

Siemens Medical Solutions Diagnostics Ltd.

Report  junction.com

India

33rd Annual Report, 2007

SIEMENS

Financial Highlights

Rs. Million

	2007 @ Nine Months	2006	2005	2004	2003
Sales & Other Income	560.1	769.1 *	700.5 *	634.8 *	550.0 *
Profit Before Tax	56.0	351.1 **	94.9	90.2	80.1
Profit After Tax	37.8	262.7 **	60.0	57.9	53.2
Dividend (%)	60	1050 #	80	80	75
Reserves & Surplus	462.3	435.5	360.8	315.2	271.5
Net Block	159.9	124.5	136.4	109.2	53.0
Earning Per Share (Rs.)	24.14	43.80 †	38.27	36.93	33.96
Book Value Per Share (Rs.)	304.95	287.84	240.21	211.14	183.25
Debt Equity Ratio	0.06:1	0.06:1	0.07:1	0.08:1	0.08:1
Number of Shareholders	4450	4983	3337	3423	3399
Number of Employees	200	191	204	213	214

@ 2007 figures are for the 9-month period ended on September 30, 2007

* Previous years' data regrouped for comparison and is not strictly comparable due to Sale of Diabetes Care business w.e.f. December 1, 2006

** Includes Profit of Rs.250.2 Mio from Sale of Diabetes Care business in the year 2006

Includes Interim Dividend of 970% in the year 2006 declared out of Profit on Sale of Diabetes Care business

† Excluding Exceptional Item - Profit on Sale of Diabetes Care business in the year 2006

Siemens Medical Solutions Diagnostics Ltd.
(formerly known as Bayer Diagnostics India Limited)

Board of Directors

Mr. David Ian Alexander (Upto 29.11.07)	<i>Chairman</i>
Mr. Narendra J Jhaveri	
Mr. Pradip V Nayak	
Mr. Praveen Singh	<i>Managing Director</i>
Mr. Ashvin Bhatt	<i>Whole-time Director, CFO & Company Secretary</i>

Auditors

M/s. BSR & Co., Chartered Accountants

**Registered Office
& Plant**

589 Sayajipura, Ajwa Road,
Baroda – 390 019, Gujarat.
Phone: +91 265 256 2720
Fax: +91 265 256 5103
E-mail: smsd.in@siemens.com

Bankers

Citibank N.A.

**Registrars and
Share Transfer Agents**

Intime Spectrum Registry Limited
1st Floor, Jaldhara Complex,
Opp. Manisha Society,
Off Old Padra Road, Vasna Road,
Baroda – 390 015
Tel : +91 265 2250 241, 2249 857
Fax: +91 265 2250 246
E-mail: vadodara@intimespectrum.com

Solicitors

Crawford Bayley & Co., Mumbai

Notice

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of Siemens Medical Solutions Diagnostics Ltd. will be held at Chandarva Hall, WelcomHotel Vadodara, R.C.Dutt Road, Baroda, Gujarat on Monday, March 24, 2008 at 11.00 a.m. to transact the following business:

As Ordinary Business

- i) To receive, consider and adopt the Audited Accounts, Balance Sheet as at September 30, 2007, Profit & Loss Account for the year ended on that date & the reports of Directors and Auditors thereon.
- ii) To declare a dividend.
- iii) To appoint a Director in place of Mr. Narendra J. Jhaveri, who retires by rotation and being eligible, offers himself for reappointment.
- iv) To appoint a Director in place of Mr. Pradip V. Nayak, who retires by rotation and being eligible, offers himself for reappointment.
- v) To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors.

As Special Business

- vi) To consider and, if thought fit, to pass with or without modifications, as an **ORDINARY RESOLUTION**, the following:

"RESOLVED THAT Mr. D. Ragavan, who was appointed as Additional Director of the Company and who holds office until the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, and Article 101 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, not liable to retire by rotation."

