CENTUM

Ref: CEL:SEC:219:2017-18 February 26, 2018

To
The 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: Outcome of Board meeting held on February 26, 2018
Ref: SCRIP Code CENTUM

This is to inform that the Board of Directors in its meeting held today (Feb 26, 2018) have inter-alia approved to sell 51% stake held in Centum Rakon India Private Limited, subject to approval of the shareholders.

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 its 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.

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CENTUM ELECTRONICS LIMITED

Centum Electronics Limited
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CIN - L85110KA1993PLC013869

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.

The future updates on disinvestment of stake in CRI as above will be provided in due course.

Thanking you,

Yours faithfully,
For Centum Electronics Limited,

Ramu Akkili
Company Secretary

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