

The background of the entire page is a vibrant night photograph of a city intersection. In the foreground, a multi-lane road curves through the frame, with long-exposure light trails from cars in shades of blue, white, and red. To the left, a prominent building with a tiered, illuminated top stands out against the dark sky. Other modern skyscrapers are visible in the background, their windows glowing with city lights. The overall scene conveys a sense of modernity and urban development.

SIEMENS

# Making India future-ready

Annual Report 2012

[www.siemens.co.in](http://www.siemens.co.in)

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SIEMENS

# There is more to life than waiting at airports.

Siemens answers for efficient airport infrastructure are helping people save time every time they fly.

Bengaluru is a city on the move, making its airport amongst the busiest in the country. It needs an airport that can efficiently manage a constant flow of passengers and flights to the second. This is where Siemens airport management systems are helping Bengaluru International Airport. With building automation, runway lighting systems, security and flight management systems this airport is

ready for the future. Fully automated check-in counters are helping passengers avoid long check-in lines. It is not only about making airports faster, safer or greener - it is also about giving people the time to do what they love doing most. When it is about building cities that are livable and lovable, Siemens has the answers that last.

[siemens.com/answers](https://www.siemens.com/answers)



The background of the advertisement is a photograph of a woman in a purple shirt standing on a rooftop at night, holding a book and looking up at a bright street lamp. Another person is sitting on the ground in the foreground, also looking up. The scene is illuminated by the warm glow of the street lamp, creating a hopeful and educational atmosphere.The Siemens logo is displayed in a white box in the top left corner of the image.**SIEMENS**

# Power can illuminate more than just homes.

**Siemens answers for bulk power transmission over long distances is ensuring a brighter future for the country.**

The progress and prosperity of the people of the country depends on consistent and quality power supply. But for the traditionally power-starved regions, the closest power source may lie hundreds of kilometers away. Drawing power from such great distances can be quite expensive, not to mention the heavy transmission losses on the way. This is where Siemens High Voltage Direct Current (HVDC) technology is helping bridge the gap. With transmission lines like the one in operation between Mundra and Haryana, power can now be transmitted with minimum losses.

The benefits at the end of the line are clearly visible. Big factories and small businesses can now run at their full capacity ensuring faster economic progress for the region. As incomes rise, families can now support their children better. Providing them better opportunities for learning and development. When it is about going the distance to ensure a brighter future for the country, Siemens has the answers that last.

[siemens.com/answers](https://www.siemens.com/answers)



**SIEMENS**

# One picture can capture a family's happiness.

Siemens answers for ultrasound imaging are detecting liver diseases early, helping patients recover faster.

An alarming percentage of India's population suffers from liver related diseases. Unfortunately, fatal illnesses like Hepatitis B and Hepatitis C go undetected till the advanced stages. For families dependent on a person, the financial and emotional implications can be crippling.

This is where Siemens advanced ultrasound scanning technology is helping doctors detect liver diseases early. In turn, helping patients save the costs incurred on otherwise longer treatments, drastically. The technology uses

elastography to distinguish between liver tissues, diagnosing diseases much more accurately and unlike biopsies, without any painful surgeries.

It is one technology that compliments MRI and CT Scan, ensuring that more patients can afford early check-ups, have early detection and ensure speedier recoveries. When it is about helping people lead healthier and happier lives, Siemens has the answers that last.

[siemens.com/answers](https://www.siemens.com/answers)

## Financial Highlights - Siemens Limited

(₹ in Million)

	2011-12	2010-11	2009-10	2008-09	2007-08
<b>Orders received</b>	102,351	122,886	124,305	87,964	87,722
<b>Income, Profit and Dividend</b>					
Total Income (including exceptional income)	129,774	121,336	94,777	89,508	85,361
Profit Before Depreciation, Interest and Tax	7,489	14,398	13,708	15,155	9,596
Depreciation	2,010	1,522	1,015	778	637
Interest	270	127	106	59	41
Profit Before Tax	5,209	12,749	12,587	14,319	8,918
Tax	1,777	4,295	4,315	3,870	2,984
Profit After Tax	3,432	8,454	8,272	10,449	5,934
Dividend - %	300%	300%	250%	250%	150%
Dividend - ₹ Per Share	6	6	5	5	3
<b>Share Capital, Assets and Book Value</b>					
Share Capital	681	681	674	674	674
Share capital suspense account	23	-	-	-	-
Reserves & Surplus	38,922	37,481	34,103	28,492	20,017
Net Worth (Shareholders' Fund) ^	39,626	38,162	34,778	29,166	20,691
Loans	-	-	2	6	11
Total Capital Employed	39,626	38,162	34,780	29,172	20,702
Capital Represented by:					
Fixed Assets	14,972	13,486	9,805	7,352	6,442
Investments	-	-	3,885	4,770	5,237
Net Current Assets & Other Assets	24,654	24,676	21,090	17,050	9,023
Net Assets	39,626	38,162	34,780	29,172	20,702
Book Value - ₹	112.56	112.14	103.15	86.50	61.37
<b>Returns</b>					
On Total Income (PBT) - %	4.01	10.51	13.28	16.00	10.45
On Capital Employed (PBIT) - %	13.83	33.74	36.50	49.28	43.28
On Shareholders Fund (PAT) - %	8.66	22.15	23.79	35.83	28.68
Per Share (PAT) - ₹	9.75	24.95	24.53	30.99	17.78

^ Bonus shares issued in the year 2007-2008



# Chairman's Statement



Dear Shareholders,

After growing at a relatively faster pace over the past two years, the Indian economy slowed down this year. Compared to the 8.4% year-on-year growth for the period April 2010-March 2011, India's GDP grew by 6.5% in the period from April 2011 to March 2012. In October 2012, the government revised downward the growth forecast for 2012-13 from 6.7% to 6.3%. The Indian economy has been affected by global factors such as lower trade and capital flows as well as domestic challenges, both structural and cyclical. Clearly, our economy needs an impetus to drive growth.

This impetus can come only if stalled and delayed infrastructure projects take off, interest rates ease, and consumption of manufactured goods increases. The government has announced reforms that allow higher foreign direct investments in sectors such as aviation, multi-brand retail, insurance, and media. Though this will definitely improve business and investment confidence, concrete steps are required to walk the talk and implement what has been announced.

Siemens Ltd. also came off a major high in financial year 2010-11. Needless to say, the Company was affected by the uncertain macro-economic environment, coupled with high interest rates, stalled infrastructure projects, and delayed decisions on new projects. Our profitability has also been impacted, partly due to increased project costs and a reduction in sales due to customer liquidity issues and their project delays.

## Performance highlights

Operating in uncertain and challenging economic conditions, businesses across the four Sectors of the Company delivered a reasonable performance compared to other market participants. For the financial year ended September 30, 2012, sales were up by 8% to ₹ 12,708 crores, compared with ₹ 11,818 crores in the previous year.

The Company received new orders valued at ₹ 10,235 crores, a 17% drop compared with ₹ 12,289 crores in the previous year. The unexecuted order value as of September 30, 2012 stood at ₹ 13,660 crores – a decline of 2% compared with ₹ 13,921 crores in the previous year. Profits from operations stood at ₹ 690 crores compared with the ₹ 1,183 crores of the financial year 2010-11.

For the year ended September 30, 2012, the Company's profit before taxes stood at ₹ 521 crores, compared with ₹ 1,275 crores in the previous year. The profit after taxes for the year was ₹ 343 crores compared with ₹ 845 crores in the previous year, down by 59%.

The Board of Directors has recommended a dividend of ₹ 6/- for every equity share of ₹ 2/- for the financial year ended September 30, 2012. During the previous financial year, the Company had paid a dividend of ₹ 6/- for every equity share of ₹ 2/-.

## Performance analysis

Confidence is still low in the markets we operate in. New orders have been deferred due to a combination of factors: coal linkages, land and environmental clearances, higher inflation and interest rates, tighter liquidity, lower investments, and delays in finalizing projects in the infrastructure sector.

Operationally, all four Sectors – Energy, Healthcare, Industry, and Infrastructure & Cities – performed at par, as a result of factors that include a drop in capital expenditures, increased project costs, and unbooked profits due to customers delaying acceptance of products. Many Business Units, however, continue to maintain their leadership positions in the markets where they operate.

The Company has been focusing on innovation, customer satisfaction, streamlining operations, and an integrated approach to providing technology solutions.

Among the highlights of the last fiscal year: the Energy Sector signed a contract with Power Grid Corporation of India Ltd. to construct a 765-kV test laboratory for the National High Power Test Laboratory (NHPTL). NHPTL intends to build stand-alone testing facilities in India for electrical equipment manufacturing and power utility companies, the first of its kind in the country.

The Healthcare Sector continued its focus on bringing high-end healthcare technology to India. It won an order from House of Diagnostics, a medical diagnostics solution provider targeting the niche segment of corporations and large hospital chains to install India's first magnetic resonance positron-emission tomography (MR-PET) system at Indraprastha Apollo Hospital.

The Industry Sector won an order from Jupiter Life Sciences, the largest custom research and manufacturing services provider in India, to supply a distributed control system using foundation fieldbus (FF) technology. Introduced by Siemens in 2012, the FF technology is the standard in the chemical industry.

The Infrastructure & Cities Sector, which has just concluded its first year in operation, won a contract to modernize the electricity distribution system for Maharashtra State Electricity Distribution Company Ltd. The project was part of the government of India's Restructured Accelerated Power Development Reforms Programme (R-APDRP). Another highlight was the automated mail processing system that the Infrastructure & Cities Sector installed for the Department of Post's mail processing center in New Delhi, which went into operation in financial year 2011-12. The system is capable of processing up to 55,000 pieces of mail per hour.

The Company continued its focus on strengthening local manufacturing capabilities, adding three new factories during the year: the Energy Automation and Medium Voltage factories in Goa and the Metals Technologies factory in Turbhe. The current network of factories stands at 22. The SMART (simple, maintenance-friendly, affordable, reliable, and timely) product strategy is enabling the Company to maintain its lead over local and Asian competition. As of September 30, 2012, the number of SMART products with significant local added value stood at 30, with about 30 more of such products in the pipeline.

The Company's sustainability efforts also bore fruit during the financial year 2011-12. The two factories launched in Goa earlier in the year and the Energy factory in Maneja received Leadership in Energy and Environmental Design (LEED) certifications. The Company also won the Bombay Chamber of Commerce & Industry Civic Awards 2011-12 in the Sustainable Environmental Initiatives category. The Goa Pollution Control Board recognised the Company's green factory initiative at the twin factories in Goa with an award of excellence, while the Industry 2.0 magazine presented the Company with a certificate of achievement at its manufacturing innovation conclave.

### **People excellence**

During the financial year 2011-12, the Company primarily focused on retaining its employees and further improving their competencies. With various employee-centric programmes, the Company was successful in decreasing attrition rates and maintaining them at a level lower than the industry average. These efforts were reflected in the results of the Global Engagement and Compliance Survey 2012. The Company received 94% favourable responses in the Employee Engagement category in the survey, which is conducted to help create an inspiring and motivating work environment for its employees.

Its motivated and diverse workforce continues to remain the Company's most important asset. Sustained development of this dynamic workforce through strategic learning programmes is a key factor in Siemens' strategy and an inherent part of "people processes" like the yearly Performance Management Process. In line with this objective, Siemens in India strengthened its learning programme framework and launched the Siemens Learning Campus in India.

### **The road ahead – outlook for Siemens Ltd.**

The outlook for Siemens Ltd. is dependent to a large extent on quicker decision-making by the government on large infrastructure projects, particularly in the power and logistics infrastructure areas. Also in the healthcare segment, where citizens bear the cost of their own medical expenses, the government has to follow up on a promised increase in expenditures to help build an effective healthcare system. Recent developments like the announcement on reforms (higher FDI in sectors such as aviation, insurance, and multi-brand retail), the proposed establishment of a National Investment Board to hasten decisions, and the recently-cleared National Manufacturing Policy have sent a positive message.

I am confident that the government's commitment to economic progress will continue. Together with the growth strategies of private enterprises, it will help turn India into an economic powerhouse. Siemens Ltd. has the solutions, the breadth of expertise, and experience to make India future-ready through its technologies.

With the Company's continued focus on generating sustainable value for its customers and stakeholders, I am confident that the Company will do well.

In conclusion, I would like to sincerely thank the Board, the management, and especially our dedicated employees for their consistent support and commitment to Siemens Ltd. – and of course our esteemed customers for their confidence and loyalty.



Deepak Parekh  
Chairman



## Board of Directors

Mr. Deepak S. Parekh	Chairman
Mr. Darius C. Shroff	Director
Mr. Yezdi H. Malegam	Director
Mr. Narendra J. Jhaveri	Director
Mr. Keki B. Dadiseth	Director
Mr. Pradip V. Nayak	Director
Mr. Joe Kaeser	Director
Dr. Roland Busch	Director
Mr. Johannes Apitzsch	Alternate Director for Dr. Roland Busch
Dr. Armin Bruck	Managing Director and Chief Executive Officer
Mr. Sunil D. Mathur	Executive Director and Chief Financial Officer

## Company Secretary

Ajai Jain  
Vice President (Legal) & Company Secretary

## Committees of Directors

Audit Committee	Investors Grievance Committee	Remuneration Committee	Corporate Governance Committee	Investment Committee
Yezdi H. Malegam (Chairman) Deepak S. Parekh Keki B. Dadiseth Joe Kaeser	Darius C. Shroff (Chairman) Pradip V. Nayak Dr. Armin Bruck	Narendra J. Jhaveri (Chairman) Darius C. Shroff Deepak S. Parekh Pradip V. Nayak	Keki B. Dadiseth (Chairman) Deepak S. Parekh Yezdi H. Malegam Darius C. Shroff Joe Kaeser Dr. Armin Bruck Dr. Roland Busch / Johannes Apitzsch	Deepak S. Parekh (Chairman) Yezdi H. Malegam Pradip V. Nayak Joe Kaeser Sunil D. Mathur Keki B. Dadiseth Dr. Roland Busch / Johannes Apitzsch



# Business Responsibility Report

# Business Responsibility Report

## PART A: GENERAL INFORMATION ABOUT THE COMPANY

Siemens Ltd. ('Siemens' or 'the Company'), in which Siemens AG holds 73.84% of the capital, is the flagship listed company of Siemens AG in India. It operates in the core business areas of Industry, Infrastructure & Cities, Energy and Healthcare. It has a nation-wide sales and service network, 22 manufacturing plants and employs about 11,000 people. Siemens Ltd. focuses on sustainable growth, innovation and environmental solutions. Along with leveraging its strong presence in the high-end technology segment, Siemens is also building a portfolio of SMART (simple-to-use, maintenance-friendly, affordable, reliable and timely-to-market) solutions customized for India. Siemens aims to address the impact of the megatrends that is shaping the world: globalization, urbanization, climate change and demographic change.

Siemens was incorporated on 2nd March 1957 initially as a private limited company under the name Siemens Engineering & Manufacturing Co. of India Pvt. Ltd. Subsequently, the Company was converted into public company. The name of the Company was thereafter changed from Siemens Engineering & Manufacturing Co. of India Ltd. to Siemens India Ltd. on 23rd October 1967 and thereafter to the present name on 31st March 1987. The address of our registered office is 130, Pandurang Budhkar Marg, Worli, Mumbai 400018. The Corporate Identity Number (CIN) of the Company is L28920MH1957PLC010839. Siemens Aktiengesellschaft (SAG), which is based in Germany, is the Parent Company of Siemens Ltd. The Company does not have any subsidiary / ies. The Company follows the financial year of 1st October to 30th September each year. Further details on the Company's top management, key products, various business locations of the Company can be accessed at [www.siemens.co.in](http://www.siemens.co.in).

## PART B: FINANCIAL HIGHLIGHTS IN THE LAST FINANCIAL YEAR (RS. IN MIO)

The Audited Accounts form part of the Annual Report. Further details on financial data are given in the Directors' Report and Management Discussion and Analysis which is part of the Annual Report.

## PART C: BUSINESS RESPONSIBILITY INFORMATION

Dr. Armin Bruck, Managing Director and Chief Executive Officer, and Mr. Sunil Mathur, Executive Director and Chief Financial Officer, are responsible for the day-to-day administration and operations of the Company. Further

details on top management are covered on pages 17-43 in the Annual Report.

The Company has already formulated various in-house and global policies and guidelines pertaining to various principles enunciated in this Report. These policies are periodically reviewed by the top management and Board of Directors, wherever necessary. Detailed information on each principle is narrated in this Report.

## PART C: PRINCIPLES GOVERNING THE BUSINESS

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

"Responsible" is one of the core values at Siemens Ltd., with the thrust being on "Only clean business is Siemens business".

Compliance at Siemens Ltd. is more than just a management principle. Over the years, it has evolved into a way of life for the Company's employees. It seeks to anchor integrity more firmly in Siemens Ltd.'s organisational culture. Siemens Ltd. encourages ethical business decisions, ensuring the actions of all employees, vendors, business partners and customers are consistent with the law. The Company collaborates closely with all stakeholders in order to initiate and foster fair business practices in all spheres of business to create and sustain a level-playing field.

The basic principles of ethical behaviour at Siemens Ltd. are laid down in the Business Conduct Guidelines. The Company has a number of policies that deal with the most important areas of anti-corruption legislation. The general principles and conditions also apply to consultants and other third parties working on behalf of Siemens, as well as suppliers, customers and business partners.

During financial year 2011-12, the Regional Compliance Office (RCO) continued its focus on building 'Conviction through Ethics' internally through extensive 'in-person' trainings for employees. As of September 30, 2012, about 7,200 employees underwent in-person compliance trainings. The RCO also started a new initiative to train key business partners in handling critical business engagements.

Siemens Ltd. outperformed the global average in the Compliance Performance Index for the second successive year, with 94 percent of respondents expressing 'strong' confidence in the Compliance function as a business enabler.



The RCO also continued with its efforts to ensure a corruption-free business environment in the corporate community in India through active 'Collective Action' initiatives and workshops. These initiatives had support from Transparency International India, Confederation of Indian Industries, Indo-German Chambers of Commerce, Global Compact Network and United Nations Office on Drugs and Crime (UNODC) as well as well-known Indian corporates. Members of the Company's senior management team also spoke at various forums aimed at sharing best practices.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**



*Siemens Ltd. launched IE2 class motors in financial year 2011-12 and has been manufacturing only IE efficiency class motors for ratings covered under the IS:12615-2011*

One of the ways that Siemens Ltd. ensures that its products and solutions contribute to sustainability throughout their life cycle is the Company's active promotion of the concept of International Efficiency (IE)-class motors in the industry and the new efficiency standard - IS:12615-2011. The new standard was released in August 2011. Since October 2011, Siemens Ltd. has been manufacturing only IE efficiency class motors for ratings covered under the IS:12615-2011.

