



Ref: CEL/NSEBSE/CR/09102025

9th October, 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
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Re: Scrip Symbol: CENTUM/ Scrip Code: 517544

Dear Sir/ Madam,

Sub: Intimation of Credit Rating under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform you that CRISIL Ratings Limited has reaffirmed the credit ratings assigned to the Company as per the details given below:

Total Bank Loan Facilities Rated	INR 399.7 Crores
Long Term Rating	CRISIL BBB/Stable (Reaffirmed)
Short Term Rating	CRISIL A3+ (Reaffirmed)

This disclosure is pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Press Release in this regard is enclosed herewith.

Yours faithfully,
For **Centum Electronics Limited**

Indu H S
Company Secretary & Compliance Officer
Encl: as above

Centum Electronics Limited

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Rating Rationale

October 08, 2025 | Mumbai

Centum Electronics Limited

Ratings reaffirmed at 'Crisil BBB / Stable / Crisil A3+ '

Rating Action

Total Bank Loan Facilities Rated	Rs.399.7 Crore
Long Term Rating	Crisil BBB/Stable (Reaffirmed)
Short Term Rating	Crisil A3+ (Reaffirmed)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings.

The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its ratings on the bank facilities of Centum Electronics Limited (CEL; part of the centum group) at 'Crisil BBB/Stable/Crisil A3+'.

The ratings continue to reflect the extensive experience of the promoters and its professional management, established track record in Strategic Electronics Business Unit (SEBU) and Electronic Manufacturing Solutions (EMS) segment and comfortable financial risk profile marked by moderate capital structure and debt protection metrics. These rating strengths are partially offset by working capital-intensive operations, performance of subsidiaries and susceptibility to risks related to technology changes and changes in sourcing policies of customers

Analytical Approach

Crisil Ratings continues with the analytical approach of consolidating CEL with its subsidiaries on account of high degree of operational fungibilities along with common management

Key Rating Drivers - Strengths

Established market position, aided by the extensive experience of the promoter: The promoters and the professional management team have diverse industry experience of about 20+ years. CEL caters to Defence, Space, Aerospace, Transportation, Automotive, Industrial & Energy and Healthcare. The company has had a long-established relationship with most of its customers like Defence Research and Development Organisation (DRDO), Indian Space Research Organization (ISRO) spanning more than 10-15 years with repeat orders and a strong trust factor developed over many years of successful business relations. Due to the high technical complexity and know-how, the customers have typically stayed with their preferred and established suppliers over the decades. Products being used in critical areas, such as space and defence, bear testimony to the technical capability of the group. CEL is into 2 broad business segments namely Electronic Manufacturing Solutions (EMS), and Strategic Electronics Business Unit (SEBU) ensuring diversity in revenue profile.

Strong understanding of market dynamics would continue to support business risk profile. Over the decades, CEL has developed strong engineering and design capabilities which has helped it in meeting the changing demands from its customers. CEL has a healthy order book at hand of Rs. 1,769 Cr as on June 30, 2025, compared to that of Rs.1674 Cr as on June 30, 2024, spanning across its business segments, aided by its established track record of timely and satisfactory completion of projects. Further, established relationship with its key customer, continued innovation, and improving prospects of clean energy will support sustaining healthy growth in the medium.

Comfortable financial risk profile: Debt protection metrics are comfortable marked by interest coverage and NCATD (net cash accruals to total debt) of 3.07 times and 20% respectively in FY25. Also, in the backdrop of capex done towards improving profitability, debt protection metrics are expected to remain comfortable over the medium term. Net worth and gearing continue to remain moderate at around Rs.321.84 crore and 0.44 times respectively as on March 31, 2025. Total outside liabilities to tangible net worth (TOL/TNW) stood at 2.56 times as on March 31, 2025. However, with the expectation of healthy accretion to reserves and no major debt funded capex plans over the medium term, the capital structure is expected to improve over the medium term and would also remain a key monitorable.

Key Rating Drivers - Weaknesses

Susceptibility to risks related to technology changes and sourcing policies of key customers: Any change in technology will require realignment of products in line with the end-user technology. Delays in such adjustments could weaken the group's competitive position. Also, significant portion of revenue is from various public sector undertakings and defence-related organizations such as Defence Research and Development Organisation (DRDO), Indian Space Research Organisation (ISRO), and the Ordnance factories of Government of India.

Losses in subsidiary entities: Due to the nature of built to specification of these projects, CEL had to modify the projects adhoc due to client's requests and delay approval of modified projects lead to idle non-productive resources and materials in the company's books. CEL had many such contracts which lead to losses in the subsidiaries for the past 4 fiscal ending fiscal 2025.