- vii) To consider and, if thought fit, to pass with or without modifications, as an **ORDINARY RESOLUTION**, the following:

"RESOLVED THAT Mr. Ashvin Bhatt, who was appointed as Additional Director of the Company and who holds office until the date of the Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956, and Article 101 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- viii) To consider and, if thought fit, to pass with or without modifications, as a **SPECIAL RESOLUTION**, the following:

"RESOLVED THAT subject to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 (Act) and subject to approval of Central Government, approval be and is hereby accorded to the appointment of Mr. Ashvin Bhatt, CFO & Company Secretary as Whole-time Director of the Company for a period of 5 years with effect from June 23, 2007 on the remuneration as

set out in the explanatory statement annexed hereto, which the Board may revise upward from time to time subject to the approval of Central Government or in compliance with Schedule XIII and other provisions of the Companies Act, 1956, for a period of 3 years w.e.f. June 23, 2007;

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorised to alter or vary the terms and conditions of the said appointment including upward revision of the remuneration from time to time in such manner as may be agreed upon between the parties and within the limits prescribed by the Act or by the Central Government in this behalf;

RESOLVED FURTHER THAT subject to the provisions of Schedule XIII of the Act or any amendments thereof, in the event the Company in any financial year has no profits or its profits are inadequate, the remuneration as annexed herewith or revised by the Board of Directors from time to time shall be paid as minimum remuneration to Mr. Ashvin Bhatt as Whole-time Director;

RESOLVED FURTHER THAT in the event of any relaxation made by the Government in the guidelines or ceiling on Managerial Remuneration during the period of this appointment, the remuneration (including "Minimum Remuneration") payable to the Whole-time Director may be increased as the Board may deem fit in accordance with the guidelines or ceiling;

RESOLVED FURTHER THAT in the event of termination of the appointment by the Company, Mr. Ashvin Bhatt shall be entitled to receive compensation in accordance with the provisions of Section 318 of the Act".

- ix) To consider and, if thought fit, to pass with or without modifications, as a **SPECIAL RESOLUTION**, the following:

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003 (hereinafter referred to as the 'Delisting Guidelines') and subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time in force), Securities Contracts (Regulation) Act, 1956 and the Rules framed there under, Listing Agreement, and all other applicable rules, regulations and guidelines and subject to the approval of stock exchange where the shares of the Company are listed and any other appropriate authority, institutions or regulators as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Vadodara Stock Exchange Limited (VSE) at such time as the Board may decide;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be authorised on

Notice (Continued)

behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

- x) To consider and, if thought fit, to pass with or without modifications, as a **SPECIAL RESOLUTION**, the following:

"RESOLVED THAT the Articles of Association of the Company be altered by amending Article 98 as follows:

'Subject to the provisions of Section 255 of the Act, Siemens AG, Germany or Siemens Diagnostics Holding II B.V., Netherlands or either of their subsidiaries or authorised affiliate(s) (hereinafter referred as SIEMENS), shall have the right by notice in writing addressed to the Company to appoint two directors so long as Siemens Diagnostics Holding II B.V. holds not less than fifty one percent (51%) of the paid up equity share capital of the Company.

SIEMENS shall have the right to remove any such director and to appoint another person in his place or to fill any vacancy caused by the removal, resignation,

incapacity, death or otherwise of any such nominee. Any such appointment or removal shall be by notice to the Company in writing and signed by an Officer or person duly authorised in that behalf by SIEMENS.

Such nominee directors shall be entitled to the same rights and privileges and be subject to the obligations as any of the other directors of the Company except that such nominee directors shall not be subject to retirement by rotation.'

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to do all such acts, deeds or things which are required to be complied with in this regard."