Siemens Ltd. has also initiated efforts to strengthen awareness of responsible supply chain practices among its suppliers.

In addition, practices for the segregation and appropriate disposal of waste have been implemented. Following are a few of the green initiatives that have helped make the Company's operational processes streamlined and sustainable:

1. Measures in Energy Sector to reduce energy usage through automated tracking and identification of consumption patterns.
2. Launch of an automation system in Healthcare Sector, which has resulted in savings of energy and resources of various chain labs and hospitals that process the data.
3. The digitization initiative at the corporate level provides us cover against risks of damage and also contributes to conserving the environment by reducing paper consumption.

**Principle 3: Businesses should promote the wellbeing of all employees**

Our employee strength as of September 30, 2012 was 11,229. Over the past few years, Siemens Ltd. has initiated various employee-centric programmes aimed at improving an employee's work-life balance, in turn creating a positive impact on the employees' productivity at work.

An important element of ensuring the well-being of employees, the Fit4Life programme has been conceptualized and managed by the Health Management (HM) team at Siemens Ltd. The programme focuses on employees who exhibit stress at the workplace. During the year, the programme saw over 2,200 employees registering.

Siemens Ltd. believes that work-life balance for every employee is of utmost importance and various employee-centric policies attest to this belief:

- Paid maternity leave
- Paid paternity leave
- Volunteering leave
- Flexi-hours
- In-house training for higher education
- Prizes for employees' children who perform well in their examinations

An indication of the efforts by the Company to ensure employee

# Business Responsibility Report (Continued)

well-being is the high percentage of favourable responses (94 percent) to the annual Siemens Global Engagement Survey. These results are a very good barometer of the mood in the Company. Combined with many personal meetings with employees, the survey enables the management to better assess how employees see the Company.

## Diversity

Siemens Ltd. is an equal-opportunity employer and the Company encourages active involvement and engagement of different age, gender, expertise, backgrounds, thinking, culture, ideas and individual qualities at all levels in the organization. Diversity is one of the cultural values at Siemens Ltd.

## Employee grievance

The Company ensures that sufficient forms, support frameworks and policies are in place to listen to and address the concerns of employees and resolve issues or conflicts in a time-bound, fair and objective manner. The Company has also set up a committee for addressing issues pertaining to sexual harassment cases within the Company.

## Leadership development

Siemens Ltd. has a long history of developing its leadership that inspires both the employees and the Company's customers to make the world work better. Siemens Ltd. believes that developing strong leaders is good for employees, Siemens Ltd. and the world. At Siemens Ltd., we continue to invest in a wide variety of innovative leadership programmes and experiences, providing the employees with experiences and opportunities that will serve them at Siemens Ltd. or wherever their careers take them.

## Occupational Safety

To enhance safety and promote a zero-harm culture at project sites, Siemens Ltd. launched Project Suraksha as part of the Environment, Health and Safety initiatives. The project aims to deliver a rapid and focused response to effectively tackle the issue of safety at project sites in India. It leverages common solutions across Sectors and also speeds up reaching out to the sites, especially remote site locations. Project Suraksha revolves around the four pillars of safety at the sites, critical-to-safety measures that are crucial and must be implemented to prevent fatalities, enforcement of safety measures which are non-negotiable, and tone from the top. Project Suraksha strengthens the ongoing EHS measures such as tone from the

top, periodic project site visits and reviews by members of Siemens top management.

The Company's manufacturing units in India have implemented the international OHSAS 18001 standard for occupational health and safety.



*Siemens Ltd. has implemented various measures at its project sites to improve safety and strengthen ongoing EHS initiatives.*

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

In financial year 2011-12, Siemens Ltd. announced the launch of Project Asha, an integrated, sustainable development project aimed at providing electricity, drinking water, irrigation support, adult education, health awareness and livelihood support to an off-grid village. Amle village in Mokhada taluka, Thane district, which is around 130 kilometers from Mumbai, is the beneficiary of this Corporate Citizenship project. The tribal community of Amle has around 350 villagers who survive on subsistence farming.

Also, a cascade model has been implemented for adult literacy. Siemens Ltd. trains facilitators in the village to generate more trained youth for conducting adult literacy classes. The villagers receive education on life skills, gender issues, working of Gram Panchayat, government schemes



*Siemens Ltd. has been the major driving force behind GGG (Girls Gaining Ground) also known as 'Gheu Bharari', a special women centric program that aims at addressing the issue of early marriages, healthy motherhood and child deaths.*

and women empowerment. Siemens has also been the major driving force behind GGG (Girls Gaining Ground) also known as 'Gheu Bharari', a special women-centric programme that aims at addressing the issue of early marriages, healthy

motherhood and child deaths. Local women are given basic healthcare training, and they in turn, train other members of the community. Issues like institutional childbirth, prevention of malaria, proper sanitation practices and awareness about health schemes are highlighted.

The Company has installed green technologies at Amle to ensure a sustainable livelihood for the village dwellers. These technologies are a 12 Kilowatt peak (KWp) off-grid solar power station and a filtration plant using SM1 simple membrane water filter to supply up to 20,000 litres per day of clean drinking water throughout the year. Siemens Ltd. also installed an irrigation system and trained the villagers to maintain the system. The Company has helped the village bring more than 12 acres of land under year-long irrigation by running submersible pumps through solar power and AC drives.

Another important initiative that proves Siemens Ltd.'s emphasis on being responsive to the disadvantaged, vulnerable and marginalised stakeholders is the Sanjeevan mobile healthcare clinic. Sanjeevan mobile clinics deliver a sustainable and self-sufficient solution to the local population's need for healthcare. The mobile clinics are aimed at extending the reach of quality and affordable primary healthcare support across remote rural areas.

Sanjeevan is an indigenously-developed mobile concept from Siemens Ltd. and is fully-equipped with Siemens



*Sanjeevan mobile clinics of Siemens Ltd. deliver a sustainable and self-sufficient solution to the local population's need for healthcare.*



# Business Responsibility Report (Continued)

Healthcare technology. With facilities such as pathology, laboratory equipment and accessories, X-ray machine, electro-cardiogram and even a film development unit, the mobile clinic answers the primary healthcare needs of the Indian rural population. It allows for an advanced medical examination that has improved the lives of many individuals who do not have access to basic healthcare.

Two such vans equipped with Siemens Healthcare equipment are currently catering to the remote parts of India that lack access to healthcare. Smile Foundation and Medanta – the Medicity in partnership with Siemens Ltd. will be operating the mobile healthcare clinic with qualified staff in remote, rural areas in Bihar and Haryana, respectively. Between April and September 2012, the Sanjeevan mobile clinic at Bihar alone held 120 medical camps treating over 7,600 patients. Of these, 97% belong to the BPL (below poverty line) category. Consequently, the number of people who have access to comprehensive health care service has increased by around 20%.

Yet another initiative is the support provided by Siemens Ltd. to ensure a holistic development for around 290 children in the St. Catherine's Home orphanage, Mumbai.

Siemens Ltd. has had an association with St. Catherine's Home, a primary school and orphanage for street children, for over eight years. With active employee volunteering, the Company has assisted in upgrading the infrastructure, including building two new classrooms, repairing the roof, setting up rain shelters, constructing a playground, improving hygiene facilities and maintaining the exterior paintwork. The Company organises recreational programmes for the children every year, including summer camps and picnics. To encourage soft skills, the Company provides board games, paint brushes, painting books and crayons and organises in-house exhibitions to promote the sale of the children's drawings and artefacts. Recreational activities and employee mentoring programmes are held for all the children at the home. In addition, a counseling programme called 'Happy Feet' combining dance with counselling and life skills education is conducted for all the children.

## **Principle 5: Businesses should respect and promote human rights**

Siemens Ltd. complies and adheres to all the human rights laws and guidelines of the Constitution of India, national laws and policies. The Company treats all stakeholders alike with respect and dignity, in turn earning their respect. In the financial year 2011-12, the Company began the process of identifying suppliers whose production sites will be subjected

to an analysis of their environmental performance and energy efficiency. The goal is to optimised energy consumption which in turn will lead to a reduction in CO<sub>2</sub> emissions.

As part of the qualification of the suppliers there are various questionnaires and forms to be certified by the vendor before he is certified as ready for business with Siemens Ltd. This is part of the supplier qualification guideline. These questions touch upon compliance, child labour, use of hazardous materials and environmental certifications received. Besides these, there are certain contract clauses that have been recommended by the Siemens Ltd. legal team to be a part of the standard contract clauses as per the compliance guidelines. We conduct sustainability audits to ensure compliance to these clauses. There are also specific safety clauses / penalties which are incorporated as part of the civil and labour contracts.

## **Principle 6: Business should respect, protect, and make efforts to restore the environment**

Siemens Ltd. has implemented various energy-efficient heating, ventilation, and air-conditioning (HVAC) solutions such as replacing chilled water pumps with new energy-efficient pumps, replacing existing split air-conditioners with



*Two state-of-the-art factories of Siemens Ltd. that began operations in Goa in January 2012 have received LEED (Leadership in Energy and Environmental Design) certifications for their green building measures.*

centralised ones, installing variable-frequency drive (VFDs) for chiller pumps and air-handling units, etc. The buildings' lighting system optimisation includes measures like installing local programmable logic controller (PLC)-based control for floor lighting and replacing sodium vapour lamps and CFL lamps with energy-efficient LED lamps, among others. Significantly, the building has a Green Building Monitor (GBM) as well as an energy monitoring and controlling system to track the energy consumption on a regular basis.

The Green Building initiative was implemented as a part of the Siemens Sustainability Programme and Energy Efficiency Programme.

The two state-of-the-art factories that began operations in Goa in January 2012 received LEED (Leadership in Energy and Environmental Design) certifications for their green building measures. The factories have variable frequency drives, carbon dioxide sensors, sewage treatment plants, water conservation, water harvesting and ground water recharging, among others.

The Company's manufacturing units in India have implemented international EHS standards like ISO 14001 and OHSAS 18001.

Siemens Ltd. has handed over nearly 500 old but well-maintained laptops and desktops to more than 15 NGOs across various locations in India. The computers were handed over to NGOs working among the underprivileged section of society imparting education and livelihood skills. Apart from helping sustain their skills and education, this initiative is aimed at extending the usable life of the computers.

Siemens Ltd. has sewage treatment plants in all its factory locations and a few of the offices. The sewage water is collected and treated at the sewage treatment plant using the innovative "Phytorid" treatment. This treated water is used for flushing and gardening. In addition, the Company has an effluent treatment plant where effluent from the factory is treated. The treated water is used for gardening. Siemens Ltd. also conserves water through rain water harvesting. Rainwater from the roofs of the factories is collected in an underground tank and is directed to a sump pump through a filter or to percolation pits. The harvested water is used for flushing.

#### **Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

Siemens Ltd. has been involved in promoting good governance and compliant behavior among key stakeholders such as employees, customers and business partners.

Siemens has representation in the Confederation of Indian Industries, Bombay Chamber of Commerce and Industry, Federation of Indian Chambers of Commerce and Industry, Indian Electrical and Electronics Manufacturers' Association, Bureau of Indian Standards and Bureau of Energy Efficiency.

The Company participates in consultations and panel discussions steered towards growth and technological progress. We have always advocated and continue to promote transparency at all levels within the organization.

#### **Principle 8: Businesses should support inclusive growth and equitable development**

As mentioned under Principle 4, through Project Asha, Siemens Ltd. aims to turn Amle village (in Thane district of Maharashtra) into a self-sustainable community within three years with its technology and support, making the remote, inhospitable hamlet into a model for the rest of the off-grid villages in India.



*Siemens Ltd. has provided technology and support to make the remote, inhospitable hamlet of Amle into a model for the rest of the off-grid villages in India.*

## Business Responsibility Report (Continued)



*Solutions such as the SST 600 steam turbine (left) and the Multimobi 5E X-ray machine (right) are part of Siemens Ltd.'s SMART portfolio, which is customized to meet the requirements of customers and users in India.*

Another instance of supporting inclusive growth and equitable development is allowing NGOs to put up stalls in the Company's premises offering for sale novelty items made by the underprivileged and differently-abled women. The Sanjeevan project and the support for St. Catherine's Home are also instances of the Company supporting equitable development.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

Siemens Ltd. believes that being customer-centric involves providing value to customers, and not just focusing on sales of products. The Company has a good balance between a product-based business and a solutions-based business. Siemens Industry Sector has a clear vertical focus and its solutions are customized for verticals such as automotive, pharmaceuticals, chemicals, cement, steel, etc. Similarly, Siemens Infrastructure and Cities Sector has City Account Managers who act as a single-point of contact for engaging with all city stakeholders. Since 2009, Siemens Ltd. has also

been a part of the global initiative called the Net Promoter Score – a uniform, company-wide platform, which is an effective measure of our customer focus.

**Contacts**

For any query related to Siemens Business Responsibility Report:

Ms. Beryl Lopez

Tel: +91 22 39677566

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E-mail: [beryl.lopez@siemens.com](mailto:beryl.lopez@siemens.com)

For any query related to compliance:

Mr. Ajai Jain

Vice President (Legal) & Company Secretary

Tel: +91 22 67572418

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E-mail: [ajai.jain@siemens.com](mailto:ajai.jain@siemens.com)

We welcome your suggestions and feedback at [corporatesustainability.in@siemens.com](mailto:corporatesustainability.in@siemens.com)



# Notice

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NOTICE is hereby given that the 55<sup>th</sup> Annual General Meeting of the Members of the Company will be held at Yashwantrao Chavan Pratishthan Auditorium, Y.B. Chavan Centre, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai 400 021 on Thursday, 31<sup>st</sup> January, 2013, at 2.30 p.m. to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 30<sup>th</sup> September, 2012, Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Darius C. Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Joe Kaeser, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Narendra J. Jhaveri, who retires by rotation and being eligible, offers himself for re-appointment.
6. To re-appoint Messrs S.R. Batliboi & Associates, Chartered Accountants (Firm Registration Number : 101049W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

## SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modifications, the following Resolutions:

### 7. Re-appointment and revision in remuneration of Dr. Armin Bruck, Managing Director

#### As an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government and such other approvals/permissions, as may be required, the Company hereby accords its approval to the re-appointment of Dr. Armin Bruck, Managing Director, with effect from 1<sup>st</sup> October, 2012 to 31<sup>st</sup> December, 2013 on such terms & conditions including revision in remuneration with effect from 1<sup>st</sup> January 2013, as set out in the Explanatory Statement annexed to this Notice, with liberty to the Board of directors (including the Remuneration Committee) to alter and vary any terms and conditions including remuneration in such manner as may be agreed between Dr. Armin Bruck and the Company time to time."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

### 8. Revision in remuneration of Mr. Sunil D. Mathur, Executive Director

#### As an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, the Company hereby accords its approval to the revision in remuneration payable to Mr. Sunil D. Mathur, Executive Director, with effect from 1<sup>st</sup> January, 2013 as set out in the Explanatory Statement annexed to this Notice."

By Order of the Board of Directors

For **Siemens Ltd.**



**Ajai Jain**  
**Vice President (Legal) &**  
**Company Secretary**

## Registered Office:

130, Pandurang Budhkar Marg  
Worli, Mumbai - 400 018

Mumbai

Friday, 23<sup>rd</sup> November, 2012

**Notes:**

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective, must be received by the Company, duly filled, stamped and signed, at its Registered Office not less than 48 hours before the Meeting.

- b. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Businesses in the Notice is annexed hereto.
- c. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.
- d. Members / Proxies / Representatives should bring the enclosed duly filled Attendance Slip, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
- e. Profile of the Directors seeking re-appointment, as required in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are annexed to this Notice.
- f. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 18<sup>th</sup> January, 2013 to Thursday, 31<sup>st</sup> January, 2013. (both days inclusive)
- g. The Dividend, as recommended by the Board of Directors, if declared at the 55<sup>th</sup> Annual General Meeting, will be paid on Wednesday, 6<sup>th</sup> February, 2013, to those Members who hold shares in physical form and whose name appears on the Company's Register of Members as holders of Equity Shares on Thursday, 31<sup>st</sup> January, 2013.

In respect of shares held in electronic form, to the Beneficial Owners of the shares as at the close of business hours on Thursday, 17<sup>th</sup> January, 2013, as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

- h. Unclaimed / Unpaid Dividend:

Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed / unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly the unclaimed dividend for the Financial Year 2003-04 and interim dividend for the Financial Year 2004-05 was transferred to IEPF. The unclaimed dividend for the Financial Year 2004-05 and all subsequent years must be claimed as early as possible failing which it would be transferred to IEPF as per the (tentative) dates mentioned herein below. In terms of section 205C of the Companies Act, 1956, no claim shall lie against the Bank or the IEPF after the said transfer.

Financial Year	Tentative date for transfer to IEPF	Financial Year	Tentative date for transfer to IEPF
<b>2004 – 05</b>		<b>2007 – 08</b>	
*Final Dividend	2 <sup>nd</sup> July, 2013	Dividend	7 <sup>th</sup> March, 2016
Final Dividend	4 <sup>th</sup> March, 2013	*Dividend	4 <sup>th</sup> April, 2016
<b>2005 – 06</b>		<b>2008-09</b>	
#Interim Dividend	28 <sup>th</sup> January, 2013	Dividend	6 <sup>th</sup> March, 2017
*Interim Dividend	11 <sup>th</sup> January, 2014	*Dividend	5 <sup>th</sup> March, 2017
Final Dividend	23 <sup>rd</sup> February, 2014	<b>2009-10</b>	
*Final Dividend	29 <sup>th</sup> July, 2014	Dividend	7 <sup>th</sup> March, 2018
<b>2006 - 07</b>		*Dividend	4 <sup>th</sup> March, 2018
Dividend	8 <sup>th</sup> March, 2015	<b>2010-11</b>	
*Dividend	29 <sup>th</sup> April, 2015	Dividend	8 <sup>th</sup> March, 2019

\* Declared by the erstwhile Siemens Healthcare Diagnostics Ltd. (since amalgamated with the Company).

# Declared by the erstwhile Siemens VDO Automotive Ltd. (since amalgamated with the Company).

Members are requested to contact TSR Darashaw Ltd., the Registrar and Share Transfer Agent of the Company for claiming the dividend for the aforesaid years.

The details of the unclaimed dividends of the aforesaid years are available on the Company's website at [www.siemens.co.in](http://www.siemens.co.in) and Ministry of corporate affairs at [www.mca.gov.in](http://www.mca.gov.in).

