Financial Officer

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

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 ("₹") 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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

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

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- 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.

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:

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- 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

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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.

Notes to the Consolidated Ind AS Financial Statements

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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 recognised 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, non-cash 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.

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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 (a) 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 (a) 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.

Notes to the Consolidated Ind AS Financial Statements

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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.

Notes to the Consolidated Ind AS Financial Statements

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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.

Notes to the Consolidated Ind AS Financial Statements

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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

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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).

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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

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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

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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.

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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 approximate 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

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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

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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.

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.

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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.

Notes to the Consolidated Ind AS Financial Statements

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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

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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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	₹ in million	As a % of consolidated net assets	₹ in million			As % of total comprehensive income	₹ in million
Parent															
1	Centum Electronics Limited	India	Holding Company					84.96%	3123.88	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%	1178.87	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)	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)	France	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)
7	Centum Adetel Transportation System SAS ¹	France	Subsidiary	90.08%	77.77%	100.00%	100.00%								

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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	As a % of consolidated net assets	As a % of consolidated net assets	As a % of consolidated net assets	As a % of total comprehensive income	As a % of total comprehensive income	As a % of total comprehensive income	As a % of total comprehensive income
8	Centum T&S (Centum Technologies ET Solutions) (formerly known as Centum Adetel Solution)	Canada	Subsidiary	90.08%	77.77%	100.00%	100.00%				
9	Centum E&S (Centum Equipments ET Systemes) (formerly known as Centum Adetel Equipment)	Canada	Subsidiary	90.08%	77.77%	100.00%	100.00%				
10	Centum T&S (Technologies & Solutions) Belgium SRL (formerly known as Centum Adetel Belgium)	Belgium	Subsidiary	90.08%	77.77%	100.00%	100.00%				
	Foreign Associate										
11	Auscar Energy SAS ¹	France	Associate	27.43%	23.66%	30.45%	30.45%	3,676.86	3,382.42	31.89	172.37
	Subtotal							(65.62)	(66.60)	46.18	32.60
	Add / Less: Non controlling interests in all subsidiaries										
	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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

3. Property, plant and equipment

Particulars	Freehold land	Leasehold improvements	Building	Plant and equipments	Electrical installations	Computers	Office equipments	Furniture and fixtures	Vehicles	Leasehold land	Total
(₹ in million)											
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	391.18	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 ₹ 114.61 million (March 31, 2023: ₹ 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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

3a. Capital work-in-progress

(₹ in million)

Particulars	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:

(₹ 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:

(₹ 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).

4a. Goodwill

(₹ 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 to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

4a. Goodwill (Contd..)

Notes:

- 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 of ₹ 376.23 million and has a carrying value of intangible assets (including intangible assets under development) of ₹ 397.45 million, as at March 31, 2024 (March 31, 2023: ₹ 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.

- 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.

- 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

(₹ 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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

4b. Other intangible assets (Contd..)

(₹ in million)

Particulars	Computer software	Intellectual property rights (including R&D credits)	Customer relationships	Total
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).

4c. Intangible assets under development

(₹ in million)

Particulars	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:

(₹ 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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

4c. Intangible assets under development(contd...)

Intangible assets under development ageing schedule as at March 31, 2023:

(₹ 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 ₹ 54.69 million (March 31, 2023: ₹ 137.30 million) which is overdue or has exceeded its cost compared to its original plan/ revised approved plan.

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:

- Aggregate amount of unquoted investment in associate ₹ 84.17 million (March 31, 2023: ₹ 82.47 million).
- The country of incorporation of the above entity is same as its principal place of business.
- 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

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 ₹ 16.04 million (March 31, 2023: ₹ 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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

5 Investment in associate (Contd..)

(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

Particulars	(₹ in million)	
	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)

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Other associate	-	12.44
Total	-	12.44

6 Financial assets: Other investments

Particulars	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

- 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 ₹ 13.26 million during the year ended March 31, 2024.

7 Other non - current financial assets

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Unsecured, considered good unless otherwise stated		
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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

8 Deferred tax

(₹ in million)

	March 31, 2024		March 31, 2023	
	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	-	(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)

(₹ in million)

Particulars	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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

10 Other non-current assets

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Capital advances		
Unsecured, considered good	1.79	10.39
	(A)	10.39
Prepaid expenses	48.92	40.06
	(B)	40.06
Balances with statutory / government authorities		
Unsecured, considered good	4.44	4.43
	(C)	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)	286.83
Total other non-current assets	(A+B+C+D)	341.71

- The following table summarises the changes in the impairment allowance on contract assets:

Particulars	(₹ 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

11 Inventories (valued at lower of cost and net realisable value)

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Raw materials	2,425.53	2,054.37
[Includes raw material in transit ₹ 156.59 million (March 31, 2023: ₹ 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

Particulars	(₹ 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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

12 Trade receivables (Contd..)

Break-up for security details:

Particulars	(₹ 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	(₹ in million)	
	March 31, 2024	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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

12.1 Trade receivables ageing schedule

As at March 31, 2024

(₹ 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	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

(₹ 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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

13 Cash and cash equivalents and other bank balances

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Balances with banks		
- On current accounts ³	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

- Includes balance in unclaimed dividend account ₹ 2.15 million (March 31, 2023: ₹ 2.61 million).
- 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.
- Balances with banks on current accounts does not earn interest.
- 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

(₹ in million)

Particulars	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
Other receivables (refer note 12)	271.14	-
Subsidy receivables	150.00	115.21
(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

(₹ in million)

Particulars	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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

