



Ref: CEL/NSEBSE/MAR/14052025

14th May, 2025

To,

| | |
|---|---|
| Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 | Department of Corporate Services – Listing, BSE Limited, P. J. Towers, Dalal Street, Mumbai – 400 001 |
|---|---|

Re: Scrip Symbol: CENTUM/ Scrip Code: 517544

Dear Sir/ Madam,

Sub: Regulation 32(6) – Monitoring Agency Report on the Utilization of Proceeds Raised through Qualified Institutional Placement (QIP) for the Quarter Ended March 31, 2025

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Regulation 173A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we are enclosing herewith the Monitoring Agency Report dated May 14, 2025, issued by CRISIL Ratings Limited, in respect of the utilization of proceeds raised through the issuance of equity shares by way of Qualified Institutional Placement (QIP) for the quarter ended March 31, 2025.

Yours faithfully,

For **Centum Electronics Limited**

Indu H S
Company Secretary & Compliance Officer
ICSI Membership No. F12285
Encl: as above

**Monitoring Agency Report
for
Centum Electronics Limited
for the quarter ended
March 31, 2025**

CRL/MAR/GDS3348/2024-25/1359

May 14, 2025

To
Centum Electronics Limited
44, KHB Industrial Area,
Yelahanka, Bangalore
Karnataka, India- - 560064,

Dear Sir,

Monitoring Agency Report for the quarter ended March 31, 2025 - in relation to the Qualified Institutional Placement ("QIP") of Centum Electronics Limited ("the Company")

Pursuant to Regulation 173A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated January 30, 2025, enclosed herewith the Monitoring Agency Report, issued by Crisil Ratings Limited, Monitoring Agency, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of QIP for the quarter ended March 31, 2025.

Request you to kindly take the same on records.

Thanking you,
For and on behalf of Crisil Ratings Limited



Sushant Sarode
Director, Ratings (LCG)

Report of the Monitoring Agency (MA)

Name of the issuer: Centum Electronics Limited

For quarter ended: March 31, 2025

Name of the Monitoring Agency: Crisil Ratings Limited

(a) Deviation from the objects: No

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature: 

Name and designation of the Authorized Signatory: Sushant Sarode

Designation of Authorized person/Signing Authority: Director, Ratings (LCG)

1) Issuer Details:

| | |
|---|---|
| Name of the issuer: | Centum Electronics Limited |
| Names of the promoter: | Apparao Venkata Mallavarapu, Swarnalatha Mallavarapu, M S Swarnakumari, Nikhil Mallavarapu, Tanya Mallavarapu |
| Industry/sector to which it belongs: | Industrial Products |

2) Issue Details

| | |
|---------------------------------------|---|
| Issue Period: | March 10, 2025, to, March 13, 2025 |
| Type of issue (public/rights): | Qualified Institutional Placement (QIP) |
| Type of specified securities: | Equity Shares |
| QIP Grading, if any: | NA |
| Issue size: | Fresh issuance of Rs 2,100 million (Net proceeds of Rs 1,999.47 million*) |

**Crisil Ratings shall be monitoring the net proceeds.*

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

| Particulars | Reply | Source of information/ certifications considered by Monitoring Agency for preparation of report | Comments of the Monitoring Agency | Comments of the Board of Directors |
|--|-------|--|--|---|
| Whether all utilization is as per the disclosures in the Offer Document? | Yes | Management undertaking, Peer reviewed independent chartered accountant certificate, Placement Document, Bank Statements | No Comments | No Comments |
| Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document? | NA | Management undertaking, Peer reviewed independent chartered accountant certificate^ | No Comments | No Comments |
| Whether the means of finance for the disclosed objects of the issue has changed? | No | | No Comments | No Comments |
| Is there any major deviation observed over the earlier monitoring agency reports? | NA | | No Comments | No Comments |
| Whether all Government/statutory approvals related to the object(s) have been obtained? | NA | | No Comments | No Comments |
| Whether all arrangements pertaining to technical assistance/collaboration are in operation? | NA | | No Comments | No Comments |
| Are there any favorable events improving the viability of these object(s)? | NA | | No Comments | No Comments |
| Are there any unfavorable events affecting the viability of the object(s)? | NA | | No Comments | No Comments |
| Is there any other relevant information that may materially affect the decision making of the investors? | NA | | No Comments | No Comments |

NA represents Not Applicable

^Certificate dated May 05, 2025, issued by M/s M A Narasimhan & Company, Chartered Accountants (Firm Registration Number: 002347S), Peer-reviewed Independent Chartered Accountant.