- i. Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios alongwith the share certificates so as to enable the Company to consolidate their holdings into one folio.
- j. The Annual Report 2012 of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.siemens.co.in](http://www.siemens.co.in) and also on the website of the respective Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
- k. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12 noon up to the date of the 55<sup>th</sup> Annual General Meeting.
- l. **Green Initiative**

The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars allowing paperless compliances by Companies through electronic mode. The Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company. Shareholders who have not registered their e-mail address with the Company can now register the same by submitting duly filled-in 'E-Communication Registration Form' enclosed at the end of this report (also available on our website [www.siemens.co.in](http://www.siemens.co.in)), with TSR Darashaw Ltd. / Investors' relations team of the Company. The Members holding shares in electronic form are requested to register their email addresses with their Depository Participants only.

Even after registering for E-communication, the shareholders of the Company are entitled to receive such communication in physical form, upon request.

## **Explanatory Statement under Section 173(2) of the Companies Act, 1956**

### **Item No. 7 and 8**

The Members at their 50<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> January, 2008, appointed Dr. Armin Bruck as a Managing Director of the Company with effect from 1<sup>st</sup> January, 2008 to 30<sup>th</sup> September, 2012. Considering his valuable contributions in the growth of the Company and his vast experience, the Board of Directors at their meeting held on 27<sup>th</sup> April, 2012, re-appointed Dr. Armin Bruck as a Managing Director of the Company for further period from 1<sup>st</sup> October, 2012 till 31<sup>st</sup> December, 2013 on the existing terms and conditions.

Brief Profile of Dr. Armin Bruck in terms of Clause 49 of the Listing Agreement, is provided in this Notice.

The re-appointment and remuneration of Dr. Armin Bruck as a Managing Director is subject to the approval of the Members.

None of the Directors of the Company, other than Dr. Armin Bruck, are interested in the Resolution.

The Remuneration Committee of Directors at its Meeting held on 21<sup>st</sup> November, 2012 approved a revision in the remuneration of the Managing Director and Executive Director of the Company with effect from 1<sup>st</sup> January, 2013.

The terms and conditions with respect to the revision in remuneration of the Directors are given below:

#### **I. Remuneration:**

<b>Name of the Director</b>	<b>Designation</b>	<b>Salary per month (₹)</b>	<b>Salary Grade (₹)</b>	<b>Overseas / Special Allowance per month (₹)</b>
Dr. Armin Bruck	Managing Director	1,082,800	500,000 - 1,500,000	1,082,800
Mr. Sunil D. Mathur	Executive Director	798,200	400,000 - 1,200,000	798,200

Annual Increments as may be decided by the Remuneration Committee of Directors / Board of Directors.

#### **II. Perquisites:**

- i. In addition to the above, they shall also be entitled to Perquisites and Allowances like Rent-free furnished / semi-furnished accommodation / House Rent Allowance / Stay in a hotel, Medical Reimbursement, Hospitalisation Expenses, Leave, Leave Travel Concession, Home Leave, Retirement benefits as per the laws applicable from time to time; Club Fees, Long Service Award, Company maintained two cars each with driver. Communication facility (Personal long distance calls will be borne by them), as per the Rules of the Company.

The perquisites and allowances shall be valued as per the Income Tax Rules, wherever applicable. In the absence of any such Rules, they shall be evaluated at actual cost.

- ii. Children's Education Expenses:

For Children studying in or outside India, the education expenses shall be paid by the Company directly to the school.



- iii. Holiday passage for children studying outside India / family staying abroad:

Return holiday passage is admissible once in a year by Economy Class or once in two years by first class to children from their place of study abroad to India and to the members of the family from the place of their stay abroad to India if they are not residing in India with them.

- iv. Reimbursement of expenses incurred on returning to home country after completion of tenure.

"Family" means the spouse and dependent children.

**III. Performance Linked Incentive**

They shall also be entitled to remuneration by way of Performance Linked Incentive based on the specific targets mutually set and approved by the Board of Directors / Remuneration Committee of Directors, from time to time.

**IV. Equity based compensation programs of Siemens AG / Siemens Limited**

They shall also be entitled to participate in the Equity based compensation programs of Siemens AG, Germany / Siemens Ltd., as applicable from time to time.

**V. Commission**

They shall also be entitled to remuneration by way of Commission as may be decided by the Board of Directors / Remuneration Committee of Directors from time to time.

**VI. The Severance fees shall be payable as per the Rules of the Company.**

**VII. Minimum Remuneration**

Notwithstanding anything hereinabove, where, in any Financial Year during the currency of their tenure as Managing Director / Executive Director, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of Salary, Special Allowance / Overseas Allowance, Perquisites, Performance Linked Incentive, benefit under the Equity based compensation programs of Siemens AG / Siemens Ltd. and Severance fees, as Minimum Remuneration to them.

No Sitting Fee shall be paid to them for attending the Meetings of the Board of Directors or any Committee thereof.

The said payment requires the approval of the Members pursuant to Sections 198, 309 and 310 read with Schedule XIII to the Companies Act, 1956 and, hence, the Board commends these Resolutions for your approval.

The above shall be treated as an abstract of the terms and conditions of re-appointment of Dr. Armin Bruck and revision in remuneration of Dr. Armin Bruck and Mr. Sunil D. Mathur, pursuant to section 302(2) of the Companies Act, 1956.

None of the Directors of the Company other than Dr. Armin Bruck and Mr. Sunil D. Mathur are interested in the Resolutions.

By Order of the Board of Directors

For **Siemens Ltd.**



**Ajai Jain**  
**Vice President (Legal) &**  
**Company Secretary**

**Registered Office:**

130, Pandurang Budhkar Marg  
Worli, Mumbai - 400 018

Mumbai  
Friday, 23<sup>rd</sup> November, 2012

**Profile of the Directors being re-appointed as required under  
Clause 49 of the Listing Agreement entered into with the Stock Exchanges**

Particulars	Mr. Joe Kaeser	Mr. Narendra J. Jhaveri	Mr. Darius C. Shroff	Dr. Armin Bruck
<b>Date of Birth</b>	23 <sup>rd</sup> June, 1957	9 <sup>th</sup> August, 1935	8 <sup>th</sup> August, 1944	6 <sup>th</sup> February, 1963
<b>Date of Appointment</b>	1 <sup>st</sup> October, 2006	9 <sup>th</sup> November, 2000	20 <sup>th</sup> February, 1997	1 <sup>st</sup> October, 2007
<b>Qualification</b>	Studied Business Administration Dipl.-Betriebswirt	Masters Degree in Economics from Gujarat University M.Sc. in Economics from The London School of Economics	B.A. (Hons.), LL.B, Attorney-at-Law and Solicitor	Ph.D in Operations Research Business Degree in Economics and Informatics
<b>Expertise in specific functional areas</b>	Corporate Finance and Business Management	Economics and Corporate Finance	Corporate Laws	Business Strategy and Management
<b>Other Directorships held in India</b>	None	1) Afcons Infrastructure Ltd. 2) Pidilite Industries Ltd. 3) Hindalco Industries Ltd. 4) Edelweiss Financial Services Ltd. 5) Juniper Hotels Pvt. Ltd. 6) Phoenix ARC Pvt. Ltd. 7) Edelweiss Securities Ltd. 8) GVFL Ltd.	1) Avi-Oil India Pvt. Ltd. 2) Bayer Material Science Pvt. Ltd 3) CMP Pvt. Ltd. 4) Ingersoll-Rand (India) Ltd. 5) GMM Pfaudler Ltd. 6) Kulkarni Power Tools Ltd. 7) Lubrizol India Pvt. Ltd. 8) SKF India Ltd. 9) Unifrax India Ltd. 10) Unifrax India Energy Savings Materials Pvt. Ltd. 11) Swiss Re Services India Pvt. Ltd. 12) Warner Bros. Pictures (India) Pvt. Ltd.	Siemens Technology and Services Pvt. Ltd.
<b>Membership of Committees</b>	None	1) Afcons Infrastructure Ltd. Chairman – Audit Committee 2) Pidilite Industries Ltd. Member – Audit Committee 3) Hindalco Industries Ltd. Member – Audit Committee 4) Edelweiss Financial Services Ltd. Chairman- Audit Committee 5) Juniper Hotels Pvt. Ltd. Member –Audit Committee 6) Phoenix ARC Pvt. Ltd. Member – Audit Committee	1) GMM Pfaudler Ltd. Member – Audit Committee Member - Investor Grievance Committee 2) Ingersoll-Rand (India) Ltd. Member – Audit Committee Chairman -Share transfer-cum-Investor Grievance committee 3) SKF India Ltd. Chairman- Audit Committee Member – Investor’s Grievance Redressal / Share Transfer Committee	Siemens Technology and Services Pvt. Ltd. Member – Audit Committee
<b>No. of Equity shares held in the Company</b>	Nil	5000	9000	NIL

# Directors' Report

Dear Members,

The Directors have pleasure in presenting the 55<sup>th</sup> Annual Report of your Company and the Audited Accounts for the year ended on 30<sup>th</sup> September, 2012.

## 1. Financial Performance

₹ in Million

	2011-12	2010-11
Turnover	129,199	120,289
Profit before Tax	5,209	12,749
Less: Tax	1,777	4,295
Net Profit after Tax	3,432	8,454
Balance in the Statement of Profit and Loss brought forward	4,771	-
Balance of Profit and Loss account brought forward due to the amalgamation of Companies	705	(110)
Amount available for appropriation	8,908	8,344
Appropriations:		
General Reserve	343	1,200
Proposed Dividend	2,112	2,042
Dividend Distribution Tax	343	331
Balance in Profit and Loss Account carried forward	6,110	4,771

## 2. Operations

The Turnover of the Company increased by approximately 7% and stood at ₹ 129,199 million as compared to ₹ 120,289 million in the previous year. The Company's Profit from Operations for the year ended 30<sup>th</sup> September, 2012 was ₹ 6,903 million as compared to ₹ 11,829 million in the corresponding period of the previous year.

The Profit after Tax was ₹ 3,432 million, compared to ₹ 8,454 million during 2010-11.

## 3. Dividend

The Board of Directors recommends a dividend of ₹ 6 per Equity Share of ₹ 2 each. This dividend is subject to the approval of the Members at the forthcoming Annual General Meeting. In the previous year also, the Company paid a dividend of ₹ 6 per Equity Share of ₹ 2 each.

## 4. Amalgamations

### a. Amalgamation of Siemens VAI Metals Technologies Pvt. Ltd. (SVAI) and Morgan Construction Company India Pvt. Ltd.

The Hon'ble High Court of Bombay vide its order dated 17<sup>th</sup> August, 2012 sanctioned the 'Scheme of Amalgamation' of SVAI and Morgan with the Company. Key details of the said amalgamation are summarised as follows:

Appointed Date	1 <sup>st</sup> October, 2011
Effective Date	1 <sup>st</sup> October, 2012
Share Exchange Ratio	1318 Equity Shares of ₹ 2 of the Company for every 100 Equity Shares of ₹ 100 each of SVAI
Equity Shares issued	11,738,108 to Siemens VAI Metals Technologies GmbH
Date of Allotment of new shares	13 <sup>th</sup> October, 2012

The aforesaid 11,738,108 Equity shares were not allotted by 30<sup>th</sup> September, 2012, therefore an amount of ₹ 23 million is shown in Share Capital Suspense Account in the Balance Sheet. The new equity shares rank pari passu with the existing equity shares of the Company and shall be entitled for full amount of dividend for the year ended 30<sup>th</sup> September, 2012, if declared by the Members at the forthcoming Annual General Meeting. The said equity shares have been listed on BSE Ltd. and National Stock Exchange of India Ltd.

### b. Amalgamation of Siemens Power Engineering Pvt. Ltd. (SPEL)

At the meeting held on 31<sup>st</sup> January, 2012 the Board of Directors approved the proposal for the amalgamation of SPEL (a 100% Siemens AG Company) with the Company. The "Appointed Date" was fixed as 1<sup>st</sup> October, 2011.

The Board has recommended a share exchange ratio of 6 (Six) equity shares of the Company having Face Value of ₹ 2 (Rupees Two) each fully paid-up for every 13 (Thirteen) equity shares of SPEL having Face Value of ₹ 10 (Rupees Ten) each fully paid-up. The amalgamation was approved by the Members in the Court Convened Meeting held on 11<sup>th</sup> April, 2012. The High Court of Bombay vide its order dated 2<sup>nd</sup> November, 2012 approved the amalgamation however the order from the High Court of Punjab & Haryana is still awaited.

SPEL is engaged in providing technical services relating mainly to power plant business.

**c. Amalgamation of Winergy Drive Systems India Pvt. Ltd. (Winergy)**

At the meeting held on 10<sup>th</sup> August, 2012, the Board of Directors approved the proposal for the amalgamation of Winergy (a 100% Siemens AG Company) with the Company. The "Appointed Date" was fixed as 1<sup>st</sup> October, 2012. The Board has recommended a share exchange ratio of 1 (One) equity share of the Company having Face Value of ₹ 2 (Rupees Two) each fully paid-up for every 72 (Seventy Two) equity shares of Winergy having Face Value of ₹ 10 (Rupees Ten) each fully paid-up. The amalgamation is subject to all necessary statutory / regulatory approvals, including approvals of the Members and the High Courts.

Winergy is engaged in business of manufacturing / assembly of wind mill gearboxes, high speed gearboxes, drive application gearboxes, standard geared motors and in designing and engineering services.

**5. Share capital**

During the year under review, the paid up share capital of the company increased marginally consequent to the allotment of 125 Equity shares to a member upon settlement of a disputed case.

**6. Subsidiary company:**

The Company had no subsidiary during the year.

**7. Foreign Exchange Earnings and Expenditure**

Details of foreign exchange earnings and expenditure have been given under the Notes to the Accounts.

**8. Conservation of Energy and Technology Absorption**

Information in terms of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given as **Annexure I** to this Report.

**9. Corporate Governance**

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management's Discussion and Analysis, which forms part of this Report as **Annexure II**.

Your Company observes the high standards of corporate governance in all areas of its functioning with strong emphasis on transparency, integrity and accountability. As required by Clause 49 VI of the Listing Agreement, a detailed report on Corporate Governance alongwith the Auditors' Certificate thereon forms part of this Report as **Annexure III**.

General Shareholder Information forms part of this Report as **Annexure IV**.

**10. Employees**

Your Directors place on record their deep appreciation for the contribution made by the employees of the Company at all levels.

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Report and Accounts are being sent to all the Members of the Company, excluding the Statement of Particulars of Employees. Any Member interested in obtaining a copy of the said Statement may write to the Company Secretary of the Company.

**11. Directors' Responsibility Statement**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that, to the best of their knowledge and belief:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;



- 
- b. appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30<sup>th</sup> September, 2012 and of the profit of the Company for the year ended on that date;
  - c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
  - d. the annual accounts have been prepared on a going concern basis.

#### **12. Directors**

Mr. Johannes Apitzsch has been appointed as an Alternate Director of Dr. Roland Busch with effect from 27<sup>th</sup> April, 2012. Dr. Otmar Schmitt and Mr. Stephan Schneider ceased to be an Alternate Director of Mr. Joe Kaeser and Dr. Roland Busch respectively with effect from 27<sup>th</sup> April, 2012. The Board places on record its appreciation for the services rendered by Dr. Schmitt and Mr. Schneider during their tenure with the Company.

At the Annual General Meeting, Mr. Darius C. Shroff, Mr. Joe Kaeser and Mr. Narendra J. Jhaveri retire by rotation and being eligible, offer themselves for re-appointment. Profiles of these Directors, as required under Clause 49 of the Listing Agreement, are given in the Notice of the Annual General Meeting.

Dr. Armin Bruck has been re-appointed as the Managing Director of the Company for a period from 1<sup>st</sup> October, 2012 to 31<sup>st</sup> December, 2013. The terms and conditions of his re-appointment, including his remuneration, are subject to approval of the Members. Profile of Dr. Armin Bruck as required under Clause 49 of the Listing Agreement, is given in the Notice of the Annual General Meeting.

#### **13. Auditors**

Messrs S.R. Batliboi & Associates, Chartered Accountants, retire as the Statutory Auditors of the Company at the ensuing Annual General Meeting and offer themselves for re-appointment. A certificate from them has been received to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

#### **14. Fixed deposits**

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

#### **15. Cost Auditors**

The Board of Directors have appointed Messrs R. Nanabhoy & Co., Cost Accountants for conducting the audit of the cost accounting records for the product Engineering Machinery (including electronic and electrical products) or for any other products mandated by the Central Government. Last year Company had filed the Cost Audit Report on 10<sup>th</sup> March, 2012 which is within the time limit prescribed by the Cost Audit Report Rules, 2001.

#### **16. Acknowledgements**

The Board of Directors take this opportunity to thank Siemens AG - the parent company, customers, members, suppliers, bankers, business partners / associates and Central and State Governments for their consistent support and co-operation to the Company.

On behalf of the Board of Directors

For Siemens Ltd.



**Deepak S. Parekh**  
**Chairman**

Mumbai  
Friday, 23<sup>rd</sup> November, 2012

# Annexure I to the Directors' Report

## Conservation of Energy, etc. u/s 217(1)(e)

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Additional information in terms of Section 217(1)(e) of the Companies Act, 1956, dealing with Conservation of Energy, Research & Development and Technology Absorption & Innovation.

### A. Conservation of Energy

#### 1. Measures taken:

- Awareness and training programmes for employees.
- Installation of energy-efficient appliances.
- Auto shut off, servo drive arrangement for motors in plastic moulding machines.
- Use of variable frequency drive for compressor.
- Incorporation of VFD in the HVAC for electrical energy conservation.
- Maintaining power factor up to 0.99 for energy conservation.
- ETP and STP plants made operational for water conservation.
- Arresting leakages in pneumatic pipeline.
- New oven designed with energy saving feature.

#### 2. Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

- On/off control for plastic shop water cooling system, use of 5 star energy rating refrigerator/air conditioner, etc.
- Replacement of 250 Watts sodium vapor street lamps with 24 watt LED lamps.

#### 3. Impact of Measures undertaken:

- Optimisation of energy consumption.
- Savings in energy and fuel cost.
- Environment protection.

### B. Research and Development (R&D)

#### 1. Specific areas in which R&D was carried out:

- Establishment of type testing and development lab including short circuit testing (55kA a @ 690V) and electrical endurance facility.
- Development CACA type Medium Voltage (MV) motors of frame size up to 500.
- Development of energy-efficient series of motors, IE3 (upto frame 355) as per new IS 12615, 2011 standards.
- Development of electrical control cabinets for 4500HP dual-cab diesel electric locomotives.
- Cost effective and New design SMART series 420kV CB, 725kV CB, 145kV.
- Development of 765kV horizontal knee type disconnecter with one earth switch and 420kV horizontal centre break disconnecter (multi contact design).
- Development of 420kA double break disconnecter.

