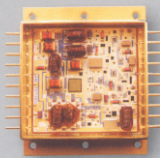
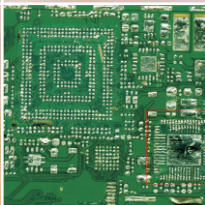


Teamwork • Technology • Trust



CENTUM ELECTRONICS LIMITED

Annual Report 2009 - 10

QUALITY POLICY

All our products and activities shall meet the expectations of our customers and stakeholders in quality, technology and value.

This commitment is achieved through effective teamwork of every employee, supplier and customer.

We shall develop, maintain and continuously improve the documented systems and enhance quality of all our products, processes and services and promote customer trust and satisfaction.

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Centum Electronics Limited

Board of Directors

Apparao V Mallavarapu, *Managing Director*

S. Krishnan, *Director*

Dr. P. Rama Rao, *Director*

Manoj Nagrath, *Additional Director*

Rajiv C Mody, *Additional Director*

Manny Marimuthu, *Additional Director*

Chief Financial Officer (CFO)

K S Desikan

Company Secretary

Ellroy Furtado

Statutory Auditors

BSR & Co.

Internal Auditors

Ernst & Young Pvt. Ltd.

Bankers

State Bank of India - SSI Branch

Kumara Park, Bangalore

Citibank N.A.

M.G. Road, Bangalore

Share Transfer Agents

M/s Karvy Computershare Private Limited,

No. 17-24, Vittal Rao Nagar,

Madhapur

Hyderabad - 500 081.

Registered office

No. 44, KHB Industrial Area,

Yelahanka New Township,

Bangalore- 560 106.

Notice of the 17th Annual General Meeting

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of Centum Electronics Limited will be held at the registered office of the Company at #44, KHB Industrial Area, Yelahanka New Town, Bangalore - 560106 on Tuesday, September 28, 2010 at 3 p.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2010 and Profit and Loss Account for the year ended 31st March 2010 and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year 2009-10
3. To appoint a Director in place of Mr. S. Krishnan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. BSR & Co., Chartered Accountants, as Auditors of the Company for holding office up to the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions:

5. "RESOLVED THAT Mr. Manoj Nagrath be and is hereby appointed as a Director of the Company liable to retire by rotation"
6. "RESOLVED THAT Mr. Rajiv C Mody be and is hereby appointed as a Director of the Company liable to retire by rotation"
7. "RESOLVED THAT Mr. Manny Marimuthu be and is hereby appointed as a Director of the Company liable to retire by rotation"

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself and a proxy need not be a member of the company. Proxies in order to be effective must be deposited with the company not less than 48 hours before the meeting.
2. Register of members and Share Transfer books will remain closed from September 27, 2010 to September 28, 2010 (both days inclusive) for the purpose of AGM and ascertaining the members eligible to receive the recommended dividend
3. Members are requested to inform any change in their address to the Company or to the Company's Registrar and Share Transfer Agent's (RTA) M/s Kary ComputerShare Private Limited giving the relevant details.
4. Nomination facility: Consequent to the introduction of Section 109A of the Companies Act, 1956 and as has been brought to the notice of all the Members, individual Members are entitled to make a nomination in respect of the shares held by them. The Members, who desire to send their nominations, are requested to send the Nomination in Form-2B (in duplicate) to the Registrars and Share Transfer Agents of the company for registering the nominations, if any.
5. Members attending the Annual General Meeting are requested to bring the following with them (as applicable):
 - a) Members holding shares in dematerialized form, their DP & Client ID Number(s).
 - b) Members holding shares in physical form, their folio number,
 - c) Copy of the Annual Report & Notice (2009-10).
 - d) The Attendance Slip duly completed & signed in terms of specimen signature lodged with the company.
 - e) Member companies/Institutions are requested to send a copy of the resolution of their Board/Governing Body, authorizing their representative to attend and vote at the Annual General Meeting.

Explanatory Statement under Section 173 (2) of the Companies Act, 1956

Item No. 5:

Mr. Manoj Nagrath was appointed as an Additional Director w.e.f. 5 January 2010. His appointment is required to be confirmed at the ensuing Annual General Meeting.

Mr. Manoj Nagrath is willing to act as a Director of the company, if so appointed and has consented for being appointed as a director of the company.

Mr. Manoj Nagrath is the Senior Partner of the firm S.P.Nagrath & Co., Chartered Accountants having its offices in New Delhi and Bangalore, and was enrolled as a member of the Institute of Chartered Accountants of India in 1983.

He has an experience of 25 years in almost every facet of the profession. He has to his credit experience in various fields such as Direct and Indirect taxation, audit, accounting, Company law matters and financial services. He carries wide experience in representing matters at the tax office and other Government authorities.

Your Directors feel that the appointment of Mr. Manoj Nagrath would be in the best interest of the company and accordingly recommend the passing of the resolution proposed at Item No.5 of the Notice.