16. Equity share capital

Particulars	Equity shares of ₹ 10 each	
	In Numbers	(₹ in million)
Authorised share capital:		
At April 01, 2022	1,55,00,000	155.00
Increase / (decrease) during the year	-	-
At March 31, 2023	1,55,00,000	155.00
Increase / (decrease) during the year	-	-
At March 31, 2024	1,55,00,000	155.00

(a) Issued equity share capital:

Equity shares of ₹ 10 each issued, subscribed and fully paid

Particulars	In Numbers	(₹ in million)
At April 01, 2022	1,28,84,841	128.85
Changes during the period	-	-
At March 31, 2023	1,28,84,841	128.85
Changes during the period	3,653	0.03
At March 31, 2024	1,28,88,494	128.88

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 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 ₹10 each fully paid				
Apparao V Mallavarapu*	58,97,549	45.76%	66,04,715	51.26%
Nikhil Mallavarapu*	6,52,855	5.08%	5,89,929	4.58%
Tanya mallavarapu*	6,44,240	5.00%	-	-
Swarnalatha Mallavarapu*	3,69,150	2.86%	3,69,150	2.86%
M S Swarnakumari*	12,684	0.10%	12,684	0.10%
HDFC Trustee Company Limited	5,89,154	4.57%	6,67,637	5.18%

*Represents shareholders in promoter's group.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

16. Equity share capital (Contd..)

(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 ₹10 each fully paid					
Apparao V Mallavarapu	66,04,715	(7,07,166)	58,97,549	45.76%	(10.71)%
Nikhil Mallavarapu	5,89,929	62,926	6,52,855	5.08%	10.67%
Tanya Mallavarapu	-	6,44,240	6,44,240	5.00%	100.00%
Swarnalatha Mallavarapu	3,69,150	-	3,69,150	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 ₹10 each fully paid					
Apparao V Mallavarapu	66,04,715	-	66,04,715	51.26%	-
Nikhil Mallavarapu	5,89,929	-	5,89,929	4.58%	-
Swarnalatha Mallavarapu	3,69,150	-	3,69,150	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

Particulars	(₹ 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
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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

17. Other equity (Contd..)

Particulars	(₹ in million)
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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

17. Other equity (Contd.)

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

Particulars	(₹ 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: ₹ 4 per share (March 31, 2022: ₹ 2.50 per share)	51.54	32.21
Interim dividend for the year ended on March 31, 2024: ₹3 per share (March 31, 2023: ₹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: ₹ 3 per share (March 31, 2023: ₹4 per share)	38.67	51.54
	38.67	51.54

- 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.
- 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. ₹ 3 per equity share) for the year ended March 31, 2024 which is in compliance with Section 123 of the Companies Act, 2013.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

19 Non-current financial liabilities: Borrowings

Particulars	(₹ 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 ₹ 26.13 million (March 31, 2023: ₹ 62.32 million) (including current maturities of long term borrowings amounting to ₹ 18.44 million (March 31, 2023: ₹ 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 ₹ 309.40 million (March 31, 2023: ₹ 452.29 million) (including current maturities of long term borrowings amounting to ₹ 147.03 million (March 31, 2023: ₹ 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 ₹ 134.00 million (March 31, 2023: ₹ 134.41 million) (including current maturities of long term borrowings amounting to ₹ 33.12 million (March 31, 2023: ₹ 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 ₹ 90.22 million (March 31, 2023: ₹ 89.61 million) (including current maturities amounting to ₹ 90.22 million (March 31, 2023: ₹ 89.61 million)) have a coupon rate of 14% p.a. (March 31, 2023: 4% p.a.) and is secured by way of mortgage 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 ₹ 117.02 million (March 31, 2023: ₹ 159.07 million) (including current maturities of long term borrowings amounting to ₹ 43.88 million (March 31, 2023: ₹ 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 ₹ 154.32 million (March 31, 2023: Nil) (including current maturities of long term borrowings amounting to ₹ 51.70 million (March 31, 2023: Nil)) carries interest rate of 2.00% above 6 month Marginal Cost of Funds based Lending

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

19 Non-current financial liabilities: Borrowings (Contd..)

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:
- Exclusive charge on plant & machinery and other assets financed by the bank.
 - Hypothecation of present and future fixed assets pari passu first charge with other banks.
 - 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
 - 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

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for gratuity (refer note 43)	53.12	61.81
	53.12	61.81

21 Net-current provisions

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Provision for employee benefits		
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

(₹ 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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

21 Net-current provisions(Contd..)

Particulars	(₹ in million)	
	Provisions for litigations and contingencies	Provisions for loss making contracts*
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

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Government grants		
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.

23 Current financial liabilities: Borrowings

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

23 Current financial liabilities: Borrowings (Contd..)

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 ₹ 29.83 million (March 31, 2023: ₹ 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:

	(₹ in million)	
Term loan	March 31, 2024	March 31, 2023
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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

24 Financial liabilities: Trade payables

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Trade payables	2,374.69	2,106.71
Trade payables to related parties (refer note 42)	3.00	3.00
Total	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 its 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 ₹ 155.80 million as at March 31, 2024 (March 31, 2023: ₹ 38.19 million).

24.1 Trade payable ageing schedule

As at March 31, 2024

(₹ 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

(₹ 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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

25 Other current financial liabilities

(₹ in million)

Particulars	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:

- 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

(₹ in million)

Particulars	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

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for gratuity (refer note 43)	7.98	7.39
	7.98	7.39

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

28 Current provisions

Particulars	(₹ 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)

Particulars	(₹ 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

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
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 subsidiaries	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

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
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

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

33a Cost of materials consumed

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
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

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
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

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
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

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
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

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

37 Other expenses

Particulars	₹ 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)

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
Employee severance costs ¹	48.79	-
	48.79	-

- The Group has accounted severance costs for employees in its overseas subsidiaries which has been disclosed as exceptional item in the consolidated Ind AS financial statements for the year ended March 31, 2024.