## Conservation of Energy, etc. u/s 217(1)(e)

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- Use of Gear Box & motor aAssembly for disconnectors less than 245kV voltage class.
- Use of Rotating stool bases for both 420kV and 245kV of DBR & HCB Disconnectors.
- 765kV disconnector, 420kV 63kA fault current rating earthing switch design and 420kV horizontal centre break disconnector with multi-contact design current path.

### 2. Benefits derived as a result of the above R&D:

- Energy-efficient products.
- Overall cost reduction.
- Opportunity to tap new market.
- Improved quality.
- Enhancement of product portfolio.

### 3. Further Plan of action:

- Introduction of new products in markets.
- Accreditation from various national and international approving authorities to achieve relevant product approvals through house testing.
- Development of traction and electrical control cabinets for 5500HP diesel electrical locomotives.
- Completion of 145kV new design project & initiate design work on 245kV & 800kV CBs to make these designs more cost effective.

### 4. Expenditure on R&D:

- a. Capital Expenditure: ₹ 146 million
- b. Revenue Expenditure: ₹ 73 million
- c. Total Expenditure: ₹ 219 million

## C. Technology Absorption & Innovation

### 1. Efforts undertaken:

- Fully automatic Injection molding machine is now equipped with servo controlled robot for handling of molded parts, facilitating multi-machine operation.
- Introduction of resin poor medium voltage winding technology along with state-of-art vacuum plant impregnation (VPI) system to manufacture medium voltage motors.
- Type test facility to test the motors according to IEC 60034-2-1 upto 1250KW 4 pole Motors.
- Localization of SST 600 steam turbine to cater the Indian market with cost effective solutions to improve market share.
- Localization for industrial and power fans up to 100MW.
- Localization of STC GC 10-50 compressors.
- Localization of 800kV CB& 420Kv, 63kA CB, 245kV, 3150 Amps, 50kA, 8DN9 2 GIS.

- New CNC machines introduced to counter balance the load of casing and also dependency on the local suppliers.
- Interaction & training with external agencies / technology partners for exposure to the latest products / designs, manufacturing technologies, processes, analytical techniques and engineering protocols.

## 2. Benefits derived from the above:

- Reduced dependence on imported technology.
- Environment friendly process, reduction in hazardous waste.
- Overall cost reduction.
- Increased market coverage.
- Reduction of cost in product thus improving product competitiveness

## 3. Imported Technology:

Technology Imported	Year of Import	Has the technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.
Electromagnetic Transient Simulation	2011	Yes	Not Applicable
Technology for the products 800kV CB & 550kV CB	2009-10	Yes	Not Applicable
765kV CT technology transfer from Trench Germany	2012	Yes	Not Applicable

On behalf of the Board of Directors

For **Siemens Ltd.**



**Deepak S. Parekh**  
Chairman

Mumbai  
Friday, 23<sup>rd</sup> November, 2012



## Annexure II to the Directors' Report

# Management's Discussion & Analysis

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### General performance review

The slowdown in India's domestic economy that began in the previous year extended into financial year 2011-12. While the cumulative growth rate of index of industrial production (IIP) fell to 0.52% in financial year 2011-12 from 6.67% in financial year 2010-11, GDP growth remained stagnant at 6.5% as of September 30, 2012 compared with 7.5% as of September 30, 2011.

According to the Centre for Monitoring Indian Economy (CMIE), new investment announcements for the quarter ended September 30, 2012 were at ₹ 58,494 crores, the lowest in 33 quarters. Though the CMIE expects new investment announcements to pick up in the coming quarters, it may not reach the levels seen two to three years ago because many large industries already have huge capacity expansions in the pipeline.

Investor and business confidence was low due to the prolonged global economic crisis as well as the government's inability to gain consensus from coalition partners, which delayed legislation on various fiscal and market reforms. Delays in decision-making led to stalled infrastructure projects and issues related to environmental clearances, land acquisition, and the supply of fuel and raw materials, and the Reserve Bank of India's continued focus on reducing inflation at the cost of economic growth affected investments in new projects. As with most other industries in India, Siemens Ltd. businesses across its four Sectors were impacted due to these factors.

New orders fell to ₹ 10,235.1 crores in financial year 2011-12, down by 17% from ₹ 12,288.7 crores in financial year 2010-11. Sales were up by 8% to ₹ 12,708.1 crores, compared with ₹ 11,818.3 crores in financial year 2010-11, while profits after taxes (PAT) were down by 59% at ₹ 343.2 crores compared with ₹ 845.4 crores in financial year 2010-11.

During the fourth quarter of the financial year 2011-12, the Company reviewed the plans for the wind energy business and its localisation activities. Wind energy solutions will be developed on a case-to-case basis for the Indian market by leveraging existing global Siemens AG manufacturing capacities. Hence, an exceptional item for an impairment estimated at Rs 120 crores was booked in the fourth quarter.

### Energy Sector

A combination of factors such as fuel prices and availability (for both coal and natural gas), a liquidity crunch, and delayed statutory clearances for projects citing environmental and

land acquisition regulations, affected the investment plans of customers in the power sector.

Notable orders for the Energy Sector included a contract from Tata Power Ltd. for three 67.5-MW steam turbines. The Energy Sector also signed a contract with Power Grid Corporation of India Ltd. to construct a 765-kV test laboratory for the National High Power Test Laboratory Pvt. Ltd. (NHPTL). NHPTL aims to build stand-alone testing facilities in India for electrical equipment manufacturing and power utility companies in India, the first of their kind in India. The Energy Sector also won a breakthrough order from Larsen & Toubro to supply a distributed control system (DCS) for a 3 x 660-MW power plant, marking its entry into the crucial power plant DCS segment in India.

During the financial year 2011-12, Siemens Energy Sector also delivered the world's first 1,200-kV SF6 circuit breaker to Power Grid Corporation of India Ltd. The circuit breaker, which is part of the ultra-high-voltage test station being built by Power Grid Corporation of India Ltd., will mark the start of a new era in high-voltage transmission in India. In addition, the Energy Sector also introduced several new solutions, including the SPPA-D3000 diagnostic suite for monitoring system vibration, the 765-kV SF6 insulated current transformer, and the 400-kV gas-insulated switchgear.

As part of its ongoing localisation initiatives, the Energy Sector began local deliveries of higher-range steam turbines from the Vadodara factory.

For financial year 2011-12, the order values were down by 46% to ₹ 2,696 crores, sales fell by 1% to ₹ 5,181.1 crores, while profits from operations were down by 51%, to ₹ 318.8 crores.

### Outlook

The prevailing issues related to lack of fuel supply and the higher cost of fuel, delayed statutory clearances, financial constraints, and land acquisition issues are expected to delay equipment orders in the short term. Factors that could influence the recovery of the power sector are improved land acquisition processes, lower interest rates, availability of fuel linkages, and a viable mechanism for transferring the increased fuel costs through higher power tariffs. This would allow developers to proceed with stalled projects utilizing imported coal.

Factors that could provide further impetus to the Sector are expansion plans of major oil and gas companies, the increasing acceptance of coal-bed methane production, and

the auction of shale gas blocks in late 2013 on a production-sharing basis.

The Siemens Energy Sector continues to focus on strengthening its locally-engineered solutions and execution capabilities.

### **Healthcare Sector**

A high percentage of healthcare spending in India is “out-of-pocket” because the penetration of health insurance in the country is low. According to a World Health Organization report published in 2012, out-of-pocket expenditures on healthcare in India were over 86%, one of the worst in the world. Government spending on healthcare also remained very low compared with the rest of the world, at around 1% of GDP – translating to a per capita expense of around ₹ 2,000 per person in 2012. The weakening Indian rupee also had an impact on the market for healthcare equipment. A majority of the high-end technology is imported. As a result, the weaker rupee led to an escalation in project costs and capital expenditure, and a number of healthcare providers postponed investment decisions.

In this challenging environment, the Siemens Healthcare Sector continued its focus on bringing high-end healthcare technology to India. It won an order from House of Diagnostics – a medical diagnostics solution provider targeting the niche segment of corporations and large hospital chains – for the installation of India’s first magnetic resonance positron-emission tomography (MR-PET) system at Indraprastha Apollo Hospital. The Siemens Healthcare Sector won the Imaging Company of the Year award presented by Frost and Sullivan, an international consulting and training company, for the second year in succession.

For financial year 2011-12, order values were down by 6% to ₹ 1,055.1 crores, sales was up by 3% to ₹ 1,081.1 crores, while profits from operations were down by 88% to ₹ 6.1 crores.

### **Outlook**

Long-term investment prospects in the healthcare segment look promising as recent reports show that corporations and venture capitalists are considering investing in the sector. The majority of districts in India do not have access to tertiary care, because providers are largely focused on metropolitan areas and Tier 1 cities. The private players in the healthcare segment are expanding their networks into Tier 2 and 3 districts through both greenfield as well as brownfield routes. Various corporate groups have also announced firm plans to invest and expand in healthcare. These investments should result in increased orders for healthcare technologies.

The government has also signalled a growing emphasis on healthcare, and announced an increase in healthcare expenditures in the 12th five year plan from the approximately 1% of GDP today to 2.5%.

### **Industry Sector**

The Industry Sector was affected by lower investments during the financial year 2011-12 on projects across verticals. Rising raw material costs increased the input costs, while the continuing high interest rates led to reduction of new projects and delay in off-take of finished goods.

The Industry Sector began financial year 2011-12 with a strong focus on verticals such as automotive, chemicals, food and beverage, pharmaceuticals, water, glass, minerals, pulp and paper, and cement, and a streamlined, integrated service approach. The service portfolio has been adapted for the Indian market with an increased emphasis on meeting local customer needs.

Highlights of the financial year 2011-12 for the Industry Sector included an order for ‘online condition monitoring system’ from Dalmia Cement. The system enables the safe management of both machine data and operating data in real time to ensure transparency, reliability of the equipment and operational availability. The Sector won an order from Jupiter Life Sciences, the largest custom research and manufacturing services provider in India, to supply a distributed control system using foundation fieldbus (FF) technology. Introduced by Siemens Ltd. in 2012, the FF technology is the standard in the chemical industry. Another significant order was from Takraf India for Bucket Wheel Excavators (BWE). The BWE machines will be installed in Mines-II of Neyveli Lignite Corporation Ltd. The order includes providing integrated solutions for design, manufacture, supply, assembly and commissioning of a state-of-the-art automation and drive solution for BWE machines. A consortium led by Metals Technologies Business Unit won a major order, of which the contribution to Siemens Ltd. was Rs 633 crores. The order is for supply of a complete steelmaking plant for an integrated production complex belonging to the National Mineral Development Corporation Ltd.

For financial year 2011-12, order values increased by 36% to ₹ 3,360.1 crores, sales were up by 24% to ₹ 3,758.3 crores, while profits from operations were down by 28% to ₹ 163.3 crores.

### **Outlook**

Moderation in demand in both consumption-driven industries such as automotive and investment-linked industries such as cement and construction is expected to continue. Together

## Annexure II to the Directors' Report (Continued)

# Management's Discussion & Analysis

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with fewer announcements of fresh investments, there have been delays in the finalisation of projects and project closures. There is also a focus on cost reduction among key original equipment manufacturers. Margins are expected to remain under pressure due to higher input costs, higher labour costs, and high interest rates. An enhanced focus among various industry verticals on modernising their manufacturing systems and improving productivity, including energy-saving initiatives, are expected to drive growth opportunities. The Industry Sector's efforts to tap new opportunities in the product business are expected to contribute to this growth. An emerging trend of plant-maintenance outsourcing offers the opportunity to provide value-added services.

### Infrastructure & Cities Sector

During financial year 2011-12, the market for infrastructure remained subdued due to the high interest rates, delays in government clearances, and slower investment decisions.

Among the highlights of the past year, the Siemens Infrastructure & Cities Sector won a contract worth ₹ 130 crores to modernise the electricity distribution system for Maharashtra State Electricity Distribution Company Ltd. Siemens Ltd. will manage the entire project in addition to the development, manufacture, implementation, and commissioning of SCADA/DMS supervisory control centers for eight cities under the Government of India's Restructured Accelerated Power Development Reforms Program (R-APDRP).

The Infrastructure & Cities Sector also won a contract worth ₹ 86 crores to build and modernise substations for the Bangladesh Power Development Board. The contract involves construction of six new 33/11-kV substations and the upgrade of 14 similar substations.

The Infrastructure & Cities Sector supported the Indian government's Department of Post to achieve a major milestone in its efforts to modernise and ramp up its mail processing centres when the automated mail processing system installed at New Delhi became operational. The system consists of a sorting machine with an integrated reading and video coding machine (IVR), which reads bar code or manually-written addresses on the letter line-by-line. Based on the address, the machine automatically sorts the letters and collects them in specified bins in a single run. The system is capable of processing up to 55,000 mail pieces per hour. Another significant order win for the Sector was to set up an integrated building management system for Bharat Diamond Bourse in Mumbai.

For financial year 2011-12, order values were down by 15% to ₹ 3,074.9 crores, sales were up by 9% to ₹ 2,687.6 crores, while profits from operations were down by 28% to ₹ 165.4 crores.

### Outlook

Opportunities for growth exist in modernisation and greenfield infrastructure projects in railways, airports, logistics, ports, and cargo segments. However, project delays due to the high cost of financing and slow government decisions would impact growth. The planned privatisation of power distribution companies and the government's focus on strengthening the transmission and distribution system through programs such as the R-APDRP offer opportunities for growth. Significant growth opportunities have also emerged in Tier 2 and Tier 3 cities, particularly for the product business. However, the government has to ensure that large infrastructure projects in the country across various sectors, like power, railways, roads, shipping, civil aviation, and mining, are given top priority.

### Internal control systems

The Company has an internal control framework that integrates the Sarbanes Oxley Compliance Act, the Compliance Control Framework, and the pre-existing Internal Control System into a single Risk and Internal Control process, which is responsible for coordinating the entire process.

Siemens Ltd. has outsourced the internal audit function to Corporate Finance Audit, the Global Audit Department of Siemens AG. The internal audit is conducted independently. The Internal Audit team has developed a flexible audit plan for the Company using an appropriate risk-based methodology. The Company's Audit Committee reviews the audit plan regularly.

An objective evaluation and reporting is conducted on Siemens Ltd.'s financial reporting integrity, effectiveness of risk management and internal control systems, and adherence to Siemens Ltd.'s compliance policies in a systematic and disciplined manner.

### Compliance

During the financial year 2011-12, Siemens Ltd. continued its focus on compliance in all areas of its business. In addition to continuously upgrading the Compliance Control Framework (CCF), the Company also increased its focus on Sector requirements. Details on compliance activities are included in the Business Responsibility Report on page 10.

## Safety and environment

Achieving excellence for environmental protection, health management, and safety (EHS) is a high priority for Siemens Ltd. While the Company's manufacturing units in India have already implemented international EHS standards like ISO 14001 and OHSAS 18001, a variety of initiatives were undertaken during financial year 2011-12 to improve EHS performance at project sites.

In addition to safety workshops for Siemens Ltd. employees as well as contractors, the Company began periodic evaluation of the EHS capabilities of the vendors during the year. The Company also initiated "Project Suraksha" to identify and enhance "critical to safety" factors at project sites. The Company also increased communications activities at project sites in an effort to build a zero-harm culture on project locations.

Detailed information on the Company's initiatives in environment, health, and safety is provided in the Business Responsibility Report on page 12.

## Human resources initiatives

During financial year 2011-12, the Company primarily focused on retaining its employees and further improving their competencies. As part of the Global Engagement and Compliance Survey 2012, conducted to help create an inspiring and motivating work environment for employees, the Company received 94% favorable responses in the Employee Engagement category.

By offering a variety of employee-centric programmes, the Company was successful in decreasing attrition rates and maintaining them at a rate lower than the industry average. One of the most significant retention measures was the launch of an employee reward and recognition programme called Siemens Puraskaar, which includes non-monetary and monetary rewards. The other noteworthy initiative was the introduction of Siemens Mitra, an employee counseling and assistance programme.

With the objective of enhancing the quality of hires, the company also actively improved the recruitment process, especially the Campus recruitment process for engineers. There were 172 graduate trainee engineers hired using the new process from top-ranking colleges across the country. Siemens Ltd. also hired employees with high-potential global recruiting programmes such as the Siemens Graduate Programme and the Finance Excellence Programme.

The motivated and diverse workforce continues to remain the company's most important asset. Sustained development of this dynamic workforce through strategic learning programmes is a key factor in Siemens Ltd.'s strategy and an inherent part of "people processes" like the yearly Performance Management Process. In line with this objective, Siemens Ltd. strengthened its learning programme framework and launched the Learning Campus duly supported by the global IT platform. This IT-based initiative makes business-relevant knowledge available to all employees within the Siemens Network.

### Some key highlights of the training programmes conducted over the last year are:

- a. Over 14,250 employees participated in 550 functional and cross-functional training programmes, which have been designed to meet our business requirements.
- b. Under the framework of the Core Learning Programmes, the Company conducted trainings in the areas of general management, sales and marketing, software, research and development, manufacturing, human resources, and project management.

In the arena of leadership and development, the Company continued its emphasis on developing leaders at different levels and organised a variety of initiatives to support this objective.

- a. ASCEND (acquire skills and capabilities to empower and develop people), the first-time manager programme, had 211 new team leads learning the concepts of effective leadership.
- b. LEEP (leadership enhancement through excellence in people management) – a leadership-enrichment programme that hones people-management skills through self-awareness and coaching – saw 151 middle-level managers participating in order to become better leaders.

As of September 30, 2012, the company's employee numbers stood at 11,229. This includes 812 employees who were added through the merger of Siemens VAI Metals Technologies Pvt. Ltd. and Morgan Construction Company India Pvt. Ltd. The new employees have been integrated into the Metals Technologies Business Unit of the Industry Sector.

### Outlook for Siemens Ltd.

Modern and future-ready infrastructure has been recognized as a key driver of India's economic growth. Siemens Ltd. is present in all the areas that contribute to infrastructure.



## Annexure II to the Directors' Report (Continued)

# Management's Discussion & Analysis

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The Company has solutions for the entire energy matrix (generation, transmission, and distribution), intra-city and inter-city mobility, industrial plants, green buildings, and hospitals. In addition, the Company's focus on localisation has helped to position itself as a technology provider of choice for building India's infrastructure. The Company also has the added advantage of bundling the financing solutions offered by Siemens Financial Services Pvt. Ltd. (SFSPL), a non-banking finance company and a wholly-owned subsidiary of Siemens AG. SFSPL's offerings such as loans, leasing, and other financial products are used to finance equipment purchases by customers of Siemens Ltd.

The government's recently-announced measures to allow higher foreign direct investments in sectors such as aviation, multi-brand retail, insurance, and media have sent encouraging signals. The founding of the National Investment Board is also a positive sign.

In light of the above developments, the company expects profitable and sustainable growth in the future.

