

# Cummins India Limited

Registered Office: Kothrud, Pune 411 038

## **NOTICE OF VOTING THROUGH POSTAL BALLOT**

(Pursuant to Section 192A (2) of the Companies Act, 1956)

Dear Shareholder(s),

The Company has entered into an agreement dated November 20, 2008, with Aggreko Energy Rental India Private Limited for disposal of its "Power Generation Rental Power" Business, as a going concern, subject to approval by Shareholders of the Company.

As per the provisions of Section 293 (1) (a) of the Companies Act, 1956 ("the Act"), the sale, 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.

Accordingly this Notice is being sent to you, pursuant to Section 192A (2) of the Act, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, in respect of the Ordinary Resolution set out below. The Explanatory Statement setting out all material facts and the reasons for the proposal is also enclosed for your consideration.

Please carefully read the instructions printed on the enclosed Postal Ballot Form and return the Form duly completed in the attached self-addressed, postage pre-paid envelope, so as to reach the Scrutinizer before the close of working hours on December 26, 2008.

The Company has appointed Mr. Sridhar Mudaliar, Practicing Company Secretary, Pune, as Scrutinizer to scrutinize the Postal Ballots. The Scrutinizer will submit his Report after scrutiny, to the Chairman & Managing Director of the Company, who will announce the result of the voting by Postal Ballot on December 29, 2008 at the Registered Office of the Company at 11.00 a.m.

In the event the draft resolution as set out is assented to by requisite majority of Shareholders by means of a Postal Ballot, it shall be deemed to have been passed as Special Business at an Extraordinary General Meeting. The date of announcement of the result of the Postal Ballot shall be considered to be the date of Extraordinary General Meeting and the date of passing of the said resolution.

### **To consider and if thought fit to pass the following resolution as an Ordinary Resolution through Postal Ballot under the provisions of Section 293(1) (a) of the Companies Act, 1956.**

"RESOLVED that pursuant to Section 293 (1) (a) and other applicable provisions, if any of the Companies Act, 1956 and subject to such other approvals as may be required, consent be and is hereby accorded for disposal of the Company's "Power Generation Rental Power" Business to Aggreko Energy Rental India Private Limited as a going concern for a total consideration of not less than Rs. 300 million (inclusive of stamp duty but exclusive of applicable taxes) subject to fulfillment of the terms and conditions contained in Business Transfer Agreement dated November 20, 2008 and such other terms and conditions as the Board of Directors of the Company may deem fit and appropriate and that the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or expedient to give effect to this resolution."

By Order of the Board of Directors

Pune  
November 20, 2008

Dinesh Castellino  
Vice President Legal & Company Secretary

Note: Explanatory Statement setting out all material facts as required under Sections 173(2) and 192A(2) of the Act, in respect of the above business is enclosed.

## **Explanatory Statement pursuant to Sections 173(2) and 192A (2) of the Companies Act, 1956.**

The Company is mainly engaged in the business of manufacture and sale of Internal Combustion Engines for Industrial, Power Generation and Automotive applications. In addition to the main business, the Company has been engaged in the business of providing Generator Sets ranging from 15 kVA to 1250 kVA on rental basis to customers across India, through its "Power Generation Rental Power" Business ("Rental Business").

In order to enable the Company to further strengthen and develop its core business of manufacture and sale of Internal Combustion Engines, it is proposed to dispose of the Rental Business as a going concern, on slump sale basis. This will enable the Company to focus its attention on growing its core business. It is proposed to transfer the Rental Business along with essential assets such as equipments, inventories, information etc. which are required to conduct the business.

The Company has entered into a Business Transfer Agreement dated November 20, 2008, with Aggreko Energy Rental India Private Limited (Aggreko) for disposal of the Rental Business for a lump sum consideration of Rs. 300 million inclusive of stamp duty but exclusive of applicable taxes, subject to approval of the Shareholders. Aggreko is a subsidiary of Aggreko plc, U.K., world leader in the supply of temporary power, temperature control and oil-free compressed air services. It is proposed to transfer the Rental Business to Aggreko on or before January 31, 2009, subject to receipt of all consents and approvals including consent of the Shareholders.

The Board of Directors by their resolution dated November 19, 2008, have approved disposal of the Rental Business, subject to approval being accorded by the Shareholders. The above transaction requires consent of the Shareholders by Postal Ballot under Sections 293(1) (a) and 192A of the Act.

The sale is subject to receipt of all consents and approvals including consent of the Shareholders under Section 293(1) (a) of the Act.

Accordingly, the consent of the Shareholders is solicited by passing an Ordinary Resolution through Postal Ballot under the provisions of Section 293(1) (a) of the Act, as detailed in the Notice.

As the proposal for sale of the Rental Business will be in the interest of the Company, the Board of Directors recommends passing of the Ordinary Resolution as set out in the Notice.

The Agreement referred to in the above Notice will be available for inspection at the Registered Office of the Company between 10 a.m. and 12.30 p.m. on all working days (except Saturdays, Sundays and Holidays) upto December 26, 2008.

None of the Directors is interested or concerned in the aforesaid resolution.

By Order of the Board of Directors

Pune  
November 20, 2008

Dinesh Castellino  
Vice President Legal & Company Secretary