CENTUM

Ref: CEL:SEC:221:2017-18

March 6, 2018

Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor, Plot No. C/1,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400051

Dear Sir/Madam,

Sub: Notice of Postal ballot

Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Notice of Postal Ballot along with statement under Section 102 of the Companies Act, 2013 and Postal Ballot Form.

This is for your information and records.

Thanking you,

Yours faithfully,
For Centum Electronics Limited,

Ramu Akkili
Company Secretary

Encl: a.a.

Centum Electronics Limited
44, KHB Industrial Area, Yelahanka New Town, Bangalore - 560 106, Karnataka, India
Tel +91-(0)80-4143-6000 **Fax** +91-(0)80-4143-6005 www.centumindia.com
CIN - L85110KA1993PLC013869

Centum Electronics Limited

CIN: L85110KA1993PLC013869
Registered Office: No.44, KHB Industrial Area, Yelahanka Newtown, Bangalore – 560 106.
Telephone: 080 4143 6000, Fax: 080 4143 6005, website: www.centumelectronics.com

Notice of Postal Ballot

To the Members of Centum Electronics Limited.,

Notice is hereby given that pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the following Resolution in respect of the Special Business more specifically provided in the appended Resolution, is proposed to be passed by Postal Ballot:-

SPECIAL BUSINESS:

1. To consider and, if deemed fit, to pass through Postal Ballot, the following Resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder (Collectively the 'Act'), Regulation 24 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999 and other applicable regulations (including any statutory modifications, amendments or re-enactments for the time being in force), the Memorandum and Articles of Association of the company and subject to other requisite approvals as may be required, the consent of the Members be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as 'the Board') to sell the entire 51% stake held in Centum Rakon India Private Limited (CRI) to Rakon Limited, or any of its affiliates at a consideration of US$ 5.5 million and enter into such agreement as may be required."

"**RESOLVED FURTHER THAT** for the purpose of implementation of this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, including but not limited to deciding the time, mode, manner, extent of if required and other terms and conditions of the sale/transfer of shares of CRI as aforesaid, negotiating and finalizing the terms of sale, executing necessary agreements, deeds, documents, indemnities contracts, declarations, undertakings, forms, letters and other papers as may be necessary, desirable and expedient to be agreed, signed and executed and to take all incidental and necessary steps for and on behalf of the company, and to settle all questions or queries that may arise in the course of implementing this resolution including to seek registration of such documents, deeds, filing intimations, applying for and on behalf of the company and seeking necessary consents, approvals."

By order of the Board of Directors
For Centum Electronics Limited
Sd/-
Ramu Akkili
Company Secretary

Place: Bangalore
Dated: 26-02-2018

Notes:

1. The Board of Directors has appointed Mr. S. P. Nagarajan, Practising Company Secretary as Scruitinizer for conducting the Postal Ballot in a fair and transparent manner.

2. The Statement as required under Section 102 of the Companies Act, 2013 is annexed to this Notice. A Postal Ballot Form is also enclosed.

The Notice is being sent to all the equity shareholders whose names appear in the Register of Members /Beneficiary Position maintained by the Depositories as on Friday, February 23, 2018. Voting rights shall be reckoned on the paid up value of the shares registered in the names of the Members as on that date.

ANNEXURE TO THE NOTICE

(Statement under Section 102 of the Companies Act, 2013)

Item No. 1

As shareholders aware, Centum Electronics Limited (Centum), holds 51% shareholding in the joint venture Centum Rakon India Private Limited (CRI) and the balance 49% shares are held by Rakon. CRI was formed in the year 2008 and grew very rapidly with the combined strengths of Centum and Rakon.

Both Centum and Rakon, worked very closely to make the Joint Venture successful. Both the Joint Venture partners benefited from CRI and have been maintaining excellent relationship.

Over the years, Centum has grown in other businesses and our strategy is to be in the design & manufacture of systems and subsystem for Space, Defence & Aerospace, Industrial, Transportation & Medical markets. Frequency Control Products, the business carried on by CRI, are electronic components primarily for Telecom and are not core to Centum's strategy. But Frequency Control Products are core and strategic to Rakon. Both Centum and Rakon discussed the same to find a solution which is in the best interest of both the JV partners.

Based on discussions between Rakon and Centum, it is proposed to sell 51% stake of Centum in CRI to Rakon or its affiliates for a consideration of USD 5.5 M subject to the required approvals. Further, it is proposed Rakon will pay Centum 75% of consideration on signing of the definitive agreements and the balance 25% on completion of transition or eighteen months from the date of signing whichever is earlier.

Pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, including the Rules made thereunder and Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is required to obtain consent of the shareholders by special resolution.

In view of the above, your Directors recommend for your approval.