**Note:** This report contains forward-looking statements based on beliefs of Siemens' management. The words "anticipate," "believe," "estimate," "forecast," "expect," "intend," "plan," "should," and "project" are used to identify forward-looking

statements. Such statements reflect the company's current views with respect to future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different, including, among other things, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products, lack of acceptance of new products or services, and changes in business strategy. Actual results may vary materially from those projected here. Siemens does not intend to assume any obligation to update these forward-looking statements.

On behalf of the Board of Directors  
For **Siemens Ltd.**



**Deepak S. Parekh**  
**Chairman**

Mumbai  
Friday, November 23, 2012

## Annexure III to the Directors' Report

# Corporate Governance Report

(As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

### I. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximising value for all its stakeholders.

### II. Board of Directors (Board)

#### • Composition

During the year under consideration, the Board comprises of 10 experts (excluding Alternate Directors) drawn from diverse fields / professions. The Board has an optimum combination of Executive and Non-executive Directors, which is in conformity with the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges (Listing Agreement) in this regard. The Chairman of the Board is a Non-executive and Independent Director. All Directors, except the Managing Director and Special Director, are liable to retire by rotation.

The Company has 8 Non-executive Directors out of which 6 are Independent Directors. There are two Directors in whole-time employment of the Company, one being the Managing Director and other as an Executive Director.

The necessary disclosures regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all companies in which they are Directors.

There is no relationship between the Directors inter-se.

The Composition of the Board, Directorship / Committee positions in other companies as on 30<sup>th</sup> September, 2012, number of Meetings held and attended during the Financial Year (FY) are as follows:

Name	Category <sup>(1)</sup>	Board Meetings during the FY 2011-12		Attendance at last AGM held on 31.01.2012	Other Directorships in India <sup>(2)</sup>	Other Committee positions in India <sup>(3)</sup>	
		Held <sup>(5)</sup>	Attended			Member	Chairman
1 Mr. Deepak S. Parekh (Chairman)	NED (I)	5	5	Yes	10	2	2
2 Mr. Darius C. Shroff	NED (I)	5	5	Yes	12	4	2
3 Mr. Yezdi H. Malegam	NED (I)	5	5	Yes	8	Nil	5
4 Mr. Narendra J. Jhaveri	NED (I)	5	5	Yes	8	4	2
5 Mr. Keki B. Dadiseth	NED (I)	5	4	Yes	8	2	3
6 Mr. Pradip V. Nayak	NED (I)	5	5	Yes	3	1	Nil
7 Dr. Armin Bruck	WTD	5	5	Yes	1	1	Nil
8 Mr. Sunil D. Mathur	WTD	5	5	Yes	1	Nil	1
9 Dr. Roland Busch <sup>(4)(6)</sup> (Nominee of Parent Company, Siemens AG)	NED	5	2	Yes	Nil	N.A.	N.A.
10 Mr. Johannes Apitzsch <sup>(5)</sup> (Alternate for Dr. Roland Busch from 27.04.2012)	NED	2	2	N.A.	Nil	N.A.	N.A.
11 Mr. Stephan Schneider <sup>(4)(5)(7)</sup> (Alternate for Dr. Roland Busch upto 27.04.2012)	NED	3	1	No	Nil	N.A.	N.A.
12 Mr. Joe Kaeser <sup>(4)</sup>	NED	5	5	Yes	Nil	N.A.	N.A.
13 Dr. Otmar Schmitt <sup>(4)(5)(7)</sup> (Alternate for Mr. Joe Kaeser upto 27.04.2012)	NED	3	Nil	No	Nil	N.A.	N.A.

## Corporate Governance Report

(As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

### Notes:

- (1) Category: WTD - Whole-time Director, NED – Non-executive Director, NED (I) – Non-executive Director and Independent.
- (2) Includes Alternate Directorships and Directorships in private companies.
- (3) Includes only Audit Committee and Investors Grievance Committee of public limited companies.
- (4) In the whole-time employment of parent company, Siemens AG, Germany.
- (5) Details provided for the period for which the individuals held Directorship of the Company.
- (6) Special Director as per Article 110 of the Articles of Association of the Company and as such is not bound to retire by rotation.
- (7) Mr. Stephan Schneider ceased to be an Alternate Director for Dr. Roland Busch with effect from 27<sup>th</sup> April, 2012. From 1<sup>st</sup> October, 2011 to 27<sup>th</sup> April, 2012, he attended 1 Board Meeting as an Alternate Director for Dr. Roland Busch.

Dr. Otmar Schmitt ceased to be an Alternate Director for Mr. Joe Kaeser with effect from 27<sup>th</sup> April, 2012. From 1<sup>st</sup> October, 2011 to 27<sup>th</sup> April, 2012, he attended none of the Board Meeting as an Alternate Director for Mr. Joe Kaeser.

### • Board Meetings

During the Financial Year 2011-12, 5 Meetings were held on 29<sup>th</sup> October, 2011, 22<sup>nd</sup> November, 2011, 31<sup>st</sup> January, 2012, 27<sup>th</sup> April, 2012 and 10<sup>th</sup> August, 2012.

The gap between any two Meetings did not exceed four months.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as a part of Agenda Papers, the same are tabled at the meeting or / and the presentations are made by the concerned managers to the Board. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

The information as specified in Annexure IA to Clause 49 of the Listing Agreement is regularly made available to the Board, whenever applicable, for discussion and consideration.

## III. Committees of Directors

### A Mandatory Committees

#### i. Audit Committee of Directors (Audit Committee)

#### Composition

The Audit Committee comprises of experts specialising in accounting / financial management. The Chairman of the Audit Committee is a Non-executive and Independent Director. The present composition of the Audit Committee is as follows:

Name	From	No. of meetings during FY 2011-12	
		Held	Attended
Mr. Yezdi H. Malegam, Chairman	15.12.2000	5	5
Mr. Joe Kaeser / Dr. Otmar Schmitt (Alternate Director for Mr. Joe Kaeser upto 27.04.2012)	01.10.2006	5	5
Mr. Deepak S. Parekh	22.11.2004	5	5
Mr. Keki B. Dadiseth	01.02.2006	5	4

Mr. Ajai Jain, Vice President (Legal) & Company Secretary, is a Secretary to the Committee.

During the Financial Year 2011-12, 5 Meetings were held on 29<sup>th</sup> October, 2011, 22<sup>nd</sup> November, 2011, 31<sup>st</sup> January, 2012, 27<sup>th</sup> April, 2012 and 10<sup>th</sup> August, 2012.

The Executive Director and the Heads of Accounts, Finance, Taxation, Regional Compliance, Internal Audit and the Statutory Auditors are permanent invitees to the Meetings.

### Terms of reference

The powers and terms of reference of the Audit Committee are as mentioned in the Clause 49 II (C), (D) & (E) of the Listing Agreement and Section 292A of the Companies Act, 1956.

The terms of reference are briefly described below:

- a. Oversight of the Company's financial reporting process and disclosure of financial information.
- b. Recommend the appointment, re-appointment and, if required, replacement or removal of Statutory Auditors, fixation of audit fees and approving payments for any other services.
- c. Review with management the annual and quarterly financial statements before submission to the Board.
- d. Review with management, performance of Statutory and Internal Auditors and adequacy of internal control systems.
- e. Review the adequacy of internal audit function.
- f. Discussions with Internal Auditors of any significant findings and follow-ups thereon.
- g. Review the findings of any internal investigations by the Internal Auditors.
- h. Discussions with Statutory Auditors before the audit commences, of the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- i. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- j. Review the functioning of the Whistle Blower mechanism.
- k. Review the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions;
  - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
  - Internal audit reports relating to internal control weaknesses;
  - The appointment, removal and remuneration of the Chief Internal Auditor; and
  - The financial statements, in particular, the investments made by unlisted subsidiary companies.In addition to the above, the following disclosures are made to the Audit Committee, as and when applicable:
  - Basis of related party transactions;
  - Disclosure of Accounting Treatment; and
  - Utilisation / application of proceeds from public issues, rights issues, preferential issues, etc., if any.

The Audit Committee is vested with the necessary powers, as defined in its Charter, to achieve its objectives.

The Chairman of the Audit Committee was present at the 54th Annual General Meeting held on 31st January, 2012.

### ii. Investors Grievance Committee of Directors (Investors Grievance Committee)

#### Composition

The Investors Grievance Committee has been constituted to attend to and redress the investors' grievances.

Name	From	No. of meetings during FY 2011-12	
		Held	Attended
Mr. Darius C. Shroff, Chairman	15.12.2000	2	2
Mr. Pradip V. Nayak	01.02.2006	2	2
Dr. Armin Bruck	01.01.2008	2	Nil

During the Financial Year 2011-12, the Committee met on 17<sup>th</sup> October, 2011 and 27<sup>th</sup> February, 2012.

# Corporate Governance Report

(As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

Mr. Ajai Jain, Vice President (Legal) & Company Secretary, is the "Compliance Officer" pursuant to the requirement of the Securities and Exchange Board of India (SEBI) Regulations and Listing Agreement.

## Details of Investors' Complaints

The Company and TSR Darashaw Ltd., Registrar & Share Transfer Agent (RTA), attend to all grievances of the investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

Barring certain cases pending in Courts / Consumer Forums, relating to disputes over the title to Shares, in which either the Company has been made a party or necessary intimation thereof has been received by the Company, all the investor grievances / correspondences have been promptly attended to from the date of their receipt. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

The details of Complaints received, cleared / pending during the Financial Year 2011-12 is given below:

Nature of Complaints	Received	Cleared	Pending
Non-receipt of Share Certificates duly transferred	3	3	0
Non-receipt of dividend warrants	2	2	0
Letters from SEBI / SCORES Site	7	7	0
Letters from Stock Exchanges	1	1	0
Letters from Depositories	2	2	0
Letters from Ministry of Corporate Affairs	1	1	0
<b>Total</b>	<b>16</b>	<b>16</b>	<b>0</b>

## B. Non-Mandatory Committees

### Remuneration Committee of Directors (Remuneration Committee)

#### Composition

Name	From	No. of meetings during FY 2011-12	
		Held	Attended
Mr. Narendra J. Jhaveri, Chairman	15.12.2000	2	2
Mr. Darius C. Shroff	15.12.2000	2	2
Mr. Deepak S. Parekh	01.10.2004	2	2
Mr. Pradip. V. Nayak	23.07.2007	2	2

During the Financial Year 2011-12, the Committee met on 22<sup>nd</sup> November, 2011 and 31<sup>st</sup> January, 2012.

#### Terms of reference

- Determine the Company's policy on specific remuneration packages for Whole-time Directors / Executive Directors including pension rights and any compensation payment.
- Decide the actual Salary, Salary Grades, Overseas Allowance, Perquisites, Retirals and Increment of Whole-time Directors.
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company and / or Siemens AG) and evaluate the performance and determine the amount of incentive of the Whole-time Directors for that purpose.
- Decide the amount of Commission payable to the Whole-time Directors.
- Periodically review and suggest revision of the total remuneration package of the Whole-time Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines, etc.



## Remuneration Policy

The remuneration policy of the Company is performance driven and is structured to motivate employees, recognize their merits & achievements and promote excellence in their performance.

### 1. For Whole-time Directors

The Board of Directors / the Remuneration Committee of Directors is authorised to decide the remuneration of the Whole-time Directors, subject to the approval of the Members and Central Government, if required. The remuneration structure comprises of Salary, Perquisites, Retirement benefits as per the law / rules, Performance Linked Incentive (PLI), Commission and entitlement to participate in the Equity based compensation programs of Siemens AG, Germany / Siemens Ltd., as applicable from time to time. Annual increments are decided by the Remuneration Committee within the salary grade approved by the Members.

In addition to the above remuneration, Expatriate Directors are paid Overseas Allowance / Special Allowance and certain other Perquisites as per the Rules of the Company.

PLI, benefit under the Equity based compensation programs of Siemens AG / Siemens Ltd. and Commission constitute the variable component of remuneration. PLI is computed on the basis of specific targets set for each Whole-time Directors every year. The targets are also linked to the Company's targets. PLI is paid to the Whole-time Directors on achievement of the said targets. Commission is determined on the basis of the Net Profits of the Company in a particular Financial Year, subject to the overall ceiling as stipulated in Sections 198 and 309 of the Companies Act, 1956.

Remuneration paid / payable to the Whole-time Directors for the Financial Year 2011-12

(Amount in ₹)

	Dr. Armin Bruck	Mr. Sunil D. Mathur
Salary	12,275,400	8,385,900
Perquisites <sup>(1)</sup>	29,205,156	22,028,547
Performance Linked Incentive	30,661,000	19,985,000
Compensation under Stock Option Plan(s) of Siemens AG / SMP India	9,276,064	7,289,799
Commission	Nil	Nil
<b>Total</b>	<b>81,417,620</b>	<b>57,689,246</b>
<b>Tenure</b>		
From	01.10.2007	22.07.2008
To	31.12.2013*	21.07.2013
Shares of ₹ 2 each held as on 30.09.2012	Nil	Nil

\*Subject to Shareholders approval for the re-appointment for the period 1.10.2012 to 31.12.2013 in the ensuing Annual General Meeting.

#### Notes:

- (1) Perquisites include Company's contribution to Provident Fund and Superannuation Fund for Directors (except Dr. Bruck). Further, Overseas Allowance and Special Allowance are included in the perquisite for Dr. Bruck and Mr. Mathur, respectively.
- (2) Certain whole time Directors are covered under the Company's gratuity, leave, medical and silver/golden jubilee schemes along with the other employees of the Company. These liabilities are determined for all employees by an independent actuarial valuation. The specific amount for such benefits can't be ascertained separately and accordingly the same has not been included above.

The Severance fees are payable to the Directors on termination of employment as per the rules of the Company.

## Annexure III to the Directors' Report

# Corporate Governance Report

(As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

## 2. For Non-executive Directors

The Non-executive Directors are paid remuneration by way of Sitting Fees and Commission.

### Sitting Fees

The Non-executive Directors are entitled to sitting fees for attending Board / Committee Meetings, as per the details given below:

Meetings	Sitting fees per Meeting (₹)
Board	20,000
Audit Committee	20,000
Investors Grievance Committee, Remuneration Committee, Corporate Governance Committee, Investment Committee and Special Committee.	10,000

### Commission

In terms of the Members' approval given at the 52<sup>nd</sup> Annual General Meeting held on 29<sup>th</sup> January, 2010, Commission is payable at a rate not exceeding 1% per annum of the Net Profits of the Company computed in the manner referred to in Section 309 of the Companies Act, 1956. The actual amount of Commission payable to each Non-executive Director is decided by the Board on the following criteria:

- Number of Board Meetings attended
- Role and responsibility as Chairman / Member of the Board / Committee
- Overall contribution

Remuneration paid / payable to the Non-executive Directors for the Financial Year 2011-12:

Name	Sitting Fees* for Board / Committee Meetings attended (₹)	Commission* <sup>(1)</sup> (₹)	Total (₹)	Number of Equity Shares of ₹ 2 each held as on 30.09.2012 (₹)
Mr. Deepak S. Parekh	260,000	4,500,000	4,760,000	9,000
Mr. Yezdi H. Malegam	260,000	3,500,000	3,760,000	6,250
Mr. Darius C. Shroff	160,000	2,300,000	2,460,000	9,000
Mr. Narendra J. Jhaveri	120,000	2,300,000	2,420,000	5,000
Mr. Keki B. Dadiseth	180,000	2,300,000	2,480,000	Nil
Mr. Pradip V. Nayak	160,000	2,300,000	2,460,000	Nil
Mr. Joe Kaeser <sup>(2)</sup>	N.A.	N.A.	N.A.	Nil
Dr. Otmar Schmitt	Nil	Nil	Nil	Nil
Mr. Stephan Schneider <sup>(2)</sup>	N.A.	N.A.	N.A.	Nil
Dr. Roland Busch <sup>(2)</sup>	N.A.	N.A.	N.A.	Nil
Mr. Johannes Aпитzsch	N.A.	N.A.	N.A.	Nil

\* Exclusive of service tax.

### Notes:

- (1) Subject to the approval of Annual Accounts for the Financial Year 2011-12 by the Members at the 55<sup>th</sup> Annual General Meeting to be held on 31<sup>st</sup> January, 2013.
- (2) Opted not to accept any Sitting Fees or Commission.

None of the other Non-executive Directors has any other pecuniary interest in the Company, as disclosed to us.

## C. Other Committees of Directors

### i. Corporate Governance Committee of Directors (Corporate Governance Committee)

The Committee has been constituted inter-alia to consider, review and decide the matters relating to Corporate Governance as per the Listing Agreement and applicable Laws & Regulations and recommending best practices in the areas of Board Governance, Corporate Governance & disclosure policies considering the interest of the stakeholders.

#### Composition

Name	From
Mr. Keki B. Dadiseth, Chairman	01.06.2007
Mr. Deepak S. Parekh	01.06.2007
Mr. Yezdi H. Malegam	01.06.2007
Mr. Darius C. Shroff	23.07.2007
Mr. Joe Kaeser / Dr. Otmar Schmitt (Alternate Director for Mr. Joe Kaeser upto 27.04.2012)	01.06.2007
Dr. Armin Bruck	01.01.2008
Dr. Roland Busch / Mr. Johannes Aplitzsch	10.08.2012

During the Financial Year 2011-12, the Committee met on 29<sup>th</sup> October, 2011 and 27<sup>th</sup> April, 2012.

### ii. Investment Committee of Directors (Investment Committee)

#### Composition

Name	From
Mr. Deepak S. Parekh, Chairman	23.07.2007
Mr. Yezdi H. Malegam	23.07.2007
Mr. Pradip V. Nayak	23.07.2007
Mr. Joe Kaeser / Dr. Otmar Schmitt (Alternate Director for Mr. Joe Kaeser upto 27.04.2012)	23.07.2007
Mr. Sunil D. Mathur	01.10.2008
Mr. Keki B. Dadiseth	01.02.2012
Dr. Roland Busch / Mr. Johannes Aplitzsch	10.08.2012

The Investment Committee Meetings are held as and when required. During the Financial Year 2011-12, the Committee met on 21<sup>st</sup> October, 2011, 21<sup>st</sup> January, 2012 and 25<sup>th</sup> July, 2012. The role of the Committee includes reviewing guidelines for investing surplus funds of the Company, reviewing proposals of mergers and acquisitions, valuations, investment proposals and periodical monitoring of investments, authorizing negotiation of the terms and conditions of the various credit/financial facilities and carrying out such other function as may be delegated by the Board from time to time.

