

# SIEMENS

## **Notice pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001**

Dear Member(s),

NOTICE is hereby given that the following Ordinary Resolution relating to the sale and transfer of the Company's Undertaking comprising of "Communications Enterprise Networks Division" (COM EN Division) to 'Siemens Enterprise Communications Pvt. Ltd.', Mumbai, a 100% subsidiary of the parent company, Siemens AG, Germany, with effect from 1<sup>st</sup> April, 2007, is proposed to be passed by the Company. Pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 (the Act), sell, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking of the whole or substantially the whole of any such undertaking, requires the approval of the shareholders by way of an Ordinary Resolution. Further, pursuant to the provisions of Section 192A of the Act, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the consent / approval of the shareholders for the above purpose is required to be obtained by way of postal ballot.

Accordingly, the proposed Resolution and the Explanatory Statement are being sent to you along with a Postal Ballot Form for your consideration.

The Committee of Directors constituted for this purpose has appointed Mr. P. N. Parikh, Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Please read the instructions printed in the Postal Ballot Form carefully and return the Form duly completed and signed, in the enclosed postage pre-paid self-addressed envelope so as to reach the Scrutinizer on or before the close of working hours on Tuesday, 20<sup>th</sup> March, 2007.

The Scrutinizer will submit his report to the Managing Director / Executive Director of the Company after completion of the scrutiny of the Postal Ballots and the results thereof will be announced by either of the said Directors or by the Corporate Secretary in their absence, on Monday, 26<sup>th</sup> March, 2007 at 03.00 p.m. at the Registered Office of the Company at 130, Pandurang Budhkar Marg, Worli, Mumbai - 400 018. Additionally, the results will be put up on the Company's website [www.siemens.co.in](http://www.siemens.co.in) and published in the newspapers.

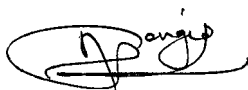
To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a), Section 192A read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned Statutory Authorities and subject to such terms and conditions as may be imposed by them, consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board" which expression shall also include a committee thereof) to sell and transfer, the Company's Undertaking comprising of 'Communications Enterprise Networks Division' (COM EN Division) along with all the employees as well as assets and liabilities of the COM EN Division including all licences, permits, consents and approvals whatsoever, as a "going concern" to 'Siemens Enterprise Communications Pvt. Ltd.', Mumbai, a 100% subsidiary of the parent company, Siemens AG, Germany, with effect from 1<sup>st</sup> April, 2007 for a total consideration of Rs. 580 million as at 30<sup>th</sup> September, 2006 arrived at based on the independent Valuation of the COM EN Division done by PricewaterhouseCoopers Pvt. Ltd., to be suitably adjusted at the date of actual transfer."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, matters, deeds and things, as may be necessary, without further referring to the Members of the Company, including finalising the terms and conditions, methods and modes in respect thereof, determining the exact effective date, if need to be changed, and finalising and executing necessary documents including schemes, agreements, deeds of assignment / conveyance and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company including the power to delegate, to give effect to this Resolution."

By order of the Committee of Directors

Siemens Ltd.



**Ashok Jangid**  
Corporate Secretary

Mumbai, 1<sup>st</sup> February, 2007.

**Siemens Ltd., Registered Office:** 130, Pandurang Budhkar Marg, Worli, Mumbai 400 018.

## EXPLANATORY STATEMENT PURSUANT TO SECTIONS 173(2) AND 192A(2) OF THE COMPANIES ACT, 1956

Siemens AG, Germany (SAG), the Company's parent company, has recently announced certain very important strategic changes for its Communication Group, which includes, inter-alia, Enterprise Networks Business.

SAG proposes to consolidate the said Enterprise Networks Business into a separate entity worldwide. A new company named Siemens Enterprise Communications Pvt. Ltd., (SECPL) a 100% subsidiary of SAG has been incorporated in India on 11<sup>th</sup> January, 2007 for this purpose.

The Company's Communications Enterprise Networks Division (COM EN Division) is engaged in and responsible for the said Enterprise Networks Business.

COM EN Division of the Company provides the most comprehensive portfolio of next generation IP based communications platforms - the HiPath family of 'IP-Ready' EPABX / KTS, terminals (Digital and IP Phones, Video Conferencing, PC Soft phones and DECT cordless handsets) and applications (Call Centres, Networking, Mobility, Teleworking, and VoIP, Multimedia CRM). For the year ended on 30<sup>th</sup> September, 2006, the Turnover of COM EN Division was Rs.1,283 million.

The Board of Directors at its Meeting held on 23<sup>rd</sup> November, 2006, approved the sale and transfer of the COM EN Division along with all its employees as well as assets and liabilities including all licences, permits, consents and approvals whatsoever, as a "going concern" to a new subsidiary company of Siemens AG. PricewaterhouseCoopers Pvt. Ltd. (PWC) has done an independent valuation of COM EN Division as at 30<sup>th</sup> September, 2006. The Committee of Directors constituted for implementation of the decision relating to the carve out of COM EN Division, discussed the Valuation Report of PWC and recommended to the Board of Directors a price consideration of Rs. 580 million to be suitably adjusted at the date of actual transfer. The Board of Directors considered and approved the said price consideration at the Board Meeting held on 18<sup>th</sup> January, 2007.

The sale and transfer of COM EN Division to SECPL will be done as a going concern and by way of a slump sale.

The proposed sale and transfer will be in conformity with the provisions of proviso to Section 25FF of the Industrial Disputes, Act, 1947 ensuring that the services of concerned employees presently numbering approx. 329 engaged in COM EN Division will be transferred to SECPL with continuity of service and terms and conditions of service no less favourable than the existing ones.

The above proposal is subject to the approval of Members and other concerned Authority(ies).

Pursuant to the provisions of Sections 293(1)(a) and 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the sell, transfer or disposal of an undertaking requires the approval of the Members by an Ordinary Resolution by way of Postal Ballot. Accordingly, the approval of the Members is being sought through Postal Ballot for passing the Ordinary Resolution as set out in the above Notice.

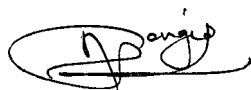
The Valuation Report dated 16<sup>th</sup> January, 2007 of PWC is open for inspection by the Members at the Registered Office of the Company on all working days between 10.00 a.m. and 12.00 noon upto the date of declaration of the Results of voting by Postal Ballot by the Company.

The Board of Directors is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence commends the Resolution for your approval.

Except Prof. Dr. K. Wucherer, Mr. Joe Kaeser and Dr. O. Schmitt, Alternate Director for Mr. Joe Kaeser, as representatives of Siemens AG, none of the other Directors of the Company is in any way concerned or interested in this Resolution.

By order of the Committee of Directors

**Siemens Ltd.**



**Ashok Jangid**  
**Corporate Secretary**

Mumbai, 1<sup>st</sup> February, 2007.