By Order of the Board,

Mumbai,
November 29, 2007

Ashvin Bhatt
CFO and Company Secretary

Report  junction.com

Notes

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING CAN APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The Share Transfer Books and the Register of Members of the Company will remain closed from March 17, 2008 to March 24, 2008 (both days inclusive).
4. Subject to section 206A of the Companies Act, 1956, the dividend as recommended by the Board, if approved at the 33rd Annual General Meeting, will be paid to those members whose names stand on the Company's Register of Members as on March 17, 2008. In respect of shares held in the electronic form, the dividend will be payable on the basis of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
5. As members are aware, equity shares of the Company are traded in electronic form for all shareholders. Members who hold equity shares in physical form may dematerialise the same. ISIN allotted to the Company for this purpose is INE195D01014.
6. As members are aware, the physical shares in the erstwhile name of Bayer Diagnostics India Ltd. are invalid for all purposes w.e.f. September 11, 2007. Hence, members are requested to kindly send the share certificates in the new name of the Company i.e. Siemens Medical Solutions Diagnostics Ltd. for any transfer, transmission, split, consolidation or for dematerialisation.
7. The members having shares in physical form are requested to furnish the details of their bank account, as dividend is now required to be distributed through the Electronic Clearing Service (ECS). The details of bank accounts should be furnished to the Company's Registrar & Share Transfer Agent, M/s. Intime Spectrum Registry Limited, 308, 1st Floor, Jaldhara Complex, Opp. Manisha Society, Off Old Padra Road, Vasna Road, Baroda 390 015 on or before March 15, 2008.
8. Beneficial owners holding shares in electronic form are requested to notify any change in address, bank particulars, ECS particulars etc. to their respective depository participants and make sure that such changes are recorded by them correctly on or before March 15, 2008. The particulars recorded with the depository participants will be considered for making the payment of dividend either by issuing physical instruments or by ECS as intimated by the Company. Shareholders are requested to take appropriate action in the matter, in their own interest, to avoid delay in receiving the payment of dividend.
Where dividend payments are made through ECS, intimations regarding such remittances would be sent separately to the shareholders.
9. Register of Contracts, Companies and Firms in which directors are interested is open for inspection at the

registered office of the company between 10.00 a.m. to 12.30 p.m. from Monday to Friday except declared holidays.

10. The equity shares of the Company are listed with Bombay Stock Exchange Limited and Vadodara Stock Exchange Limited, Vadodara. The Company has paid the Listing fees for the year 2007.
11. The Proxy Form duly completed should reach the Company's Registered Office at least 48 hours before the time appointed for the meeting.
12. Members desirous of getting any information in respect of Accounts are requested to send their queries in writing to the Company at the Registered Office so as to reach the Company seven days before the meeting.
13. The members are requested to encash the Dividend Warrants immediately on receipt, as dividends remaining unclaimed for seven years are now required to be transferred to the "Investor Education and Protection Fund" (IEP Fund) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Members shall not be able to claim any unclaimed dividend from the said fund or the Company thereafter.

Information in respect of such unclaimed dividend when due for transfer to the said fund is given below:

Dividend for the year	Date of declaration of Dividend	Due date for transfer to IEP Fund
December 31, 2000	June 15, 2001	July 15, 2008
December 31, 2001	June 25, 2002	July 25, 2009
December 31, 2002	May 26, 2003	June 26, 2010
December 31, 2003	May 28, 2004	June 28, 2011
December 31, 2004	May 21, 2005	June 21, 2012
December 31, 2005	May 27, 2006	June 27, 2013
December 31, 2006*	December 06, 2006	January 06, 2014
December 31, 2006**	June 23, 2007	July 23, 2014

* Interim Dividend ** Final Dividend

Members who have not so far encashed their dividend warrants may approach the Company's Registered Office at 589 Sayajipura, Ajwa Road, Baroda - 390 019.

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

Item (vi)

Mr. D. Ragavan was co-opted as an Additional Director of the Company with effect from June 23, 2007, pursuant to Section 260 of the Companies Act, 1956, read with Article 101 of the Articles of Association of the Company. Mr. Ragavan holds office of Director up to the date of the ensuing Annual General Meeting.

None of the Directors of the Company other than Mr. Ragavan is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. vi for the approval of the members.

Item (vii)

Mr. Ashvin Bhatt was co-opted as an Additional Director of the Company with effect from June 23, 2007, pursuant to Section 260 of the Companies Act, 1956, read with Article 101 of the Articles of Association of the Company.

Notes (Continued)

Mr. Bhatt holds office of Director up to the date of the ensuing Annual General Meeting.

None of the Directors of the Company other than Mr. Bhatt is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. vii for the approval of the members.

Item (viii)

Mr. Bhatt is associated with the Company since July 1995. Mr. Bhatt has been appointed as CFO & Company Secretary w.e.f. June 1, 2007. Subsequently, Mr. Bhatt has been appointed as Whole-time Director on the Board w.e.f. June 23, 2007 subject to approval of Central Government. Mr. Bhatt has held several positions of increasing responsibility in the areas of finance, accounts, corporate taxation and law both within and outside of India. He has very rich experience of 27 years in the various fields like Finance, Accounts, Corporate Taxation, Foreign Exchange Management, Company Law & SEBI Regulations.

Mr. Bhatt holds a commerce degree in accounting from the M.S. University of Baroda. He is a Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.