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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

39 Income tax (Contd..)

Income tax expenses in the consolidated Ind AS statement of profit and loss consist of the following:

Particulars	(₹ 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:

Particulars	(₹ 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	(₹ in million)	
	March 31, 2024	March 31, 2023
Face value of equity shares (₹ per share)	10	10
Profit/ (loss) attributable to equity holders of the parent for basic / diluted earnings per share (₹ in million)	17.75	98.16
Weighted average number of equity shares used for computing EPS (basic)	1,28,86,272	1,28,84,841
Add: Effect of dilutive issues of stock options	1,44,538	1,23,625
Weighted average number of equity shares used for computing EPS (diluted)	1,30,30,810	1,30,08,466
Earnings per share - Basic	1.38	7.62
Earnings per share - Diluted	1.36	7.55

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

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 forward 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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

41 Significant accounting judgements, estimates and assumptions (Cntd..)

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 (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)

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

41 Significant accounting judgements, estimates and assumptions (Cntd..)

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 ₹ 100.99 million (March 31, 2023: ₹ 227.56 million)

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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

42 Related parties (Cntd..)

b) Summary of transactions and outstanding balances with above related parties are as follows:

Particulars	(₹ in million)	
	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	-
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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

42. Related party transactions (Contd..)

c) 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	₹ 71.25	-	3,653
Centum ESOP - 2021 plan	₹ 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:

- 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.
- Refer note 5 as regards investments in associates.

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	₹ in million)	
	March 31, 2024	March 31, 2023
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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

43 Gratuity and other post-employment benefits plans (Cntd..)

(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)

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
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:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
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

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
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:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

43 Gratuity and other post-employment benefits plans (Cntd..)

v. Changes in the fair value of plan assets are as follows:

Particulars	₹ in million	
	March 31, 2024	March 31, 2023
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	-

vi. The following pay-outs are expected in future years:

Particulars	₹ in million	
	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:

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

43 Gratuity and other post-employment benefits plans (Cntd..)

- 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:

Particulars	(₹ in million)	
	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.

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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

44 Leases (Cntd..)

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:

(₹ 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:

(₹ 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

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for the year ended March 31, 2024

44 Leases (Cntd..)

Particulars	(₹ in million)	
	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 %.

The following are the amounts recognised in the consolidated Ind AS statement of profit and loss:

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
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 ₹ 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

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Rental income (refer note 31)	-	2.27
	-	2.27

45 Commitments and contingencies

(a) Capital commitments

Particulars	(₹ 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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

45 Commitments and contingencies (Cntd..)

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.

		(₹ in million)	
(i) Particulars of guarantees	March 31, 2024	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.

		(₹ 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.

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'.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

46 Segment information – Disclosure pursuant to Ind AS 108 “Operating Segments” (Cntd..)

(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

(₹ 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.

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 sponsors 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 its subsidiaries.

The plan is administered by a Compensation committee. Options will be issued to employees of the Holding Company and/or its 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 its subsidiaries.

Notes to the Consolidated Ind AS Financial Statements

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47 Share-based payments (Contd..)

The plan is administered by the Nomination and Remuneration committee. Options will be issued to employees of the Holding Company and/or its 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	Centum ESOP - 2013	
	Year ended March 31, 2024	Year ended March 31, 2023
Fair value at grant date	₹ 11.65 – ₹ 277.30	₹ 11.65 – ₹ 277.30
Share price at grant date	₹ 71.25 & ₹ 637.05	₹ 71.25 & ₹ 637.05
Weighted average exercise price (WAEP)	₹ 71.25	₹ 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	Centum RSU Plan - 2021	
	Year ended March 31, 2024	Year ended March 31, 2023
Fair value at grant date	₹ 420.08 / 730.13	₹ 420.08
Share price at grant date	₹ 455.65 / 814.61	₹ 455.65
Weighted average exercise price (WAEP)	₹ 10	₹ 10
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:

(₹ in million)

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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

47 Share-based payments (Contd..)

The options outstanding as at March 31, 2024 had an exercise price of ₹ 71.25 (March 31, 2023: ₹ 71.25) and the weighted average remaining contractual life of 2.62 years (March 31, 2023: 3.77 years).

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,	1,15,400	10.00	-	-
Granted during the period	27,500	-	1,30,400	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,	1,37,600	10.00	1,15,400	10.00
Exercisable at March 31,	1,37,600	10.00	-	10.00

The options outstanding as at March 31, 2024 had an exercise price of ₹ 10 (March 31, 2023: ₹ 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:

Particulars	(₹ in million)	
	March 31, 2024	March 31, 2023
Expense arising from equity settled share based payment transaction (refer note 34)	21.68	13.91

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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

48 Capital management (Contd..)

Particulars	(₹ in million)	
	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.

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.

Particulars	(₹ in million)					
	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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

49 Disclosures on Financial instruments (continued)

As at March 31, 2023

(₹ in million)

Particulars	Fair value through statement of profit or loss	Fairvalue 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

(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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

49 Disclosures on Financial instruments (Contd...)

(₹ 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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

49 Disclosures on Financial instruments (Contd...)

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:

Particulars	Increase / decrease in basis points	Effect on profit before tax	
		₹ in million	
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.

(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.