Working capital-intensive operations: Working capital intensity remains high: gross current assets were sizeable at 290 days as on March 31, 2025, owing to inventory and debtors of 139 days and 99 days, respectively on the same date. The same is due to high inventory requirement of the variety of components used and elongated collection cycle accounting to high receivables. However, risk related to the same is mitigated as the tenders generally cater to funded projects / project with allocated budget. Any significant stretch in working capital cycle impacting the liquidity would remain a key rating monitorable

Liquidity Adequate

Bank limit utilisation is moderate at around 72 percent for the past twelve months ended June 2025. Cash accrual are expected to be over Rs 60-80 crore which are sufficient against term debt obligation of Rs 6-16 crore over the medium term. Current ratio are moderate at 1.20 times on March 31, 2025

Outlook Stable

Crisil Ratings believes that CEL shall continue to benefit from its established market position over the medium term.

Rating sensitivity factors

Upward factors:

- Sustained revenue growth rate while maintaining operating margin of more than 9% resulting in larger accruals against repayments.
- Sustenance of working capital management along with TOLANW of less than 2.5 times

Downward factors:

- Sustenance of TOLTNW to more than 2.75 times due to higher working capital debt or debt funded capital expenditure.
- Stretch in liquidity due to stretch in working capital or material moderation in accruals

About the Company

Set up by Mr Apparao V Mallavarapu (Chairman and Managing Director - CMD), a first-generation entrepreneur, in 1993, CEL manufactures modules and sub-systems used in space, defence, and industrial electronic sectors. CEL manufactures products for the rail transportation market, focusing on improving energy efficiency, security, and real-time information access. CMD is ably supported by his professional team consist of Joint Managing Director Mr Nikhil Mallavarapu, , four independent directors and Group CFO Mr Sundararajan Parthasarathy.

Key Financial Indicators

As on / for the period ended March 31 (Consolidated)		2025	2024
Operating income	Rs crore	1,155.42	1,090.82
Reported profit after tax	Rs crore	-11.76	-3.57
PAT margins	%	-1.02	-0.33
Adjusted Debt/Adjusted Net worth	Times	0.44	1.51
Interest coverage	Times	3.07	2.71

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Cash Credit	NA	NA	NA	12.00	NA	Crisil BBB/Stable
NA	Export Packing Credit	NA	NA	NA	84.00	NA	Crisil A3+
NA	Fund-Based Facilities	NA	NA	NA	83.00	NA	Crisil BBB/Stable
NA	Non-Fund Based Limit	NA	NA	NA	196.70	NA	Crisil A3+
NA	Proposed Fund-Based Bank Limits	NA	NA	NA	1.50	NA	Crisil BBB/Stable
NA	Term Loan	NA	NA	31-Mar-28	22.50	NA	Crisil BBB/Stable

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Centum Electronics Limited	100%	Parent company
Centum T&S Private Limited, India	100%	Subsidiary
Centum Electronics UK Limited	100%	Subsidiary
Centum T&S Group SA, France	90.08%	Subsidiary

Annexure - Rating History for last 3 Years

Instrument	Current			2025 (History)		2024		2023		2022		Start of 2022
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	ST/LT	203.0	Crisil BBB/Stable / Crisil A3+		--	29-10-24	Crisil BBB/Stable / Crisil A3+	01-08-23	Crisil BBB/Stable / Crisil A3+	30-09-22	Crisil BBB-/Stable	Crisil BBB-/Stable
			--		--		--	21-04-23	Crisil A3 / Crisil BBB-/Stable	28-01-22	Crisil BBB-/Stable	Crisil A3 / Crisil BBB-/Stable
Non-Fund Based Facilities	ST	196.7	Crisil A3+		--	29-10-24	Crisil A3+	01-08-23	Crisil A3+	30-09-22	Crisil A3	Crisil A3
			--		--		--	21-04-23	Crisil A3	28-01-22	Crisil A3	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	12	State Bank of India	Crisil BBB/Stable
Export Packing Credit	84	State Bank of India	Crisil A3+
Fund-Based Facilities	43	Kotak Mahindra Bank Limited	Crisil BBB/Stable
Fund-Based Facilities	40	HDFC Bank Limited	Crisil BBB/Stable
Non-Fund Based Limit	19.7	Kotak Mahindra Bank Limited	Crisil A3+
Non-Fund Based Limit	177	State Bank of India	Crisil A3+
Proposed Fund-Based Bank Limits	1.5	Not Applicable	Crisil BBB/Stable
Term Loan	22.5	State Bank of India	Crisil BBB/Stable

Criteria Details

Links to related criteria[Basics of Ratings \(including default recognition, assessing information adequacy\)](#)[Criteria for manufacturing, trading and corporate services sector \(including approach for financial ratios\)](#)[Criteria for consolidation](#)

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