4) Details of object(s) to be monitored:

i. Cost of the object(s):

| Sr. No. | Item Head | Source of information/certification considered by MA for preparation of report | Original cost (as per the Offer Document) (Rs in million) | Revised Cost (Rs in million) | Comment of the Monitoring Agency | Comments of the Board of Directors | | |
|---------|---|--|---|------------------------------|----------------------------------|------------------------------------|---------------------------|---------------------------------------|
| | | | | | | Reason of Cost revision | Proposed financing option | Particulars of firm arrangements made |
| 1 | Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by the Company | Management undertaking, Peer reviewed independent chartered accountant certificate ^, Placement document | 1,149.92 | NA | No Revision | No Comments | No Comments | No Comments |
| 2 | Capital expenditure for purchase of new equipment and machinery | | 349.68 | NA | No Revision | No Comments | No Comments | No Comments |
| 3 | General Corporate Purposes | | 499.87 | NA | No Revision | No Comments | No Comments | No Comments |
| | Total | - | 1,999.47 | - | - | | | |

^Certificate dated May 05, 2025, issued by M/s M A Narasimhan & Company, Chartered Accountants (Firm Registration Number: 002347S), Peer-reviewed Independent Chartered Accountant.

#The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds (amounting to Rs 525.00 million) from the Fresh Issue.

ii. Progress in the object(s):

| Sr. No. | Item Head [#] | Source of information/ certifications considered by Monitoring Agency for preparation of report | Amount as proposed in the Offer Document (Rs in million) | Amount utilized (Rs in million) | | | Total unutilized amount (Rs in million) | Comments of the Monitoring Agency | Comments of the Board of Directors | |
|---------|---|---|--|---------------------------------|--------------------|---------------------------|---|-----------------------------------|------------------------------------|---------------------------|
| | | | | As at beginning of the quarter | During the quarter | At the end of the quarter | | | Reasons for idle funds | Proposed course of action |
| 1 | Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by the Company | Management undertaking, Peer reviewed independent chartered accountant certificate ^, Placement Document, Bank Statements | 1,149.92 | 0.00 | 1,102.34 | 1,102.34 | 47.58 | No Comments | No Comments | No Comments |
| 2 | Capital expenditure for purchase of new equipment and machinery | | 349.68 | 0.00 | 0.00 | 0.00 | 349.68 | No Comments | No Comments | No Comments |
| 3 | General Corporate Purposes | | 499.87 | 0.00 | 0.00 | 0.00 | 499.87 | No Comments | No Comments | No Comments |
| | Total | | 1,999.47 | 0.00 | 1,102.34 | 1,102.34 | 897.13 | - | - | - |

[^]Certificate dated May 05, 2025, issued by M/s M A Narasimhan & Company, Chartered Accountants (Firm Registration Number: 002347S), Peer-reviewed Independent Chartered Accountant.