Mr. Manoj Nagrath does not hold any shares of the company.

No Director other than Mr. Manoj Nagrath is in any way concerned or interested in the said resolution.

Item No. 6:

Mr. Rajiv C Mody was appointed as an Additional Director w.e.f. 7 August 2010. His appointment is required to be confirmed at the ensuing Annual General Meeting.

Mr. Rajiv C Mody is willing to act as a Director of the company, if so appointed and has consented for being appointed as a director of the company.

Mr. Rajiv C Mody, is the Chairman and Managing Director and founder of Sasken Communication Technologies Ltd. (Sasken). The company was set up in the classical tradition of Silicon Valley startups, in a garage in Fremont, California.

He qualified in electrical engineering degree from M.S. University, Baroda and Masters Degree in Computer Science from Polytechnic Institute of New York. He worked for Advanced Micro Devices, Seattle Tech Inc., and VLSI Technology Inc. in USA. At VLSI, Mr. Rajiv Mody was responsible for the design, development and integration of physical design tools for Gate-Array and Standard Cell Design Styles.

He has co-authored a patent in the area of physical design and published a paper at the ICCAD conference. He has been with Sasken since inception. He has over 22 years of experience in the technology business.

Your Directors feel that the appointment of Mr. Rajiv Mody would be in the best interest of the company and accordingly recommend the passing of the resolution proposed at Item No.6 of the Notice.

Mr. Rajiv Mody does not hold any shares of the company.

No Director other than Mr. Rajiv Mody is in any way concerned or interested in the said resolution.

Item No. 7:

Mr. Manny Marimuthu was appointed as an Additional Director w.e.f. 9 August 2010. His appointment is required to be confirmed at the ensuing Annual General Meeting.

Mr. Manny Marimuthu is willing to act as a Director of the company, if so appointed and has consented for being appointed as a director of the company.

Mr. Manny Marimuthu is having experience around 15 years of experience in the field of Finance and in the areas of audit & reviews, corporate finance, mergers & acquisitions, financial restructuring. Presently he is Senior Vice President of Finance for Flextronics Asia.

Your Directors feel that the appointment of Mr. Manny Marimuthu would be in the best interest of the company and accordingly recommend the passing of the resolution proposed at Item No.7 of the Notice.

Mr. Manny Marimuthu does not hold any shares of the company.

No Director other than Mr. Manny Marimuthu is in any way concerned or interested in the said resolution.

Place: Bangalore
Date: 12 August 2010

By the order of the Board
for **Centum Electronics Limited**
Apparao V Mallavarapu
Managing Director

Notice of the 16th Annual General Meeting (contd...)

Brief details of director proposed to be appointed / re-appointed at the Annual General Meeting

Mr. S Krishnan is willing to act as a Director of the company, if so appointed and has consented for being appointed as a director of the company.

Mr. Krishnan received his B.Tech from IIT, Madras and M.E. from IISC, Bangalore. He has rich experience of 33 years in the field of Microelectronics in Design, Engineering and Quality Assurance.

Mr. S Krishnan holds 50 shares of the company.

Mr. Manoj Nagrath is willing to act as a Director of the company, if so appointed and has consented for being appointed as a director of the company.

Mr. Manoj Nagrath is the Senior Partner of the firm S.P.Nagrath & Co., Chartered Accountants having its offices in New Delhi and Bangalore, and was enrolled as a member of the Institute of Chartered Accountants of India in 1983.

He has an experience of 25 years in almost every facet of the profession. He has to his credit experience in various fields such as Direct and Indirect taxation, audit, accounting, Company law matters and financial services. He carries wide experience in representing matters at the tax office and other Government authorities.

Mr. Manoj Nagrath does not hold any shares of the company.

Mr. Rajiv C Mody is willing to act as a Director of the company, if so appointed and has consented for being appointed as a director of the company.

Mr. Rajiv C Mody, is the Chairman and Managing Director and founder of Sasken Communication Technologies Ltd. (Sasken). The company was set up in the classical tradition of Silicon Valley startups, in a garage in Fremont, California.

He qualified in electrical engineering degree from M.S. University, Baroda and Masters Degree in Computer Science from Polytechnic Institute of New York. He worked for Advanced Micro Devices, Seattle Tech Inc., and VLSI Technology Inc. in USA. At VLSI, Mr. Rajiv Mody was responsible for the design, development and integration of physical design tools for Gate-Array and Standard Cell Design Styles.

He has co-authored a patent in the area of physical design and published a paper at the ICCAD conference. He has been with Sasken since inception. He has over 22 years of experience in the technology business.

Mr. Rajiv Mody does not hold any shares of the company.

Mr. Manny Marimuthu is willing to act as a Director of the company, if so appointed and has consented for being appointed as a director of the company.