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)

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

49 Disclosures on Financial Instruments (Contd...)

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 ₹ 3,712.57 million and ₹ 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.

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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

49 Disclosures on Financial instruments (Contd...)

(₹ 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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

50 Disclosure under Ind AS 115

a) Timing of revenue recognition

March 31, 2024

(₹ 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 subsidiaries	-	308.21	308.21
Total	7,738.19	3,170.01	10,908.20

March 31, 2023

(₹ 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 subsidiaries	-	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:

(₹ 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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

50 Disclosure under Ind AS 115 (Contd..)

c) Revenue recognised during the year

(₹ in million)

Particulars	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

(₹ in million)

Particulars	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 ₹ 42.32 million (March 31, 2023 : ₹ 9.77 million).

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:

(₹ 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:

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
Centum T&S Group SA*	(43.38)	(23.36)

* Before consolidation adjustments

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

51 Interests in material partly-owned subsidiaries

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.

Particulars	(₹ in million)	
	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)

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.

Particulars	(₹ in million)	
	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)

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

51 Interests in material partly-owned subsidiaries

(₹ in million)

Particulars	March 31, 2024	March 31, 2023
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:

(₹ 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)

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.

(₹ 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 ₹ 100.46 million (March 31, 2023: ₹ 82.54 million), advance from customers amounting to ₹ 335.60 million (March 31, 2023: ₹ 141.62 million) and trade receivables amounting to ₹ 75.28 million (March 31, 2023: ₹ 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

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

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 Benefeciaries	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, Covent 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.

Notes to the Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

55 Other statutory information (Cntd..)

- (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:
- 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
- (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.

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

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

Indu H S
Company Secretary
Membership number: F12285

Place : Bengaluru, India
Date : May 22, 2024

Nikhil Mallavarapu
Whole Time Director
DIN: 00288551

K.S. Desikan
Chief Financial Officer

Centum Electronics Limited

Corporate Identity Number (CIN) – L85110KA1993PLC013869

Registered Office: No.44, KHB Industrial Area, Yelahanka New Town, Bangalore – 560 106

Tel. No: +91 80 4143 6000 Fax No: +91 80 4143 6005

Email: investors@centumelectronics.com Website: www.centumelectronics.com

Notice of the 31st Annual General Meeting

Notice is hereby given that the Thirty First (31st) Annual General Meeting (AGM) of the Members of **Centum Electronics Limited will be held on Friday, August 9, 2024 at 11:30 A.M. IST** through Video Conferencing / Other Audio Visual Means (“VC / OAVM”) to transact the following business:

The venue of the meeting shall be deemed to be the Registered Office of the Company at No. 44, KHB Industrial Area, Yelahanka New Town, Bengaluru – 560 106.

ORDINARY BUSINESS

Item No.1 – Adoption of Standalone Financial Statements

To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2024, including the audited Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement, and notes to financial statements for the year ended on that date along with the reports of the Board of Directors and Auditor’s thereon.

Item No.2 – Adoption of Consolidated Financial Statements

To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2024, including the audited Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement, and notes to financial statements for the year ended on that date along with the report of the Auditor’s thereon.

Item No.3 – Declaration of Dividend

To declare a final Dividend of ₹ 3 per equity share (i.e. 30%) of ₹ 10/- each for the financial year ended 31st March 2024.

Item No.4 – Retirement of Director by rotation

To appoint a Director in place of Ms.Tanya Mallavarapu (DIN: 01728446) who retires by rotation and being eligible, offers herself for the re-appointment.

SPECIAL BUSINESS

Item No.5 – Appointment of Mr.Tarun Sawhney (DIN: 00382878) as an Independent Director of the Company

*To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:*

“**RESOLVED THAT** pursuant to Section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company (the “Board”), Mr.Tarun Sawhney (DIN:00382878), who was appointed as an Additional Non-Executive Independent Director of the Company with effect from 22nd May, 2024 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature to the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 years commencing from 22nd May, 2024.”

RESOLVED FURTHER THAT the Board of Directors and Company Secretary & Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

Item No.6 – Remuneration payable to the Cost Auditors

*To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:*

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. K.S. Kamalakara & Co., Cost Accountants (Firm Registration No. 000296), appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the financial year 2024–25, be paid a remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand) per annum plus applicable taxes and out-of-pocket expenses that may be incurred during the course of audit.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary & Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, proper, or expedient to give effect to this resolution.”

By Order of the Board of Directors
For **Centum Electronics Limited**

Place: Bengaluru
Date: May 22, 2024

Indu H S
Company Secretary
& Compliance Officer

Registered Office:

No.44, KHB Industrial Area
Yelahanka New Town
Bengaluru – 560 106
CIN: L85110KA1993PLC013869

NOTES:

1. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular No. 09/2023 dated 25th September, 2023, other Circulars issued by the Ministry of Corporate Affairs (“MCA”) from time to time, Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October, 2023 issued by SEBI (“the Circulars”), companies are allowed to hold AGM through video conference or other audio visual means (“VC/OAVM”) upto 30th September, 2024, without the physical presence of members at a common venue. Accordingly, the AGM of the Company is being held through VC/OAVM, and video recording and transcript of the same shall be made available on the website of the Company. In accordance with the MCA Circulars and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7th October, 2023 issued by SEBI, the Notice of the 31st AGM along with the Annual Report of the Company for the financial year ended 31 March, 2024 are being sent only through electronic mode (e-mail) to those Members whose email addresses are registered with the Company or the Registrar and Share Transfer Agent (the “RTA”) or with their respective Depository Participant/s (DPs).