#Brief description of objects:

| Object of the Issue | Description of objects as per the offer document filed by the issuer |
|---|---|
| Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by the Company | The Company has entered into certain financing arrangements with banks, which include term loans, working capital loans and cash credits. The Company proposes to utilise an estimated amount of up to ₹ 1,149.92 million from the Net Proceeds towards re-payment or pre-payment of certain of our term loans, working capital loans and cash credits availed by The Company and accrued interest thereon. |
| Capital expenditure for purchase of new equipment and machinery | As a part of the strategy to expand the capacity and offerings in existing product verticals and expansion of addressable market through development of new products, with intend to increase the company's capacity. Accordingly, the company intend to utilize ₹ 349.68 million out of the Net Proceeds towards purchase of new equipment and machinery for the existing manufacturing facilities. |

| | |
|----------------------------|---|
| General Corporate Purposes | General corporate purposes may include, but are not restricted to, (i) funding growth opportunities, (ii) business development initiatives (iii) meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act |
|----------------------------|---|

iii. Deployment of unutilised proceeds^:

| S. No. | Type of instrument where amount is invested | Amount invested (Rs in million) | Maturity date | Earnings# (Rs in million) | Return on Investment (%) | Market value as at the end of quarter (Rs in million) |
|--------|---|---------------------------------|---------------|---------------------------|--------------------------|---|
| 1 | Fixed Deposit in HDFC Bank (A/c no. 50301134286050) | 250.00 | 28-09-25 | 0.20 | 7.25 | 250.20 |
| 2 | Fixed Deposit in HDFC Bank (A/c no. 50301134286610) | 50.00 | 28-09-25 | 0.10 | 7.25 | 50.10 |
| 3 | Fixed Deposit in SBI Bank (A/c no. 43954248165) | 150.00 | 24-09-25 | 0.10 | 6.60 | 150.10 |
| 4 | Balance in Monitoring Account (Kotak Bank Ac no.9749648252) | 335.56 | - | - | - | 335.56 |
| 5 | Balance in cash credit account (A/c no. 31541815316) | 111.57 | - | - | - | 111.57 |
| | Total | 897.13 | - | 0.40 | - | 897.53 |

^On the basis of Management undertaking and Certificate dated May 05, 2025, issued by M/s M A Narasimhan & Company, Chartered Accountants (Firm Registration Number: 002347S), Peer-reviewed Independent Chartered Accountant.

iv. Delay in implementation of the object(s):

| Object(s) | Completion Date | | Delay (no. of days/ months) | Comments of the Board of Directors | |
|----------------------------|---------------------------|------------------|-----------------------------|------------------------------------|---------------------------|
| | As per the Offer Document | Actual | | Reason of delay | Proposed course of action |
| General Corporate Purposes | Fiscal 2025 | Refer note below | Refer note below | No Comments | No Comments |

Note:

There is a delay in the implementation relative to what is mentioned in the Placement document.

As per Company's Placement Document dated March 13, 2025, the Company had **estimated** to utilize Rs 25.00 crore for General Corporate Purposes (object 3) by Fiscal 2025. However, based on certificate dated May 05, 2025, issued by M/s M A Narasimhan & Company, Chartered Accountants (Firm Registration Number: 002347S), Peer-reviewed Independent

Chartered Accountant and management undertaking, the Company has not utilized any amount for the aforementioned object as at the end of fiscal 2025, hence, there is a delay in the implementation schedule. This delay is due to too short time for deployment and the proceeds will be utilized in subsequent quarters

However, the Placement Document further states that, "Our Board retains the right to change the above schedule of implementation and deployment of the Net Proceeds, including the manner, method, and timing of deployment of the Net Proceeds, in case of change in our business requirements and other commercial considerations"

5) Details of utilization of proceeds stated as General Corporate Purpose^ amount in the offer document:

| S. No. | Item heads | Amount (Rs in million) | Remarks |
|--------|------------|------------------------|---------|
| | NA | | |

^On the basis of Management undertaking and Certificate dated May 05, 2025, issued by M/s M A Narasimhan & Company, Chartered Accountants (Firm Registration Number: 002347S), Peer-reviewed Independent Chartered Accountant.

Disclaimers:

- This Report is prepared by Crisil Ratings Limited (**hereinafter referred to as "Monitoring Agency"/ "MA"/ "CRL"**). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.
- Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
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- Access or use of this report does not create a client relationship between CRL and the user.

- h) *CRL is not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing this report, MA has not taken into consideration the objectives or particular needs of any particular user.*
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