Mr. Manny Marimuthu is having experience around 15 years of experience in the field of Finance and in the areas of audit & reviews, corporate finance, mergers & acquisitions, financial restructuring. Presently he is Senior Vice President of Finance for Flextronics Asia.

Mr. Manny Marimuthu does not hold any shares of the company.

Directors' Report

Your Directors have pleasure in presenting their Seventeenth Annual Report on the business and Operations of your Company and the audited Statement of Accounts for the year ended 31st March 2010.

FINANCIAL HIGHLIGHTS

	Rs.Millions	
Year ended March 31	2010	2009
Revenue	1109.00	227.31
Profit before Depreciation and Interest	94.64	32.72
Depreciation	75.28	19.33
Interest	16.21	7.72
Profit before tax	3.15	5.67
Proposed Dividend including distribution tax	14.43	8.66

PERFORMANCE

During the current year of operations, your company has registered a revenue of Rs.1109.00 million and posted Profit before Taxes of Rs. 3.15 million.

The Honourable High Court of Karnataka vide order dated July 16, 2010 approved the Scheme of Amalgamation of Soletron EMS India Limited with the Company

As the Appointed Date as per the Scheme is April 1, 2009 the results for the year 2009-10 includes the results of Soletron EMS India Limited which has been amalgamated with the Company but the previous year's (2008-09) figures do not include the results of Soletron EMS India Limited.

During the year, significant contributions were made in the Strategic electronic programs. The investments made in the global sales & marketing initiatives have started to yield results during the year in the form of new customers and new product introductions. These will result in higher revenues in the coming years.

SUBSIDIARY

During the second full year of operations, Centum Rakon India Private Limited has registered revenue of Rs.533.87 million and posted Profit before Taxes of Rs. 20.12 million.

DIVIDEND

A dividend of 10% on the paid up share capital of the company is recommended. The dividend payout is Rs. 1,23,33,333 and the tax on dividend for the year is Rs. 20,96,050

CONSOLIDATED FINANCIAL RESULTS

The Consolidated Financial statements have been prepared by the Company in accordance with the applicable Accounting standards (AS-21, AS-23 and AS-27) issued by the Institute of Chartered Accountants of India and the same together with the Auditor's Report thereon form part of the Annual Report.

HUMAN RESOURCES

The human capital has been recognized as a vital factor in achieving the goals and objectives of the organization. Emphasis is placed to build a network of dedicated and experienced professionals who would strive for organizational growth by maximizing the effectiveness while the policies and practices would foster employees' satisfaction, retention and productivity.

PARTICULARS OF EMPLOYEES

Information pursuant to Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to the shareholders of the Company excluding

Directors' Report (contd...)

the statement of particulars of employees under Section 217 (2A) of the Act. Any shareholder interested in obtaining a copy of the statement may write to the Company Secretary at the Registered Office address.

EMPLOYEE STOCK OPTION PLAN

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

The particulars prescribed under Guideline 12.1 of the SEBI (Employee Stock Option scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given in the annexure included in this report

DIRECTORS

The Changes that had occurred in the composition of the Board of Directors are given below:

Mr. Som Mittal resigned as Director w.e.f. December 14, 2009

Mr. Manoj Nagrath was appointed as an Additional director w.e.f. January 5, 2010

Mr. Rajiv C Mody was appointed as an Additional director w.e.f. August 7, 2010

Mr. Manny Marimuthu was appointed as an Additional director w.e.f. August 9, 2010

In terms of the provisions of Section 256 and other applicable provisions, if any, of the Companies Act, 1956, Mr. S. Krishnan, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The particulars relating to Mr. S. Krishnan are mentioned in the Report of Corporate Governance. Your Directors recommend for re-appointment of Mr. S. Krishnan.

None of the Directors of the company are disqualified for being appointed as Directors as specified in Section 274 of the Companies Act, 1956.

The required resolutions for re-appointment of the aforesaid director have been included in the notice convening ensuing Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of Companies (Amendment) Act, 2000, the Directors confirm that:

- i. in the preparation of annual accounts for the year ended 31st March 2010 all the applicable Accounting Standards had been followed along with the proper explanations relating to material departures, if any;
- ii. accounting policies were adopted and applied consistently and made judgements 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 31st March 2010 and of the profit or loss of the Company for year ended on that date;
- iii. proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the company has complied with the requirements. The Certificate on compliance of Corporate Governance requirements, issued by the Statutory Auditors is annexed to the Report of Corporate Governance.

AUDITORS

M/s BSR & Co., Chartered Accountants, Statutory Auditors of the company will retire at the forthcoming annual general meeting and they are eligible for re-appointment. Your Directors recommend the re-appointment of the above Statutory Auditors and resolution in this regard forms part of the agenda for the forthcoming Annual General Meeting, requiring approval of the shareholders. The retiring auditors have furnished a certificate of their eligibility for reappointment under Sec 224 (1B) of the Companies Act, 1956 and have indicated their willingness to continue.