Mr. Bhatt is an Executive Director and does not hold any shares or beneficial interest in any shares of your Company. Apart from Siemens Medical Solutions Diagnostics Ltd., Mr. Bhatt does not hold any directorship and membership in committee in any other Company.

The remuneration details of Mr. Bhatt are as under:

1) Period :

Appointment of Mr. Ashvin Bhatt shall be for a period of five years with effect from June 23, 2007 to June 22, 2012.

2) Remuneration :

The remuneration payable to Mr. Ashvin Bhatt shall be for a period of three years subject to the approval of the shareholders by a special resolution and also subject to the approval of the Central Government.

A) Salary : Not exceeding Rs. 235,983 per month; increments being at the discretion of the Board.

B) Commission : Nil

C) Performance Bonus and Incentive : Amounts for Short Term Incentives as per the Global Policy of Siemens for Senior Management.

D) Perquisites : Not exceeding Rs. 86,851 per month.

E) Others : Such other benefits viz Contribution to Provident Fund & Pension Scheme, Superannuation & Gratuity fund – Not exceeding Rs. 36,471 per month.

F) Privilege Leave : As per the Rules of the Company.

G) Encashment of Leave : As per the Rules of the Company.

3) Minimum Remuneration :

Subject to the provisions of Schedule XIII of the Companies Act, 1956 or any amendments thereof, in the event the Company in any financial year has no

profits or its profits are inadequate, the above salary & perquisites shall be paid as minimum remuneration to the Whole-time Director.

4) Other Terms & Conditions :

In the event of termination of the appointment by the Company, the appointee shall be entitled to receive compensation in accordance with the provisions of Section 318 of the Companies Act, 1956.

5) The Whole-time Director, so long as he functions as such, shall not be paid any sitting fees for attending the meetings of the Board of Directors or any committee thereof.

6) The Whole-time Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and / or minor children in any selling agency of the Company in future without the prior approval of the Board of Directors.

The remuneration offered to Mr. Ashvin Bhatt is the most suitable in today's market scenario. It is subject to approval of the Members and the Central Government. This explanatory statement together with the Notice should be treated as an abstract under section 302 of the Companies Act, 1956.

None of the Directors of the Company other than Mr. Ashvin Bhatt is any way concerned or interested in the resolution. The Board recommends the resolution set forth in Item viii for approval of shareholders.

Item (ix)

The shares of the Company are presently listed on the Bombay Stock Exchange Ltd. (BSE) and Vadodara Stock Exchange Ltd. (VSE).

The shares of the Company are not presently traded on Vadodara Stock Exchange and the entire trading of the Company's shares is done only at BSE. BSE has nation-wide trading terminal and therefore provide full liquidity to the investors. In view of this, the delisting of Company's shares from VSE will not have any adverse impact on the investors.

SEBI has already issued a circular doing away with the concept of a regional stock exchange. Also SEBI has permitted companies to delist their shares from any stock exchange in accordance with the SEBI Delisting of Securities Guidelines-2003. In accordance with these guidelines, the Board of Directors of the Company has proposed to delist the shares of the Company from the Vadodara Stock Exchange Ltd. The shares of the Company would continue to be listed on the Bombay Stock Exchange Ltd.

In line with SEBI Regulations, the approval of the members by way of a special resolution is required for enabling voluntary delisting of its securities from a stock exchange. Accordingly, the approval of the shareholders is solicited.

None of the Directors of the Company is any way concerned or interested in the resolution. The Board recommends the resolution set forth in Item ix for approval of shareholders.

Notes

Item (x)

Article 98 of the Articles of Association of your Company relates to appointment of non retiring directors by Siemens AG, Germany or Siemens Diagnostics Holding II B.V., Netherlands or either of their subsidiaries or authorised affiliate(s) (hereinafter referred as SIEMENS) so long they hold fifty one percent (51%) of the equity share capital of the Company.

A copy of the existing articles together with the proposed alteration to the articles is available for inspection at the registered office of the Company between the business

hours on any working day.

None of the Directors of the Company is any way concerned or interested in the resolution. The Board recommends the resolution set forth in Item x for approval of shareholders.