None of the other Directors and Key managerial personnel of the company or their relatives are in any way concerned or interested in this resolution, except as members to the extent of their shareholding in the company.

By order of the Board of Directors
For Centum Electronics Limited
Sd/-
Ramu Akkili
Company Secretary

Place: Bangalore
Dated: 26-02-2018

INSTRUCTIONS FOR VOTING

I. Voting through Physical Postal Ballot Form

1. The Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed with the assent (for) or dissent (against), in the enclosed postage pre-paid self-addressed envelope, so as to reach the Scrutinizer, on or before the closing of working hours i.e. 5.00 p.m. on Friday, March 30, 2018, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
2. The Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted. Envelopes containing Postal Ballot Form if deposited in person or sent by courier at the expense of the Members will also be accepted.

E-Voting

The Company is pleased to offer e-Voting facility as an alternative to its Members, to enable them to cast their vote electronically instead of dispatching Postal Ballot Form. The procedure for the same is as under:

The instructions for e-voting are as under:

A. In case a Member receives an e-mail from Karvy (for Members whose e-mail addresses are registered with the Company/Depositories):

i. Use the following URL for e-voting
https://evoting.karvy.com

ii. Enter the login credentials i.e., user id and password sent by email along with the notice. Your Folio No/DP ID Client ID will be your user ID

iii. After entering the details appropriately, click on LOGIN.

iv. You will reach the 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. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and 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 EVENT i.e., **Centum Electronics Limited**.

vii. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / Against as the case may be. You are not required to cast all your votes in the same manner. You may also choose the option ABSTAIN in case you wish to abstain from voting.

viii. Cast your vote 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. During the voting period, shareholders can login any number of times till they have voted on the resolution.

ix. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.

x. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cs@nagarajsp818.com.

xi. The Portal will remain open for voting from 10.00 a.m. on 28th February, 2018 to 5.00 p.m. on 30th March, 2018 (both days inclusive).

xii. The results of e-voting will be announced by the company in its website and also informed to the stock exchanges.

B. In case a Member receives physical copy of the Notice of Postal ballot (for Members whose email addresses are not registered with the Company/Depositories):

i. Initial password, EVENT (E-Voting Event Number) and user ID are provided separately in the e-voting notice along with the Notice of Postal ballot.

ii. Please follow all steps from Sl. No. (i) to Sl. No. (xii) above, to cast vote.

C. Kindly note that the Members can opt only one mode of voting, i.e. either by Physical Ballot or e-Voting. If you are opting for e-Voting, then do not vote by Physical Ballot & vice-versa. However, in case the Member(s) cast their vote both via Physical voting & e-Voting, then voting validly done through e-Voting shall prevail and voting done by Physical Ballot shall be treated as invalid.

D. The e-voting period commences on Wednesday, February 28, 2018 (10.00 a.m. IST) and ends on Friday, March 30, 2018 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Friday, February 23, 2018 (being the cutoff date for issue of notice of Postal ballot), may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

E. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of https://evoting.karvy.com or contact Mr. Shivakumar of Karvy Computershare Pvt Ltd at 040 67161653 or at 1800 345 4001 (toll free).

General

1. The Scrutinizer will submit the report to the Chairman after completion of the scrutiny and the results of the Postal Ballot will be hosted on the Company's website at www.centumelectronics.com. for information of the Members, besides being communicated to the Stock Exchanges on which the shares of the Company are listed. The date of declaration of the Postal Ballot results will be taken as the date of passing the Resolution.
2. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

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POSTAL BALLOT FORM

(To be returned to the Company)
(FOR PHYSICAL VOTING ONLY)

1. Name(s) of Shareholder(s) (Including joint holder(s), if any) :

2. Registered address of the sole/First Named Shareholder :

3. Folio No./ DP ID No./ Client ID No. :

4. Number of share(s) held :

5. I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through Postal Ballot for the business stated in the Postal Ballot Notice of the Company dated 26th February, 2018 by conveying my/our assent or dissent to the said Resolution by placing the tick( ) mark in the appropriate box below:

Item No.	Brief Description of the Resolution	No. of Share(s)	Please Tick ( ) in the appropriate box below	
			I/We assent to the Resolution	I/We dissent to the Resolution
1	Special Resolution pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999 and other applicable regulations, to approve for the sales of entire 51% stake held in Centum Rakon India Private Limited (CRI) to Rakon Limited, or any of its affiliates at a consideration of US$ 5.5 million.			

Place :

Date :

Signature of the Shareholder(s)

E-voting facility particulars (to be retained with the shareholder

EVEN (E- Voting Event Number)	USER ID	PASSWORD/PIN

Note: Please read the Notes carefully before filling the Form.