## Annexure III to the Directors' Report

# Corporate Governance Report

(As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

### IV. Committees of Management (Constituted by the Board of Directors)

#### i. Share Transfer Committee (STC)

##### Composition

Name	From
Dr. Armin Bruck, Chairman	01.01.2008
Mr. Sunil D. Mathur	01.10.2008
Mr. Ajai Jain, Member & Secretary	01.08.2008

The STC notes and takes on record the transfer / transmission / transposition of shares and consolidation / splitting of folios, issue of share certificates in exchange for sub-divided, consolidated, defaced, etc., as approved by the authorised persons. The STC also notes the dealings in Company's Shares by the designated employees under the Company's Code of Conduct for Prevention of Insider Trading. 12 Meetings of the STC were held during the Financial Year 2011-12.

#### ii. Finance Committee (FC)

##### Composition

Name	From
Mr. Sunil D. Mathur, Chairman	01.10.2008
Dr. Armin Bruck	01.01.2008
Mr. Ajai Jain, Member & Secretary	01.08.2008

The FC authorises opening / closing of bank accounts, availing of credit facilities, giving of loans, intercorporate deposits, guarantees, investment in mutual funds, commodity hedging etc. The FC Meetings are held as and when required. 14 Meetings of the FC were held during the Financial Year 2011-12.

#### iii. Delegation of Powers Committee (DPC)

##### Composition

Name	From
Dr. Armin Bruck, Chairman	01.01.2008
Mr. Sunil D. Mathur	27.07.2008
Mr. Ajai Jain, Member & Secretary	01.08.2008

The DPC issues / revokes Powers of Attorney, fixes the procedures for signing authority, grants authority for various purposes to the employees, etc. The DPC Meetings are held as and when required. 24 Meetings of the DPC were held during the Financial Year 2011-12.

### V. Subsidiary companies

The Company does not have any Subsidiary as on 30<sup>th</sup> September, 2012.

### VI. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification

As required by Clause 49 V of the Listing Agreement, the CEO and CFO certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting has been obtained from Dr. Armin Bruck (Managing Director / CEO) and Mr. Sunil D. Mathur (Executive Director / CFO).

### VII. Risk Management Framework

The Company has in place a mechanism to inform the Board about the risk assessment and minimisation procedures and periodical review to ensure that management controls risk through means of a properly defined framework.

### VIII. Business Conduct Guidelines (BCGs)

The Company has adopted BCGs as the Code of Conduct for Directors, including Non-executive Directors and Senior Management of the Company, as per the requirement of Clause 49 I D of the Listing Agreement. The Company has received confirmations from all the Directors and Senior Management of the Company regarding compliance with the BCGs for the year ended on 30<sup>th</sup> September, 2012. A certificate from Dr. Armin Bruck, Managing Director, to this effect, is attached to this Report. The BCGs can be viewed on the website of the Company [www.siemens.co.in](http://www.siemens.co.in).

## IX. Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistleblowers (the Whistleblower Policy)

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to report unethical behaviour and actual or suspected frauds, the Company has adopted the Whistleblower Policy with effect from 1<sup>st</sup> February, 2005, in line with Clause 7 of Annexure I D to Clause 49 of the Listing Agreement. No personnel have been denied access to the Audit Committee.

The Whistleblower Policy broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities / unethical behaviour.

## X. Code of Conduct for Prevention of Insider Trading

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a Code of Conduct for Prevention of Insider Trading with effect from 1<sup>st</sup> August, 2002. Mr. Ajai Jain, Vice President (Legal) & Company Secretary, is the Compliance Officer. This Code of Conduct is applicable to all Directors and such identified employees of the Company as well as of the group companies who are expected to have access to unpublished price sensitive information relating to the Company.

## XI. General Body Meetings

Financial Year	Meeting and Venue	Day, Date and Time	Special Resolutions passed
2010-11	<b>54<sup>th</sup> Annual General Meeting</b> Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400 021.	Tuesday, 31 <sup>st</sup> January, 2012 3.00 p.m.	Approving the payment of remuneration to Mr. Praveen Singh (Managing Director of Erstwhile Siemens Healthcare Diagnostics Limited)
2010-11	<b>Extra-Ordinary General Meeting</b> Indian Merchant's Chamber, Walchand Hirachand Hall, 4 <sup>th</sup> Floor, Indian Merchants Chamber Marg, Churchgate, Mumbai – 400 020.	Thursday, 24 <sup>th</sup> March, 2011 3.00 p.m.	Approving the issue and allotment of shares consequent to amalgamation of Siemens Healthcare Diagnostics Limited with Siemens Limited during SAG's Offer Period.
2009-10	<b>53<sup>rd</sup> Annual General Meeting</b> Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400 021.	Friday, 28 <sup>th</sup> January, 2011 3.00 p.m.	No special resolution was passed.
2008-09	<b>52<sup>nd</sup> Annual General Meeting</b> Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	Friday, 29 <sup>th</sup> January, 2010 3.00 p.m.	(a) Approving payment of commission to Non-Executive Directors (b) Approving 'Siemens Limited – Share Matching Plan' (SMP Scheme) (c) Approving SMP Scheme to the employees of Indian subsidiaries of the Company

During the last Financial Year, no resolution under Section 192A of the Companies Act, 1956 was passed through Postal Ballot.



## Corporate Governance Report

(As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

### XII. Disclosures

- a. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements.
- b. The Company has not entered into any other transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large.
- c. With regard to matters related to capital markets, the Company has complied with all requirements of the Listing Agreement as well as SEBI regulations and guidelines. No penalties were imposed or strictures passed against the Company by the Stock Exchanges, SEBI or any other statutory authority during the last three years in this regard.
- d. Disclosures have also been received from the senior managerial personnel relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, none of these transactions have potential conflict with the interests of the Company at large.

### XIII. Means of Communication

All important information relating to the Company, its performance, shareholding patterns, business, quarterly results, press releases, other information as per the Listing Agreement with the stock exchanges, presentation to the press/analyst meet are regularly posted on the websites and also forwarded to the stock exchanges. The quarterly, half yearly and annual financial results of the Company are published in the leading newspapers of the country. These results are also available on the websites of the Company, Bombay Stock Exchange and National Stock Exchange. The Company also holds press conference/analysts meet time to time and transcripts are posted on the Company's websites thereafter.

Investors can view this information by visiting the website [www.corpfiling.co.in](http://www.corpfiling.co.in).

### XIV. General Shareholder Information

'General Shareholder Information' forms part of the Directors' Report as **Annexure IV**.

### XV. Compliance with Non-mandatory requirements:

- a. The Board: The Company does not maintain a separate office for the non-executive Chairman. The independent directors are having requisite qualification and experience to act as a director on the Board.
- b. Remuneration Committee: The Company has a remuneration committee. Please refer relevant paragraph of this report.
- c. Shareholders' Rights: The quarterly financial results are published in the news papers of wide circulation and not sent to individual shareholders. Financial Results are also available on the Company's website.
- d. Audit qualification: The Company is in the regime of no audit qualification.
- e. Training of Board Members: All members of the Board are experts in their respective fields and well versed with business as well as risk profile of the Company.
- f. Evaluation of Non-Executive Board Members: The Board members are from diverse fields of expertise and have long standing experience and expert knowledge in their respective fields which is very relevant as well as of considerable value for the Company's business.
- g. Whistle Blower Policy: The Company has a Whistleblower Policy. Please refer relevant paragraph of this report.

On behalf of the Board of Directors

For **Siemens Ltd.**



**Deepak S. Parekh**  
Chairman

Mumbai  
Friday, 23<sup>rd</sup> November, 2012

**Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with Business Conduct Guidelines (Code of Conduct)**

In accordance with Clause 49 I D of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Business Conduct Guidelines (Code of Conduct), as applicable to them, for the Financial Year ended on 30<sup>th</sup> September, 2012.

For **Siemens Ltd.**



**Dr. Armin Bruck**  
**Managing Director**

Mumbai  
Friday, 23<sup>rd</sup> November, 2012

**Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) under Clause 49 of the Listing Agreement**

To the Board of Directors of Siemens Ltd.,

Dear Sirs,

- a) We have reviewed the financial statements and the cash flow of Siemens Ltd. ('the Company') for the year ended 30<sup>th</sup> September, 2012 and to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into between the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) Significant changes in the internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed suitably in the notes to the financial statements;
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Yours truly



**Sunil D. Mathur**  
**Executive Director / CFO**

Mumbai  
Friday, 23<sup>rd</sup> November, 2012



**Dr. Armin Bruck**  
**Managing Director / CEO**

## Certificate of Compliance

To  
The Members of Siemens Limited

We have examined the compliance of conditions of Corporate Governance by Siemens Limited ('the Company'), for the year ended on September 30, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S. R. Batliboi & Associates**  
Firm Registration Number:- 101049W  
Chartered Accountants

**per Sudhir Soni**  
Partner  
Membership No.: 41870

Mumbai  
Date: 23 November 2012

## Annexure IV to the Directors' Report

# General Shareholder Information

(As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

### Corporate Information

Siemens Limited was incorporated on 2<sup>nd</sup> March, 1957 initially as a private limited company under the name Siemens Engineering & Manufacturing Co. of India Private Limited by the Registrar of Companies, Maharashtra, vide Certificate of Incorporation No. 10839 of 1956-57. Subsequently the Company was converted into public company. The name of the Company was thereafter changed from Siemens Engineering & Manufacturing Co. of India Limited to Siemens India Limited on 23<sup>rd</sup> October, 1967 and thereafter to the present name on 31<sup>st</sup> March, 1987.

#### 1. 55<sup>th</sup> Annual General Meeting

<b>Day, date and time</b>	Thursday, 31 <sup>st</sup> January, 2013 at 2.30 P.M.
<b>Venue</b>	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai – 400 021
<b>Book closure dates</b>	18 <sup>th</sup> January, 2013 to 31 <sup>st</sup> January, 2013 (both days inclusive)
<b>Dividend payment date</b>	6 <sup>th</sup> February, 2013

#### 2. Financial Calendar

The Company follows the period of 1<sup>st</sup> October to 30<sup>th</sup> September, as the Financial Year.

For the Financial Year 2012-13, Financial Results will be announced as per the following tentative schedule:

1 <sup>st</sup> quarter ending 31 <sup>st</sup> December, 2012	First week of February, 2013
2 <sup>nd</sup> quarter ending 31 <sup>st</sup> March, 2013	Fourth week of April, 2013
3 <sup>rd</sup> quarter ending 30 <sup>th</sup> June, 2013	First week of August, 2013
Year ending 30 <sup>th</sup> September, 2013	Fourth week of November, 2013

#### 3. Listing on Stock Exchanges

The Equity Shares of the Company are listed on the following premier Stock Exchanges of India having nation-wide trading terminals:

Bombay Stock Exchange Ltd. (BSE)  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Ltd. (NSE)  
Exchange Plaza, Plot No. C/1  
G Block, Bandra - Kurla Complex,  
Bandra (E), Mumbai - 400 051

The Company has paid the listing fees for the Financial Year 2012-13 to the aforesaid Stock Exchanges.

The Company forms part of “**S&P CNX Nifty Index**” of NSE. S&P CNX Nifty represents the Shares of 50 elite Companies in the Country from across 24 sectors of the Economy. BSE has permitted trading of the Company's Shares in the ‘**A' Group**’. The Company's Shares are also available for trading in the Futures & Options segment. The market lot for trading in the Company's Shares in this segment is 250.

#### 4. Stock Code / Symbol

BSE	500550
NSE	SIEMENS EQ
Reuters	SIEM.BO / SIEM.NS
Bloomberg	SIEM:IN
International Securities Identification Number (ISIN)	INE003A01024
Corporate Identity Number (CIN) - allotted by the Ministry of Corporate Affairs	L28920MH1957PLC010839

## Annexure IV to the Directors' Report (Continued)

# General Shareholder Information

### 5. Custodial Fees to Depositories

The annual custodial fees for the Financial Year 2012-13 has been paid to National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

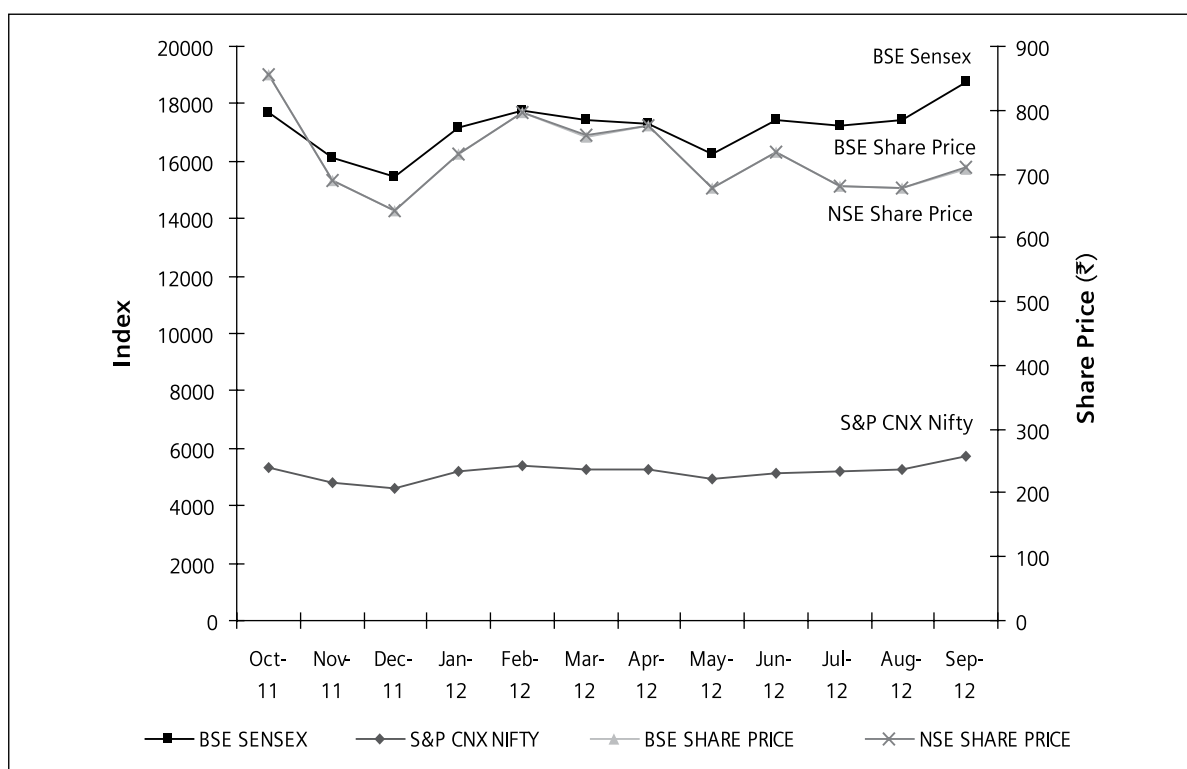
### 6. Market Price Data

- (a) The market price and volume of the Company's Shares traded on BSE and NSE during each month of the last Financial Year from 1<sup>st</sup> October, 2011 to 30<sup>th</sup> September, 2012 are as follows:

Face Value of ₹2 each

	BSE			NSE		
	High	Low	Volume	High	Low	Volume
	(₹)	(₹)	(Nos.)	(₹)	(₹)	(Nos.)
October 2011	872.00	804.80	375,079	900.00	804.10	2,697,691
November 2011	868.00	652.25	701,872	869.00	652.00	4,317,290
December 2011	734.85	627.05	536,088	735.00	626.70	3,930,031
January 2012	770.00	635.00	638,809	770.00	631.75	4,250,627
February 2012	838.80	713.00	614,833	839.80	713.90	3,863,018
March 2012	823.70	740.00	375,591	823.00	735.70	3,298,312
April 2012	838.70	754.50	427,924	840.00	751.15	2,937,857
May 2012	775.65	652.45	448,040	775.00	650.00	3,496,454
June 2012	738.00	630.05	476,085	740.00	629.95	3,372,840
July 2012	743.55	649.00	294,783	743.95	649.00	2,471,641
August 2012	686.90	639.15	683,291	689.00	640.00	5,927,175
September 2012	725.00	658.25	6,456,352	719.80	658.00	6,358,575

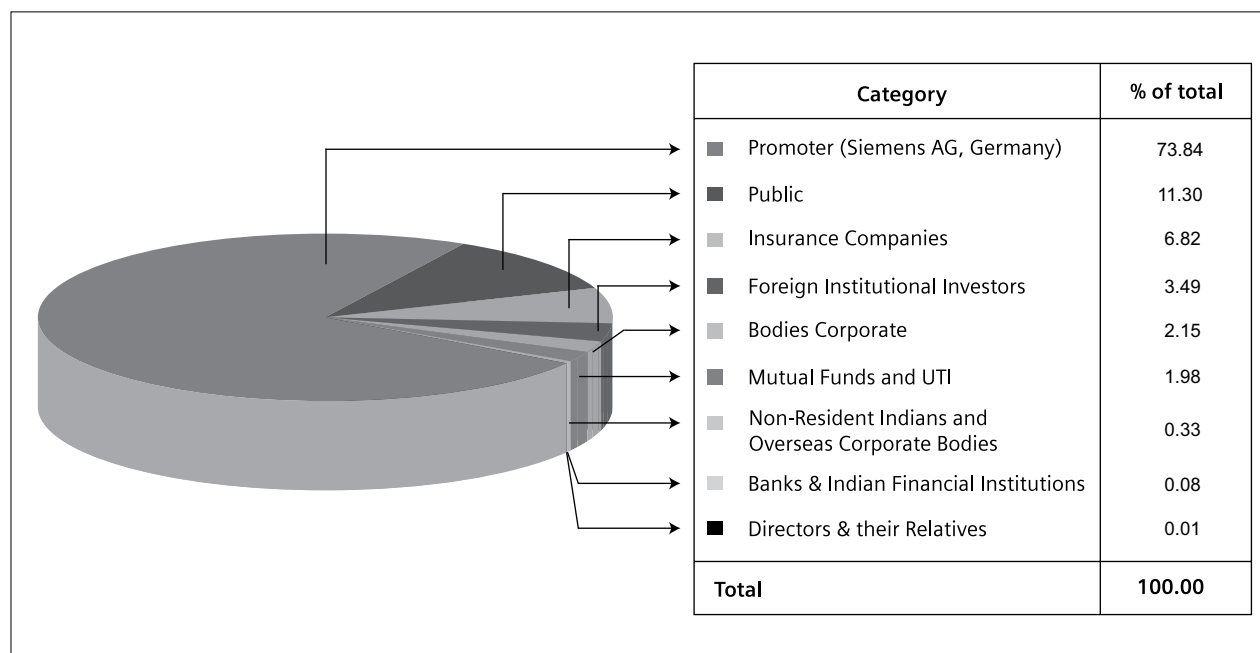
- (b) The Company's closing share price movement during the Financial Year 2011-12 on BSE and NSE vis-à-vis respective indices:



## 7. Distribution of Shareholding as on 30<sup>th</sup> September, 2012

Number of Shares held (Face Value ₹ 2 each)	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	135,782	99.01	28,111,520	8.26
501-1000	770	0.56	5,391,251	1.59
1001-2000	321	0.23	4,428,911	1.30
2001-3000	75	0.06	1,835,069	0.54
3001-4000	46	0.03	1,629,498	0.48
4001-5000	18	0.01	824,424	0.24
5001-10000	52	0.04	3,579,769	1.05
10001 & above	79	0.06	294,494,583	86.54
<b>Total</b>	<b>137,143</b>	<b>100.00</b>	<b>340,295,025</b>	<b>100.00</b>

## 8. Shareholders' Profile as on 30<sup>th</sup> September, 2012



No. of shareholders as on 30 <sup>th</sup> September	2012	2011
	<b>137,143</b>	145,191



## Annexure IV to the Directors' Report (Continued)

# General Shareholder Information

### 9. Top Ten Shareholders of the Company as on 30<sup>th</sup> September, 2012

Sr. No.	Name of the Shareholder	Category	Number of Shares of ₹ 2 each	% of total Capital *
1	Siemens Aktiengesellschaft, Germany	Promoter	251,265,128	73.84
2	Life Insurance Corporation Of India	Financial Institution	17,067,385	5.02
3	Bharat Bijlee Limited	Corporate Body	2,138,160	0.63
4	General Insurance Corporation Of India	Financial Institution	1,767,503	0.52
5	Vanguard Emerging Markets Stock Index Fund, A series Of Vanguard International Equity Index Fund	Foreign Institutional Investor	1,328,157	0.39
6	Reliance Capital Trustee Company Limited A/c Reliance Vision Fund	Mutual Funds	1,316,000	0.39
7	Housing Development Finance Corporation Limited	Corporate Body	1,043,164	0.31
8	IDFC Premier Equity Fund	Mutual Funds	1,029,000	0.30
9	Reliance Capital Trustee Co. Ltd. – A/C Reliance Tax Saver (ELSS) Fund	Mutual Funds	1,011,088	0.30
10	HDFC Standard Life Insurance Company Limited	Corporate Body	968,683	0.28
<b>Total</b>			<b>278,934,268</b>	<b>81.98</b>

\* Total Paid-up Equity Share Capital is ₹ 680,590,050 i.e. 340,295,025 Equity Shares of ₹ 2/- each.