Members may note that the Notice and Annual Report for the financial year ended 31st March, 2024 is also available on the Company’s website www.centumelectronics.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

2. The Company has enabled the Members to participate at the 31st AGM through the VC / OAVM facility provided by KFin Technologies Limited, Registrar and Share Transfer Agent. The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC / OAVM shall be allowed on a first come-first-serve basis.

3. As per the provisions under the MCA Circulars, Members attending the 31st AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

4. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and Insta Poll during the AGM. The process of remote e-voting with necessary User ID and Password is given in the subsequent paragraphs. Such remote e-voting

facility is in addition to voting that will take place at the 31st AGM being held through VC / OAVM.

5. Members joining the meeting through VC / OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through Insta Poll at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC / OAVM but shall not be entitled to cast their vote again.
6. The Company has appointed Mr. S.P. Nagarajan, Practicing Company Secretary (Membership No. ACS 10028), who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of two (2) working days from the date of conclusion of General Meeting, submit his report of the votes cast in favour or against, if any, to the Chairman of the Company. The result of the same will be disclosed through the Annual General Meeting proceedings. The e-voting results will also be uploaded in the website of the Company <https://www.centumelectronics.com>.
7. As per the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 31st AGM is being held through VC / OAVM as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies to attend and cast vote for the members will not be made available for the 31st AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
8. Corporate Members are required to access the link <https://evoting.kfintech.com> and upload a certified copy of the Board Resolution authorizing their representative to attend the AGM through VC / OAVM and vote on their behalf. Institutional Investors are encouraged to attend and vote at the meeting through VC / OAVM.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. The Company has fixed Wednesday, July 31, 2024, as Record Date for determining the members eligible for Dividend on Equity Shares, if declared at the Annual General Meeting.
11. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if approved by the members will be paid on or before Tuesday, September 3, 2024, to those

members whose names appear in the Register of Members on the Record Date.

12. Pursuant to the Income-tax Act, 1961, dividend income will be taxable in the hands of shareholders and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Income-tax Act, 1961 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to einward.ris@kfintech.com or investors@centumelectronics.com. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, self-declaration and any other document which may be required to avail the tax treaty benefits by sending an email to einward.ris@kfintech.com or investors@centumelectronics.com.

The aforesaid declarations and documents need to be submitted by the shareholders latest by Wednesday, July 31, 2024.

13. Members are requested to note that the dividends not encashed or claimed within 7 (seven) years from the date of transfer to the Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013, along with the respective shares lying in the pool account be transferred to the Investor Education and Protection Fund (IEPF). Members who have not encashed or claimed the dividend for the earlier years are requested to approach the Company / Registrar & Transfer Agent and whose shares are transferred to IEPF can claim by making an application in form IEPF-5 to IEPF Authority through Company's Nodal Officer and Registrar & Transfer Agent at the earliest. Members can file only one consolidated claim in a financial year as per the IEPF Rules.
14. Updation of PAN and other details

SEBI vide its circular dated November 03, 2021 (subsequently amended by circulars dated

December 14, 2021, March 16, 2023, November 17, 2023 and May 7, 2024) mandated that the security holders (holding securities in physical form), whose folio(s) are not updated with the KYC details (any of the details viz., PAN, Choice of Nomination, Contact Details, Mobile Number, Bank Account Details and signature, if any) shall be eligible for any payment including dividend, in respect of such folios, only through electronic mode with effect from April 01, 2024.

Accordingly, as mandated vide captioned circulars, the dividend payable against your holdings is liable to be withheld if the KYC details are not updated against your holding. For updation of KYC details against your folio, you are requested to send the details as per the formats specified below along with the supporting documents: a. Form ISR 1 duly filled in along with self attested supporting documents for updation of KYC details. b. Form ISR-2 duly filled in with banker attestation of signature along with original cancelled cheque with your name(s) printed thereon or self-attested copy of bank passbook/statement. c. Form SH-13 for updation of Nomination for the aforesaid folio or ISR-3 for "Opt-out" of the Nomination.

Investors can download the following forms & SEBI Circulars, which are also uploaded on the website of the company: www.centumelectronics.com and on the website of Kfin Technologies Limited; <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>

Please forward the duly executed KYC documents in any of the following modes to our RTA, M/s. KFin Technologies Limited (Unit: Centum Electronics Limited), Selenium Tower-B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana

- a. Through hard copies which should be self-attested and dated OR
- b. Through electronic mode, provided that they are sent through E-mail ID of the holder registered with RTA and all documents should be electronically/digitally signed by the Shareholder and in case of joint holders, by first joint holder OR
- c. Through web - portal of our RTA KFin Technologies Limited - <https://ris.kfintech.com>

The Company has also issued public notice urging the shareholders for registration and/or updation of their email id, Permanent Account Number (PAN) and bank mandate with the Company to ensure receipt of Annual Report, dividend and/or any other

consideration and other communication timely, faster and easier and more importantly avoids fraudulent encashment of warrants.

The Company has sent reminders to those shareholders whose bank details are not available with the RTA, requesting them to update KYC to enable the Company for payment of dividend.

The Company before processing the request for payment of Unclaimed / Unpaid Dividend, has been in practice of obtaining necessary particulars of Bank Account of the Payee.