By Order of the Board,

Mumbai,
November 29, 2007

Ashvin Bhatt
CFO and Company Secretary

Report  junction.com

Additional Information on Directors recommended for appointment or seeking reappointment at the Annual General Meeting

Mr. Narendra J. Jhaveri

Mr. Narendra J. Jhaveri is 71 years of age and is an eminent economist. After completing his degree in Economics from Gujarat University, Mr. Jhaveri obtained his Master's Degree from the London School of Economics. After teaching Economics at Ahmedabad and a brief stint with NCAER, he joined RBI. Mr. Jhaveri then joined ICICI as Chief Economist in 1974 and rose to the position of Joint Managing Director of ICICI. In 1993, he moved to I-Sec, a joint venture investment bank between ICICI and JP Morgan, as Executive Chairman. Thereafter, he was associated with Kotak Mahindra Group.

Apart from giving frequent talks on subjects related to Indian finance and capital market, he contributes to Indian economic dailies. Mr. Jhaveri is an independent director and does not hold any shares or beneficial interest in any shares of your Company. Apart from Siemens Medical Solutions Diagnostics Ltd., Mr. Jhaveri holds directorship and membership of the following companies / committees :

Sr. No.	Name of public limited companies in which Directorship is held	Position held	Committee Membership / Chairmanship in other public limited companies
1	Afcons Infrastructure Ltd.	Director	Chairman, ACM
2	Gujarat State Petronet Ltd.	Director	Member, ACM
3	Hindalco Industries Ltd.	Director	Member, ACM
4	Siemens Ltd.	Director	Chairman, RCM
5	Indian Aluminium Co. Ltd.	Director	None
6	Pidilite Industries Ltd.	Director	Member, ACM
7	Siemens Information Systems Ltd.	Director	None
8	SKF India Ltd.	Director	Member, ACM
9	Usha Martin Ltd.	Director	Chairman, ACM
10	Voltas Ltd.	Director	Chairman, ACM
11	Ultra Tech Cement Ltd.	Director	None
12	Edelweiss Capital Ltd.	Director	None

Note :

ACM denotes Audit Committee & RCM denotes Remuneration Committee

Mr. Pradip V. Nayak

Mr. Pradip V. Nayak is 63 years of age. He graduated with combined honours in Economics and Politics from the University of York, England. He then read law at Gray's Inn, London.

Mr. Nayak Joined GlaxoSmithKline Pharmaceuticals Ltd., in 1989 and was elevated to the Board of Directors in 1992. He retired as Senior Executive Director in 2003. During this period in the company, besides being responsible for Human Resources, Corporate Legal, Corporate Communications, General Administration, etc., he was also in charge of the veterinary business and the fine chemicals and laboratory supplies business.

From 1970 to 1989, he had held several senior level positions in Anil Starch Products, Borosil Glass Works (a Corning subsidiary at that time) and Union Carbide. He also practiced management consultancy with A.F. Ferguson & Co.

He has earlier been Director of Glaxo India Limited, Burroughs Wellcome India Ltd., SmithKline Beecham Pharmaceuticals Ltd., Biddle Sawyer Ltd., Croydon Chemicals Ltd. and Meghdoot Chemicals Ltd.

Mr. Nayak is an independent director and does not hold any shares or beneficial interest in any shares of your Company. Apart from Siemens Medical Solutions Diagnostics Ltd., Mr. Nayak holds directorship and membership of the following companies / committees:

Sr. No.	Name of public limited companies in which Directorship is held	Position held	Committee Membership / Chairmanship in other public limited companies
1	GlaxoSmithKline Pharmaceuticals Ltd.	Director	Member, ACM
2	Siemens Ltd.	Director	Member, SIGC

Note :

ACM denotes Audit Committee & SIGC denotes Shareholders / Investors Grievance Committee

Mr. D. Ragavan

Mr. D. Ragavan is the Executive Vice President of the Medical Solutions Division of Siemens Ltd. Mr. Ragavan joined Siemens in 1983 as a commercial trainee and over the years, worked in various divisions of the company.

In his 24-year long career with Siemens, Mr. Ragavan has held various responsible positions. Mr. Ragavan has been a highly motivating force behind the turnaround of Medical Solutions in India, leading the division to a persistent profitable growth.

His leadership qualities are widely acclaimed both within and outside the organization.

Mr. Ragavan was co-opted as Additional Director w.e.f. June 23, 2007. Mr. Ragavan is a Non-independent Director and does not hold any shares or beneficial interest in any shares of your Company. Apart from Siemens Medical Solutions Diagnostics Ltd., Mr. Ragavan does not hold any directorship and membership in committee in any other Company.