### 10. Dematerialisation of Shares & Liquidity

The details of Equity Shares dematerialised and those held in physical form as on 30<sup>th</sup> September, 2012 are given hereunder:

Particulars of Equity Shares	Equity Shares of ₹ 2 each		Shareholders	
	Number	% of total	Number	% of total
<b>Dematerialized form</b>				
NSDL*	329,157,367	96.73	97,397	71.02
CDSL	5,718,636	1.68	30,975	22.59
<b>Sub-total</b>	<b>334,876,003</b>	<b>98.41</b>	<b>128,372</b>	<b>93.60</b>
<b>Physical Form</b>	5,419,022	1.59	8,771	6.40
<b>Total</b>	<b>340,295,025</b>	<b>100.00</b>	<b>137,143</b>	<b>100.00</b>

\* Including 73.84% holding of Siemens AG, Germany.

Considering the advantages of dealing in securities in electronic / dematerialised form, Shareholders still holding Shares in physical form are requested to dematerialise their Shares at the earliest. For further information / clarification / assistance in this regard, please contact TSR Darashaw Ltd., Registrar and Share Transfer Agent.

As per the directions of SEBI, Equity Shares of the Company can be traded by all the investors only in dematerialised form. The Company's Shares are actively traded on BSE and NSE.

## 11. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company has not issued any such securities.

## 12. Registrar and Share Transfer Agent (RTA)

For the convenience of shareholders based transfer documents and letters will be accepted at the following Offices of TSR Darashaw Ltd.:

Share transfers, dividend payment and all other investor related matters are attended to and processed by our Registrar and Share Transfer Agent viz. TSR Darashaw Ltd. (TSRDL).

- |   |  |
|---|--|
| <p>➤ TSR Darashaw Ltd.<br/>6-10, Haji Moosa Patrawala Industrial Estate<br/>20, Dr. E. Moses Road<br/>Mahalaxmi, Mumbai – 400 011<br/>Time: 10 a.m. to 3.30 p.m. (Monday to Friday)<br/>Phone: +91 (022) 6656 8484<br/>Fax: +91 (022) 6656 8494<br/>Email: <a href="mailto:csg-unit@tsrdarashaw.com">csg-unit@tsrdarashaw.com</a><br/>Website: <a href="http://www.tsrdarashaw.com">www.tsrdarashaw.com</a></p> | <p>➤ TSR Darashaw Ltd.<br/>503 Barton Centre, 5th Floor<br/>84, M G Road<br/>Bengaluru - 560 001<br/>Phone: 91-080-25320321<br/>Fax: 91-080-25580019<br/>Email: <a href="mailto:tsrdlbg@tsrdarashaw.com">tsrdlbg@tsrdarashaw.com</a></p>           |
| <p>➤ TSR Darashaw Ltd.<br/>Tata Centre 1st Floor,<br/>43, Jawaharlal Nehru Road<br/>Kolkata - 700 071<br/>Phone: 91-033-22883087<br/>Fax: 91-033-22883062<br/>Email: <a href="mailto:tsrdlcl@tsrdarashaw.com">tsrdlcl@tsrdarashaw.com</a></p>   | <p>➤ TSR Darashaw Ltd.<br/>Plot No 2/42, Sant Vihar,<br/>Ansari Road, Daryaganj<br/>New Delhi - 110 002<br/>Phone: 91-011-23271805<br/>Fax: 91-011-23271802<br/>Email: <a href="mailto:tsrdldel@tsrdarashaw.com">tsrdldel@tsrdarashaw.com</a></p>  |
| <p>➤ Shah Consultancy Services Pvt. Ltd<br/>Agents : TSR DARASHAW LIMITED<br/>3, Sumatinath Complex,<br/>Pritam Nagar, Akhada Road<br/>Ellisbridge<br/>Ahmedabad - 380 006<br/>Telefax : 91-079-26576038<br/>Email: <a href="mailto:shahconsultancy8154@gmail.com">shahconsultancy8154@gmail.com</a></p>  | <p>➤ TSR Darashaw Ltd.<br/>Bungalow No. 1, 'E' Road<br/>Northern Town, Bistupur<br/>Jamshedpur - 831 001<br/>Phone: 91-0657-2426616<br/>Fax: 91-0657-2426937<br/>Email: <a href="mailto:tsrdljpr@tsrdarashaw.com">tsrdljpr@tsrdarashaw.com</a></p> |

## 13. Share Transfer System

Documents for transfer of shares in physical form can be lodged with TSR DARASHAW Ltd. at the registered address or at any of the above mentioned branch offices. The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects.

## Annexure IV to the Directors' Report (Continued)

# General Shareholder Information

### 14. Plant Locations

Location	Address
Maharashtra	<ol style="list-style-type: none"> <li>1. E-76, Waluj, MIDC Area, Aurangabad – 431 136</li> <li>2. Plot No – A 1/2, Five Star MIDC, Shendra, Aurangabad – 431 201</li> <li>3. Plot No. C-1, Additional Industrial Area, MIDC, Ambad, Nashik - 422 010</li> <li>4. Thane - Belapur Road, Thane - 400 601</li> <li>5. Plot No. R-508 , TTC, Industrial Area, MIDC, Rabale, Thane- 400 701</li> <li>6. Thane-Belapur Road, Airoli, Navi Mumbai – 400 708</li> <li>7. Plot no. D-41/1, TTC Industrial Area, MIDC Turbhe, Opp. Turbhe MTNL Exchange, Navi-Mumbai- 400705</li> </ol>
Goa	L-6, Verna Industrial Area, Panjim-Margao Highway, Verna, Goa – 403 722
Gujarat	<ol style="list-style-type: none"> <li>1. R.S. No: 144, Maneja Village, Opp. Makarpura Rly. Station, Vadodara – 390 013</li> <li>2. 589 Sayajipura, Ajwa Road, Vadodara – 390 019, Gujarat</li> <li>3. Plot B, Halol Phase – II, GIDC Industrial Estate, Village Chandrapura, Halol, Dist. Panchmahal, Gujarat – 389 350</li> </ol>
Andhra Pradesh	Plot No. 89 & 90, IDA, Gandhinagar, Post Balanagar, Hyderabad – 500 037
Karnataka	972, Devanahalli Road, Off Old Madras Road, Virgonagar Post, Bengaluru - 560 049
West Bengal	Nimpura Industrial Growth Centre, PO: Rakhajungle, Paschim Midnapur, Kharagpur – 721 301
Puducherry	<ol style="list-style-type: none"> <li>1. MMG Manufacturing Group - Unit -I, R.S No 16/8, Kurumbapet Village, Villianur Commune, Puducherry - 605 009</li> <li>2. MMG Manufacturing Group - Unit -II, R.S No 23/2A, Uruvaiyaru Road, Abishegapakkam, Puducherry - – 605 007</li> </ol>
Haryana	Sector-18, Unit No. 37, Gurgaon – 122002, Haryana

### 15. Address for correspondence

Registered and Corporate Office:

Siemens Ltd.

130, Pandurang Budhkar Marg

Worli, Mumbai - 400 018, India

Phone: +91 (022) 3967 7000 Fax: +91 (022) 3967 7500

Website: [www.siemens.co.in](http://www.siemens.co.in)

Investors' Relations Team:

Contact Person: Ms. Sarika Amlekar

E-mail: [Corporate-Secretariat.in@siemens.com](mailto:Corporate-Secretariat.in@siemens.com)

Phone: +91 (022) 3967 7547 Fax: +91 (022) 3967 7562

Time: 10 a.m. to 12 noon and 2 p.m. to 4 p.m. on all working days of the Company (Saturday and Sunday closed).

The Investors' Relations Team of the Legal Department is located at the Registered Office. For the convenience of our investors, transfer requests, etc. are accepted at the Registered Office also.

### 16. Other Corporate Information

#### Bankers

Citibank N. A.

Deutsche Bank AG

The Hongkong and Shanghai Banking Corporation Ltd.

Standard Chartered Bank

HDFC Bank Ltd.

ICICI Bank Ltd.

State Bank of India

#### Auditors

S.R. Batliboi & Associates

#### Cost Auditors

R. Nanabhoy & Co.

## 17. Unclaimed Shares in Physical Form

Clause 5A of the Listing Agreement provides the manner of dealing with the shares issued in physical form pursuant to a public issue or any other issue, and which remains unclaimed with the Company. In compliance with the Provisions of the said Clause, the Company has sent three reminders under Registered Post as under to the Shareholders whose share certificates were returned undelivered and are lying unclaimed so far.

- 1<sup>st</sup> reminder had been sent on 16<sup>th</sup> July, 2012
- 2<sup>nd</sup> reminder was sent on 1<sup>st</sup> September, 2012
- 3<sup>rd</sup> reminder was sent on 10<sup>th</sup> October, 2012

In terms of Clause 5A(II) of the Listing Agreement, your company will initiate appropriate steps on unclaimed shares by transferring and dematerialising them into one folio in the name of "Siemens Limited Unclaimed Shares Suspense Account". Upon transfer and dematerialization to the suspense account, the voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the shares.

In case your shares are lying unclaimed with the Company, you are requested to claim the same from Company RTA.

## 18. Recommendations to the Investors / Shareholders

- a. Open a demat account and dematerialize your shares since It helps in immediate transfer of shares without payment of duty.
- b. Provide a NECS mandate to the Company in case of shares in physical form and ensure that correct and updated particulars of bank account are available with DP in case of shares held in dematerialized form.
- c. Fill and submit nomination forms (to the Company / TSRDL – for physical shares; to DP – for dematerialized shares.)
- d. Obtain valid Share Transfer Deed / Documents relating to purchase / sale of shares.
- e. Transfer of shares prior to book closure / record date will be eligible for corporate benefits.
- f. Deal only through SEBI registered intermediaries.
- g. Give clear and unambiguous instructions to your broker / sub-broker / DP.
- h. Keep copies of all your investment documentation i.e. Share transfer deed, Share Certificate etc.
- i. Send share certificates, cheques, demand drafts etc. through registered post or courier.
- j. **Permanent Account Number:** Members who hold shares in physical form are advised that SEBI has made it mandatory that a self attested copy of PAN card of the transferee(s), members, surviving joint holders/legal heirs be furnished to the Company while making request for transfer, deletion of name of deceased joint holder, transposition of names, and transmission of shares, as the case may be.
- k. **Change of Address:** Regarding change of address, bank details, nomination, registration of power of attorney, change in e-mail address, etc., Shareholders holding shares in physical form should notify to the RTA if they are holding shares in physical mode, and if in demat mode, should send their instructions directly to their DP.
- l. **Loss of Shares:** In case of loss/misplacement of shares, investors should immediately lodge a complaint/FIR with the police and then to the RTA who will guide on the procedure of obtaining the duplicate share certificates.
- m. **Unclaimed Dividends:** Shareholders who have so far not encashed their dividend warrant(s) for the past years, may claim the same from the Registrar of Companies – Everest, 100, Marine Drive, Mumbai – 400 002 by submitting an application in Form II of the Companies Unpaid (Transfer to General Reserve Account of the Central Government) Rules, 1978.

The details of all the amounts so far transferred by the Company to Investors Education and Protection Fund is available on Company's website i.e. [www.siemens.com](http://www.siemens.com) and Ministry of Corporate Affairs website i.e. [www.mca.gov.in](http://www.mca.gov.in)

## Annexure IV to the Directors' Report (Continued)

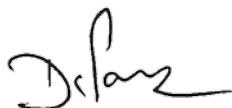
# General Shareholder Information

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- n. **Non-Resident Shareholders:** Non-Resident Shareholders are requested to immediately notify the following to the Company in respect of shares held in Physical form and to their DPs in respect of shares held in Dematerialised form:
- Indian address for sending all communications, if not provided so far;
  - Change in their residential status on return to India for permanent settlement;
  - Particulars of the Bank Account maintained with a bank in India, if not furnished earlier;
  - RBI Permission number with date to facilitate prompt credit of dividend in their Bank Accounts.

**Feed Back:** Members are requested to give us their valuable suggestions for improvement of our investor services to our Corporate Office or RTA office at Mumbai.

On behalf of the Board of Directors  
For **Siemens Ltd.**



**Deepak S. Parekh**  
**Chairman**

Mumbai  
Friday, 23<sup>rd</sup> November, 2012

Note: The information given hereinabove is as of date unless otherwise stated.

# Auditors' Report

## To the Members of Siemens Limited

1. We have audited the attached Balance Sheet of Siemens Limited ('the Company') as at September 30, 2012 and also the Statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the directors, as on September 30, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on September 30, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) in the case of the balance sheet, of the state of affairs of the Company as at September 30, 2012;
    - b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
    - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

**For S.R. BATLIBOI & ASSOCIATES**  
 Firm registration number: 101049W  
 Chartered Accountants

**per Sudhir Soni**  
 Partner  
 Membership No.: 41870

Place : Mumbai  
 Date : November 23, 2012



## Annexure referred to in paragraph 3 of our report of even date

Re: Siemens Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have been regularly deposited with the appropriate authorities though there have been slight delays in few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in millions)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944 and Service Tax	Duty, Penalty	14	1993-97, 2000-05, 2007-10 and 2009-12	Asst.Comm / Dy. Comm / Comm / Comm (Appeals)
		583	1980-81, 1987-93, 1992-99, 2000-01 to 2008-09 and 2009-10 to 2010-12	Tribunal
State & Central Sales Tax Acts	Tax, Interest & Penalty	1,130	1967-69, 1970-71, 1972-74, 1979-90, 1991-94, 1995-97, 1998-99, 1999-00, 2000-07 and 2007-10	Assistant / Additional Commissioner
		302	1974-78, 1992-93, 1995-97, 1999-02, 2002-08 and 2008-11	Dy. Comm / Comm / Joint / Spl. Comm
		503	1975-77, 1989-94, 1995-99, 1999-00, 2000-05, 2006-08 and 2010-11	Tribunal
		411	1984-85, 1996-97, 2000-01, 2003-09 and 2011-12	High Court
		6	2003-09	Supreme Court
Customs Act, 1962	Duty	120	1998-99	High Court
		197	2003-08	High Court
Income Tax Act, 1961	Income Tax	4	AY 2004-05	Tribunal

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. The Company did not have any outstanding dues in respect of financial institution or by way of debentures during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised

on short-term basis have been used for long-term investment.

- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud on or by the Company has been noticed or reported during the year.