15. Awareness about Online Resolution of Disputes in the Indian Securities Market through Online Dispute Resolution ('ODR') Portal:
 - I. This is to inform the members that Securities and Exchange Board of India ("SEBI") vide circular no. SEBI/HO/OIAE/OIAE_IAD1/P/CIR/2023/131 dated July 31, 2023 issued guidelines for online resolution of disputes in the Indian securities market through establishment of a common ODR Portal which harnesses online conciliation and online arbitration for resolution of disputes arising between investors/clients and listed companies (including their RTA's) or specified intermediaries/ regulated entities in the securities market.
 - II. SEBI vide circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023 has further clarified that the investor shall first take up his/her/their grievance with the Market Participant (Listed Companies, specified intermediaries, regulated entities) by lodging a complaint directly with the concerned Market Participant. If the grievance is not redressed satisfactorily, the investor may escalate the same through the SCORES Portal <https://scores.gov.in/scores/Welcome.html> in accordance with the process laid out. After exhausting the above options for resolution of the grievance, if the investor is still not satisfied with the outcome, he/she/they can initiate dispute resolution through the ODR Portal.
 - III. The SMART ODR Portal can be accessed at: <https://smartodr.in/login>.
16. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, Members holding equity shares in physical form are urged to have their shares dematerialized to enable to transfer shares in a hassle free manner.
17. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filling Form No. SH-13 or Form ISR-3 (Declaration to Opt-out). Members holding shares in the dematerialised form may contact their DP's for recording the nomination in respect of their holdings.
18. Forms ISR-1, ISR-2, ISR-3, ISR-4 & SH-13 alongwith the supporting documents as stated above are required to be submitted to KFinTech at the address mentioned below:

KFin Technologies Limited
Unit: Centum Electronics Limited
Selenium Tower B, Plot 31-32, Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad – 500032, Telangana,
Toll Free No.: 1800-309-4001
E-mail: einward.ris@kfintech.com
19. In line with the MCA Circulars, the notice of the 31st AGM along with the Annual Report 2023-24 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2023-24 will also be available on the Company's website at <https://www.centumelectronics.com>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Limited at <https://evoting.kfintech.com>.
20. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, KFin Technologies Limited, Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032.
21. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed hereto.

22. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking appointment/ re-appointment at the Annual General Meeting is furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for appointment/ re-appointment.
23. The following documents will be available for inspection by the Members electronically during the 31st AGM. Members seeking to inspect such documents can send an email to investors@centumelectronics.com.
 - a. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013.
 - b. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013.
24. Members are requested to send all communications relating to Shares including dividend matters to our Registrar and Share Transfer Agents at the following address:

KFin Technologies Limited,
Selenium Building, Tower B, Plot Nos.31 & 32,
Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad – 500032
Toll Free No.1800 309 4001
Email: einward.ris@kfintech.com
25. All documents referred to in the Notice will be available for inspection at the Company's Registered Office during normal business hours on working days up to the date of the Annual General Meeting.
26. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and in compliance with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is mandatory to extend to the Members of the Company, the facility to vote at the Annual General Meeting (AGM) by electronic means. Members of the Company can transact all the items of the business through electronic voting system as contained in the Notice of the Meeting.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING AND ATTENDING THE AGM THROUGH VC / OAVM:

27. The Company has entered into an agreement with KFin Technologies Limited (KFintech) for facilitating e-voting and for conducting the Annual General Meeting through Video Conferencing / Other Audio-Visual Means. The instructions are as follows:
 - i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-voting are given in subsequent paragraphs.
 - ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
 - iii. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.
 - iv. The remote e-voting period commences on Tuesday, August 6, 2024, at 9.00 a.m. to Thursday, August 8, 2024, at 5.00 p.m. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Friday, August 2, 2024, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote

electronically shall not vote by way of poll, held at the Meeting.

- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with Kfintech for remote e-voting then he /she can use his / her existing User ID and Password for casting the vote.
- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a

Member of the Company after sending of the Notice and holding shares as on the cut-off date may follow steps mentioned below under "Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

- viii. The details of the process and manner for remote e-voting and e-AGM are explained herein below:

Step 1: Access to Depositories e-voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to Kfintech e-voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3: Access to join virtual meetings (AGM) of the Company on Kfintech system to participate AGM and vote at the AGM.

Details on Step 1 are mentioned below:

Login method for remote e-voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1. User already registered for IDeAS facility: Visit URL: https://eservices.nsdl.com Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting" Click on company name or e-voting service provider and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period. 2. User not registered for IDeAS e-Services To register click on link : https://eservices.nsdl.com Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in point 1 3. Alternatively, by directly accessing the e-voting website of NSDL Open URL: https://www.evoting.nsdl.com/ Click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name of e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Easi / Easiest</p> <p>Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com</p> <p>Click on New System Myeasi</p> <p>Login with your registered User ID and Password.</p> <p>After successful login of Easi / Easiest, Option will be made available to reach e-voting page.</p> <p>Click on e-voting service provider name to cast your vote</p> <p>2. User not registered for Easi/Easiest</p> <p>Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>Proceed with completing the required fields.</p> <p>3. Alternatively, by directly accessing the e-voting website of CDSL</p> <p>Visit URL: www.cdslindia.com</p> <p>Provide your demat Account Number and PAN No.</p> <p>System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>After successful authentication, user will be provided links for the respective ESP, where the e- Voting is in progress.</p>
Individual Shareholder login through their demat accounts / Website of Depository Participant	<p>You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-voting facility.</p> <p>Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.</p> <p>Click on options available against company name or e-voting service provider and you will be redirected to e-voting website of service provider for casting your vote during the remote e-voting period.</p>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Details on Step 2 are mentioned below:

Login method for e-voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFinTech which will include details of e-voting Event Number (EVEN), User ID and Password. They will have to follow the below process:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and Password). In case of physical folio, User ID will be EVEN (e-voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and Password for casting the vote.

- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Centum Electronics Limited - AGM" and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id cs@nagarajsp818.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."
- xi. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

Details on Step 3 are mentioned below:

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC /OAVM and e-voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.
- ii. Facility for joining AGM though VC / OAVM shall open atleast 30 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at investors@centumelectronics.com. Questions /queries received by the Company till Wednesday, August, 7, 2024, shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC /

OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first-come-first-serve basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS:

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the User ID and Password provided in the mail received from KFintech. On successful login, select 'Speaker Registration' which will open from Monday, August 5, 2024 to Wednesday, August 7, 2024. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the User ID and Password provided in the mail received from KFintech. On successful login, select 'Post Your Question' option which will be opened from Monday, August 5, 2024 at 9:00 a.m. to Wednesday, August 7, 2024 at 5:00 p.m.

- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and e-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or contact Mr. N Shiva Kumar, Manager at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, August 2, 2024, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.
- 28. Members who may require any technical assistance or support before or during the AGM are requested to contact KFin Technologies Limited at toll free number 1-800-3094-001 or write to them at evoting@kfintech.com.
- 29. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/> under the "How It Works" tab placed on the top of the page.

**By Order of the Board of Directors
For Centum Electronics Limited**

**Place: Bengaluru
Date: May 22, 2024**

**Indu H S
Company Secretary
& Compliance Officer**

Application(s) by our RTA KFINTECH

Members are requested to note that as an ongoing endeavor to enhance shareholders experience and leverage new technology, Kfintech has developed following applications for shareholders:

Investor Support Centre:

Members are hereby notified that our RTA , KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), based on the SEBI Circular (SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72) dated Jun 08, 2023, have created an online application which can be accessed at <https://ris.kfintech.com/default.aspx#> > Investor Services > Investor Support.

Members are required to register / signup, using the Name, PAN , Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request , Query , Complaints , check for status, KYC details, Dividend , Interest , Redemptions, eMeeting and eVoting Details.

Quick link to access the signup page: <https://kprism.kfintech.com/signup>

1. Summary of the features and benefits are as follows: The provision for the shareholders to register online.
2. OTP based login (PAN and Registered mobile number combination)
3. Raise service requests, general query, and complaints.
4. Track the status of the request.
5. View KYC status for the folios mapped with the specific PAN.
6. Quick links for SCORES, ODR, e-Meetings and eVoting.
7. Branch Locator
8. FAQ's

Senior Citizens investor cell:

As part of our RTA's initiative to enhance the investor experience for Senior Citizens, a dedicated cell has been newly formed to assist exclusively the Senior Citizens in redressing their grievances, complaints, and queries. The Senior Citizens wishing to avail this service can send the communication with the below details to the email id, senior.citizen@kfintech.com .

Senior Citizens (above 60 years of age) have to provide the following details:

1. ID proof showing Date of Birth
2. Folio Number
3. Company Name
4. Nature of Grievance

The cell closely monitors the complaints coming from Senior Citizens through this channel and assists them at every stage of processing till closure of the grievance.

Online PV:

In today's ever-changing dynamic digital landscape, security, foolproof systems and efficiency in identity verification are paramount. We understand the need to protect the interests of you (shareholders) and also comply with KYC standards. Ensuring security and KYC compliance is paramount of importance in today's remote world. Digital identity verification, using biometrics and digital ID document checks, helps combat fraud, even when individuals aren't physically present. To counteract common spoofing attempts, we engage in capturing liveness detection and facial comparison technology.

We are excited to announce that our RTA has introduced an Online Personal Verification (OPV) process, based on liveness detection and document verification.

Key Benefits:

- A fully digital process, only requiring internet access and a device.
- Effectively reduces fraud for remote and unknown applicants.
- Supports KYC requirements.

Here's how it works:

- I. Users receive a link via email and SMS.
- II. Users record a video, take a selfie, and capture an image with their PAN card.
- III. Facial comparison ensures the user's identity matches their verified ID (PAN).

WhatsApp:

Shareholders can use WhatsApp Number: (91) 910 009 4099 to avail bouquet of services.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No.5:

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee had approved the appointment of Mr. Tarun Sawhney (DIN: 00382878), as an Additional Non-Executive Independent Director of the Company with effect from 22nd May, 2024 under Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the "Act").

In accordance with the provisions of Section 149 read with Schedule IV of the Act, appointment of Independent Director requires approval of the members of the Company. The Company has received notice under Section 160 of the Act from a member proposing the candidature of Mr. Tarun Sawhney for the office of an Independent Director of the Company. The Company has also received from Mr. Tarun Sawhney (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(1) and 164(2) of the Act, (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, (iv) declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018 and NSE Circular No. NSE/CML/2018/24 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

Further, Mr. Tarun Sawhney has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company. Mr. Tarun Sawhney has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The nomination and remuneration committee and the Board are of the view that Mr. Tarun Sawhney possesses

the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to appoint him as an independent director. In the opinion of the Board, Mr. Tarun Sawhney is independent of the management.

Mr. Tarun Sawhney has no shareholding in the Company.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are interested, financially or otherwise, if any in the Resolution No.5 of the accompanying Notice except to the extent of their Shareholding, if any in the Company.

Item No. 6:

The provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 mandates the Company to get its cost records audited every year. The Board of Directors has considered the appointment of M/s. K.S. Kamalakara & Co., Cost Accountants (Firm Registration No. 000296) as the Cost Auditors of the Company for the financial year 2024-25 at a remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) apart from applicable taxes and out-of-pocket expenses, if any.

Ratification of remuneration payable to Cost Auditors needs to be done by the Shareholders of the Company in terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, due to which consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2024-25.

The Board of Directors recommends the Ordinary Resolution as set out in Item No.6 of the Notice for the approval of the shareholders.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are interested, financially or otherwise, if any in the Resolution No.6 of the accompanying Notice except to the extent of their Shareholding, if any in the Company.

By Order of the Board of Directors
For **Centum Electronics Limited**

Place: Bengaluru
Date: May 22, 2024

Indu H S
Company Secretary
& Compliance Officer

Details of the Directors seeking appointment/re-appointment at the 31st Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting]

1. Ms.Tanya Mallavarapu

Date of birth	09.02.1989
Date of appointment	27.05.2023

Profile:

Ms. Tanya completed her Master's Degree in Economics from Duke University, in U.S. She graduated from the University of Southern California with a Bachelor's Degree in Business Administration and was on the Dean's List.

Ms. Tanya is the founder of TMR Design Co. LLP, an interdisciplinary design firm that emphasizes on innovation, creativity and functionality in a wide array of industries from healthcare, residential, commercial and hospitality. Prior to this Tanya served as a marketing executive in the luxury retail industry, involved in building marketing strategies for global retail expansion. She launched an Indian based luxury brand across cities including New York, Hong Kong, London and Delhi. Prior to this she worked as a business analyst at Intuit, creating revenue models and marketing strategies to launch the newly developed GoPayment product.

No. of shares held in the Company	6,44,240
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Names of Listed entities in which she holds the Centum Electronics Limited Directorship as on 31st March, 2024

Inter-se relationship with other Directors	Ms.Tanya Mallavarapu is the daughter of Mr. Apparao V Mallavarapu, Chairman & Managing Director and Promoter, Dr.Swarnalatha Mallavarapu, Promoter and sister of Mr. Nikhil Mallavarapu, Whole-Time Director.
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2. Mr.Tarun Sawhney

Date of birth	25.09.1973
Date of appointment	22.05.2024

Profile:

Mr. Tarun Sawhney is an MBA from The Wharton School of the University of Pennsylvania (USA) and holds a Master's degree from Emmanuel College, University of Cambridge (UK).

Mr. Tarun Sawhney is the Vice Chairman & Managing Director of Triveni Engineering & Industries Ltd (TEIL) a Director of Triveni Turbine Limited, a global industrial steam turbine and energy solutions company, and a Director of Triveni Energy Solutions Limited.

Mr.Tarun Sawhney has played a pivotal role in the sugar and bioenergy industry, having served as the President of the Indian Sugar Mills Association (ISMA) and Chairman of the Indian Sugar Exim Corporation Limited. He currently holds key positions in the Confederation of Indian Industry (CII), serving as a member of the National Council, the Chairman of the Agricultural Council, and the Co-Chairman of the National Committee on Bioenergy. He is also a member of the advisory board of the Indian Council of Agricultural Research (ICAR). His significant contributions to the sugar industry have earned him widespread recognition, exemplified by the prestigious Industry Excellence Award conferred by the former Hon'ble President of India, Smt. Pratibha Rao Patil.

In addition to his professional and academic pursuits, Tarun is committed to philanthropy and community welfare. He serves as a trustee of the Tirath Ram Shah Charitable Hospital in New Delhi which is one of India's oldest charitable hospitals. He actively participates on the board of the Triveni Foundation, which focuses on healthcare and education in North India.

Mr. Tarun's interest in art and culture is evident through his roles as a member of the International Advisory Council of the Tate Modern (UK) and the International Leadership Council of the New Museum, New York. He was also intronised as a Chevalier du Tastevin in 2023.

No. of shares held in the Company	-											
Names of listed entities in which he holds the Directorship as on March 31, 2024	<ol style="list-style-type: none"> 1. Triveni Engineering & Industries Limited 2. Triveni Turbine Limited 											
Chairman/Member of the Committees of the listed entities Board as on March 31, 2024	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of the Company</th> <th style="text-align: left;">Name of the Committee</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Triveni Engineering & Industries Limited</td> <td>Audit Committee</td> </tr> <tr> <td>Stakeholders' Relationship Committee</td> </tr> <tr> <td>CSR Committee</td> </tr> <tr> <td>Risk Management Committee</td> </tr> <tr> <td rowspan="3">Triveni Turbine Limited</td> <td>Stakeholders' Relationship Committee</td> </tr> <tr> <td>CSR Committee</td> </tr> <tr> <td></td> </tr> </tbody> </table>	Name of the Company	Name of the Committee	Triveni Engineering & Industries Limited	Audit Committee	Stakeholders' Relationship Committee	CSR Committee	Risk Management Committee	Triveni Turbine Limited	Stakeholders' Relationship Committee	CSR Committee	
Name of the Company	Name of the Committee											
Triveni Engineering & Industries Limited	Audit Committee											
	Stakeholders' Relationship Committee											
	CSR Committee											
	Risk Management Committee											
Triveni Turbine Limited	Stakeholders' Relationship Committee											
	CSR Committee											
Inter-se relationship with other Directors	Nil											

INDIA

CENTUM ELECTRONICS LIMITED

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Survey No.8, KIADB, Bengaluru
Aerospace Park
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Yelahanka

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Tel: +91 80 4143 6000

CENTUM T&S PRIVATE LIMITED

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FRANCE

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CANADA

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BELGIUM

CENTUM T&S

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BELGIUM

UK

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Centum Electronics Limited

TEAMWORK | TECHNOLOGY | TRUST

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