**For S.R. BATLIBOI & ASSOCIATES**

Firm registration number: 101049W  
Chartered Accountants

**per Sudhir Soni**

Partner  
Membership No.: 41870

Place : Mumbai  
Date : November 23, 2012

# Balance Sheet

## as at 30 September 2012

(Currency: Indian rupees millions)

	Notes	2012	2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	681	681
Share capital suspense account	2	23	-
Reserves and surplus	4	38,922	37,481
<b>Non-current liabilities</b>			
Other long-term liabilities	5	1,048	1,105
Long-term provisions	6	3,075	3,004
<b>Current liabilities</b>			
Trade payables	7	26,542	22,573
Other current liabilities	8	22,079	21,854
Short-term provisions	9	14,077	15,035
<b>TOTAL</b>		<b>106,447</b>	<b>101,733</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	13,901	11,048
Intangible assets	10	221	243
Capital work-in-progress (net)	44	850	2,195
Non-current investments	11	410	405
Deferred tax assets (net)	12	3,176	1,889
Long-term loans and advances	13	5,341	4,713
Other non-current assets	14	7,773	5,471
<b>Current assets</b>			
Inventories	15	9,431	8,078
Trade receivables	16	39,124	36,288
Cash and bank balances	17	9,768	12,750
Short-term loans and advances	18	5,690	8,995
Other current assets	19	10,762	9,658
<b>TOTAL</b>		<b>106,447</b>	<b>101,733</b>
<b>Significant accounting policies</b>	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R.Batliboi & Associates**  
Firm Registration Number:- 101049W  
Chartered Accountants

**per Sudhir Soni**  
Partner  
Membership No: 41870

Mumbai  
Date: 23 November 2012

**For and on behalf of the Board of Directors of Siemens Limited**

<b>Deepak S. Parekh</b>	Chairman
<b>Dr. Armin Bruck</b>	Managing Director
<b>Sunil D. Mathur</b>	Executive Director
<b>Yezdi H. Malegam</b>	Director & Chairman of Audit Committee
<b>Ajai Jain</b>	Vice President (Legal) & Company Secretary

Mumbai  
Date: 23 November 2012

# Statement of profit and loss for the year ended 30 September 2012 (Currency: Indian rupees millions)

	Notes	2012	2011
<b>Income</b>			
Revenue from operations (gross)		132,957	123,886
Less: Excise duty		(3,758)	(3,597)
Revenue from operations (net)	20	129,199	120,289
Other income	21	575	1,047
<b>Total revenue</b>		<b>129,774</b>	<b>121,336</b>
<b>Expenses</b>			
Raw materials consumed	33	25,984	20,965
Purchase of traded goods	22	24,398	23,612
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods		(1,014)	(823)
Project bought outs and other direct costs	23	49,110	46,046
Employee benefits expense	24	11,959	9,174
Finance costs	25	270	127
Depreciation and amortization expense	10	2,010	1,522
Other expenses	26	9,849	7,964
<b>Total expenses</b>		<b>122,566</b>	<b>108,587</b>
<b>Profit before exceptional item, prior period items and tax</b>		<b>7,208</b>	<b>12,749</b>
Exceptional item	44	(1,200)	-
Prior period items	45	(799)	-
<b>Profit before tax</b>		<b>5,209</b>	<b>12,749</b>
<b>Tax expenses</b>			
Current tax		(2,958)	(4,637)
Deferred tax credit / (charge)		1,181	342
<b>Total tax expense</b>		<b>(1,777)</b>	<b>(4,295)</b>
<b>Profit for the year</b>		<b>3,432</b>	<b>8,454</b>
<b>Earnings per share ('EPS')</b>			
(Equity share of face value ₹ 2 each)			
- Basic and diluted (in ₹)	41	9.75	24.95
<b>Significant accounting policies</b>	1		

The accompanying notes are an integral part of the financials statements.  
As per our report of even date

**For S.R.Batliboi & Associates**  
Firm Registration Number:- 101049W  
Chartered Accountants

**per Sudhir Soni**  
Partner  
Membership No: 41870

Mumbai  
Date: 23 November 2012

**For and on behalf of the Board of Directors of Siemens Limited**

<b>Deepak S. Parekh</b>	Chairman
<b>Dr. Armin Bruck</b>	Managing Director
<b>Sunil D. Mathur</b>	Executive Director
<b>Yezdi H. Malegam</b>	Director & Chairman of Audit Committee
<b>Ajai Jain</b>	Vice President (Legal) & Company Secretary

Mumbai  
Date: 23 November 2012

# Cash Flow Statement

## for the year ended 30 September 2012

(Currency: Indian rupees millions)

	Notes	2012	2011
<b><u>Cash flow from operating activities</u></b>			
Profit before tax		5,209	12,749
<b>Adjustments for:</b>			
Finance costs	25	270	127
Bad debts	26	167	170
Provision for doubtful debts / advances, net	26	124	(92)
Depreciation and amortization expense	10	2,010	1,522
(Profit) / Loss on sale of fixed assets, net	26 / 21	12	(144)
Exceptional item (provision for impairment / other provisions)	44	1,200	-
Profit on sale of subsidiaries	21	-	(21)
Unrealised exchange loss / (gain), net		(180)	364
Interest income	21	(575)	(882)
Liabilities written back	20a	(227)	(660)
<b>Operating profit before working capital changes</b>		<b>8,010</b>	<b>13,133</b>
(Increase) / Decrease in inventories		(1,078)	(608)
(Increase) / Decrease in trade and other receivables		(768)	(7,790)
Increase / (Decrease) in trade payables and other liabilities		(728)	(1,431)
Increase / (Decrease) in provisions		(1,446)	2,122
<b>Net change in working capital</b>		<b>(4,020)</b>	<b>(7,707)</b>
<b>Cash generated from operations</b>		<b>3,990</b>	<b>5,426</b>
Direct taxes paid, net		(3,557)	(5,319)
<b>Net cashflow (used in) / from operating activities</b>		<b>433</b>	<b>107</b>
<b><u>Cash flow from investing activities</u></b>			
Purchase of fixed assets		(4,114)	(4,333)
Proceeds from sale of fixed assets and advance received		329	350
Sale of investments			
- In subsidiary company (total consideration is in cash or cash equivalent)		-	186
Interest received		664	893
Inter corporate deposits given		(28,825)	(14,833)
Refund of Inter corporate deposits given		30,531	12,963
Refund of Deposits (with maturity more than 3 months) with banks		1,125	6,745
<b>Cash (used) / generated from investing activities</b>		<b>(290)</b>	<b>1,971</b>

# Cash Flow Statement (*Continued*) for the year ended 30 September 2012 (Currency: Indian rupees millions)

	Notes	2012	2011
<b><u>Cash flow from financing activities</u></b>			
Interest paid		(226)	-
Dividend paid (including tax thereon)		(2,368)	(1,961)
Repayment of long term borrowings		-	(2)
<b>Net cash used in financing activities</b>		<b>(2,594)</b>	<b>(1,963)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(2,451)</b>	<b>115</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>11,625</b>	<b>10,664</b>
<b>Cash and cash equivalents acquired on merger of SVAI (Refer note 2)</b>		<b>237</b>	<b>-</b>
<b>Cash and cash equivalents acquired on merger of Morgan (Refer note 2)</b>		<b>312</b>	<b>-</b>
<b>Cash and cash equivalents acquired on merger of SBTPL &amp; Vista</b>		<b>-</b>	<b>161</b>
<b>Cash and cash equivalents acquired on merger of SRSPL</b>		<b>-</b>	<b>19</b>
<b>Cash and cash equivalents acquired on merger of SHDL</b>		<b>-</b>	<b>176</b>
<b>Effect of exchange gain / (loss) on cash and cash equivalents</b>		<b>45</b>	<b>490</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>9,768</b>	<b>11,625</b>

## **Components of cash and cash equivalents :**

Cash and Bank Balances	17	9,768	12,750
Less: bank deposits not considered as cash equivalents		-	(1,125)
<b>Cash and Cash Equivalents in Cash Flow Statement</b>		<b>9,768</b>	<b>11,625</b>

## **Note:**

1. Cash and cash equivalents at the end of the period include unpaid dividend account balances with banks of ₹ 30 (2011: ₹ 25) which are restricted in use.
2. The figures of the current year include changes in the cash flow of the erstwhile SVAI and Morgan (Refer note 2), which was amalgamated with the Company w.e.f. 1 October 2011 and are therefore to that extent not comparable with previous year's figures.
3. The amalgamation of SVAI and Morgan (Refer note 2) with the Company is a non cash transaction and hence, has no impact on the Company's cash flow for the year.

As per our report of even date

## **For S.R.Batliboi & Associates**

Firm Registration Number:- 101049W  
Chartered Accountants

**per Sudhir Soni**

Partner

Membership No: 41870

Mumbai

Date: 23 November 2012

## **For and on behalf of the Board of Directors of Siemens Limited**

**Deepak S. Parekh**

Chairman

**Dr. Armin Bruck**

Managing Director

**Sunil D. Mathur**

Executive Director

**Yezdi H. Malegam**

Director & Chairman of Audit Committee

**Ajai Jain**

Vice President (Legal) & Company Secretary

Mumbai

Date: 23 November 2012

# Notes to the financial statements for the year ended 30 September 2012 (Currency: Indian rupees millions)

## ***Basis of preparation of financial statements***

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain derivative instruments which are measured at fair value in accordance with generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the accounting standards notified in the Companies (Accounting Standards) Rules 2006, (as amended) issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of Companies Act, 1956 ('the Act').

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

## **1. Significant accounting policies**

### ***1.1 Change in presentation and disclosure of financial statements***

During the year ended 30 September 2012, the revised schedule VI notified under the Companies Act, 1956, has become applicable to the Company for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Previous year figures have been reclassified in accordance with the requirements applicable in the current year.

### ***1.2 Use of estimates***

The preparation of financial statements in conformity with the Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

### ***1.3 Tangible fixed assets and depreciation***

Fixed assets are stated at cost of acquisition or revalued amounts less accumulated depreciation. The cost of fixed assets includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Depreciation is provided on the straight-line method ('SLM'). The depreciation rates prescribed in Schedule XIV to the Act are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of useful life/remaining life.

Diagnostics equipments are being treated as raw traded items of inventory when they are received. However, if these instruments are issued from inventory to customers under placement agreement, these are treated as capital asset in the period of such issues and are stated at cost less accumulated depreciation.

The key fixed asset blocks and related annual depreciation rates, which in management's opinion reflect the estimated useful economic lives of the fixed assets, are:

<b>Asset</b>	<b>Rate</b>
<b>Land</b>	
- Freehold land	-
- Lease hold	Over the lease period
<b>Buildings</b>	
- Factory buildings	3.33 - 6.66%



### 1.3 Tangible fixed assets and depreciation (Continued)

Asset	Rate
- Other buildings	2 - 2.5%
- Leasehold improvements	Over the lease period
<b>Plant and equipments</b>	
- Assets specific to a project	Over the life of the project
- Special machine tools	10 - 20%
- Other plant and equipments	8.33 - 25%
<b>Furniture, fixtures and office equipments</b>	10 - 33.33%
<b>Vehicles</b>	12.5 - 25%

Where depreciable assets are revalued, depreciation is provided on the revalued amount and the additional depreciation on accretion to assets on revaluation is transferred from revaluation reserve to the statement of profit and loss.

Assets costing less than ₹ 5,000 are fully charged to the statement of profit and loss in the year of acquisition.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and estimated net realizable value and are disclosed separately in the financial statements.

Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date.

### 1.4 Intangible assets

Intangible assets comprise goodwill, software and technical know-how. These intangible assets are amortised on straight-line basis based on the following useful lives, which in management's estimate represents the period during which economic benefits will be derived from their use:

Asset	Useful life
Goodwill	36 - 60 months
Software	36 months
Technical know-how	60 - 120 months

### 1.5 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or cash generating unit.

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost, had no impairment been recognised.

# Notes to the financial statements (*Continued*) for the year ended 30 September 2012 (Currency: Indian rupees millions)

## 1.6 *Investments*

Investments that are readily realizable and intended to be held but not more than a year are classified as current investments. All other investments are classified as long term investments.

Long-term investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary in value of long-term investments and is determined separately for each individual investment. Current investments are carried at lower of cost and fair value, computed separately in respect of each category of investment.

### *Investment property*

An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operation of, the Company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprise purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on investment property is calculated on a straight line basis based on the useful lives estimated by the management or that prescribed under the schedule XIV to the Act, whichever is higher. The Company has used depreciation rate of 1.39% - 3.45%.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## 1.7 *Revenue recognition*

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of products is recognised on transfer of all significant risk and rewards of ownership of the products on to the customers, which is generally on dispatch of goods. Sales are stated exclusive of sales tax and net of trade and quantity discount.

Revenue from services is recognised as per the terms of the contract with the customer using the proportionate completion method.

Revenue from services represents service income other than from services which are incidental to sale of products and projects.

Income from fixed price construction contracts is recognised by reference to the estimated overall profitability of the contract under the percentage of completion method. Percentage of completion is determined as a proportion of the costs incurred upto the reporting date to the total estimated contract costs. Contract revenue earned in excess of billing has been reflected as "Project Excess Cost" under "Other current assets " and "Billing in excess" of contract revenue has been reflected under "Current Liabilities" in the balance sheet. Provision for expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

Commission income is recognised when proof of shipment is received from the supplier.

Dividend income is recognised when the right to receive the dividend is established.

Interest income is recognised on the time proportion basis.

Export incentives receivable are accrued for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of export proceeds.

## 1.8 Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials are valued at the lower of cost and net realisable value. Cost is determined on the basis of the weighted average method.

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Excise duty is included in the value of finished goods inventory. Cost is determined on a weighted average basis.

The net realisable value of work-in-progress is determined with reference to the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale of related finished goods. Raw materials held for the production of finished goods are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed its net realisable value.

## 1.9 Leases

*Where the Company is the lessee:*

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased items are classified as operating leases. Lease payments under an operating lease, are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

*Where the Company is the lessor:*

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

### 1.10 Employee benefits

#### (a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and short term compensated absences, etc. and the expected cost of ex-gratia is recognised in the period in which the employee renders the related service.

#### (b) Post-employment benefits

- (i) **Defined Contribution Plans:** The Company's approved superannuation scheme and employee state insurance scheme are defined contribution plans. The Company's contribution paid/payable under the schemes is recognised as expense in the statement of profit and loss during the period in which the employee renders the related service.
- (ii) **Defined Benefit Plans and other Long Term Benefits:** The Company's provident fund, gratuity, pension and medical benefit schemes are defined benefit plans. Leave wages, silver jubilee and star awards are other long term benefits. The present value of the obligation under such defined benefit plans and other long term benefits are determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

# Notes to the financial statements (*Continued*) for the year ended 30 September 2012 (Currency: Indian rupees millions)

## **1.10 Employee benefits (*Continued*)**

Provision for leave wages, pension, medical benefit, silver jubilee and star awards which is expected to be utilized within the next 12 months is treated as short term employee benefits and beyond 12 months as long term employee benefits. For the purpose of presentation, the allocation between short and long term provisions has been made as determined by an actuary.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

## **1.11 Foreign currency transactions**

The Company is exposed to currency fluctuations on foreign currency transactions. Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year.

### ***Translation***

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the statement of profit and loss. Non monetary items are stated in the balance sheet using the exchange rate at the date of the transaction.

### ***Derivative instruments***

The Company's exposure to foreign currency fluctuations relates to foreign currency assets, liabilities and forecasted cash flows. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward exchange contracts, where the counterparty is a bank.

As per Accounting Standard ('AS') 11 – 'The Effects of Changes in Foreign Exchange Rates', the premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract. All other derivatives, which are not covered by AS 11, are measured using the mark-to-market principle with the resulting gains / losses thereon being recorded in the statement of profit and loss.

### ***Hedge Accounting***

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates some of the new forward contracts in a cash flow hedging relationship by applying the hedge accounting principles.

These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in Cash Flow Hedge Reserve under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the statement of profit and loss.

Amounts accumulated in Cash Flow Hedge Reserve are reclassified to profit and loss in the same periods during which the forecasted transaction materialises.

### **1.11 Foreign currency transactions (Continued)**

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Hedging Reserve Account is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in Cash Flow Hedge Reserve is immediately transferred to the statement of profit and loss for the period.

### **1.12 Taxation**

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year) computed in accordance with the relevant provisions of the Income Tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, all deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

### **1.13 Earnings per share**

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

### **1.14 Provision**

Provisions are recognized when the Company recognises it has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Disclosures for contingent liability are made when there is a possible or present obligation for which it is not probable that there will be an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent assets are neither recognized nor disclosed in the financial statements.

### **1.15 Cash and Cash equivalents**

Cash and cash equivalents include cash, cheques in hand, cash at bank and short term deposits with banks having maturity of three months or less.

# Notes to the financial statements (*Continued*) for the year ended 30 September 2012 (Currency: Indian rupees millions)

## 1.16 Insurance claims

Amounts by way of insurance claims are recognised as assets when it is reasonably certain that the claim is receivable and is recorded as a reduction in the expense where the corresponding loss has been debited.

## 1.17 Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

## 2. Amalgamation

### ***Amalgamation of Siemens VAI Metals Technologies Pvt. Ltd. (SVAI) and Morgan Construction Company India Pvt. Ltd. (Morgan)***

Pursuant to the scheme of amalgamation ('the scheme') of SVAI and Morgan with the Company under sections 391 to 394 of "The Companies Act" sanctioned by the Honorable High Court of Bombay on 17 August 2012, the assets and liabilities of SVAI and Morgan were transferred to and vested in the Company with effect from 1 October 2011. Accordingly, the scheme has been given effect to in these accounts.

The operations of SVAI include providing Metallurgical Plant Building Technology catering services. Morgan is engaged in the business of design & engineering, equipment supply and supervision of erection & commissioning of wire rods and bar mills.

The amalgamation has been accounted for under the "pooling of interests" method as prescribed by AS-14 'Accounting for Amalgamations'. Accordingly, the accounting treatment has been given as under-

- i. The assets, liabilities, reserves and credit balance of profit and loss of SVAI and Morgan as at 1 October 2011 have been incorporated at their book values in the financial statements of the Company.
- ii. 890,600 equity shares of ₹ 100 each fully paid up of SVAI stands cancelled. Further, 1,986,705 equity shares of ₹ 10 each fully paid up of Morgan and investment in such shares held by SVAI also stands cancelled.
- iii. Consequent to this amalgamation and after considering the extinguishment of shares held in Morgan by SVAI, 11,738,108 ordinary shares of ₹ 2 each, aggregating to ₹ 23 million, of the Company are to be issued to the shareholders of SVAI. Pending allotment of the said equity shares, such amount of ₹ 23 million has been included in the share capital suspense account as at 30 September 2012. These shares have been subsequently allotted on 13 October 2012.
- iv. The excess of the book value of the investments held by SVAI in the equity share capital of Morgan over the face value of such share capital amounts to ₹ 270 million and the excess of share capital of SVAI over the amount credited by the Company to the share capital suspense account amounts to ₹ 66 million and accordingly the net amount of ₹ 204 million has been adjusted to the General Reserve of the Company. Further, ₹156 million and ₹ 549 million respectively being the credit balance of profit and loss of SVAI and Morgan as at 1 October 2011 has been incorporated in the balance of profit and loss of the Company.

Consequently, the financial statements for the year ended 30 September 2012 include the operations of SVAI and Morgan with effect from 1 October 2011 and included in the Industry segment.

	2012	2011
<b>3 Share capital</b>		
<b>Authorised</b>		
1,000,000,000 Equity Shares of ₹ 2 each (2011: 1,000,000,000 Equity Shares of ₹ 2 each)	<u>2,000</u>	<u>2,000</u>
	<u>2,000</u>	<u>2,000</u>
<b>Issued</b>		
341,159,165 Equity Shares of ₹ 2 each (2011: 341,159,165 Equity Shares of ₹ 2 each)	<u>682</u>	<u>682</u>
<b>Subscribed and fully paid-up</b>		
340,295,025 Equity Shares of ₹ 2 each fully paid-up (2011: 340,294,900 Equity Shares of ₹ 2 each fully paid-up)	<u>681</u>	<u>681</u>
	<u>681</u>	<u>681</u>

**a) Shares held by Holding Company and subsidiary of Holding Company:**

251,265,128 (2011: 253,066,759) Equity Shares of ₹ 2 each, fully paid-up, are held by the Holding Company, Siemens AG, Germany;

Nil (2011: 2,154,416) Equity Shares of ₹ 2 each, fully paid-up, are held by Siemens Diagnostics Holding II B.V., Netherlands, a 100% subsidiary of Siemens AG, Germany.

**b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:**

	2012		2011	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	340,294,900	681	337,160,200	674
Shares issued/subscribed during the year	125	*	3,134,700	7
Shares outstanding at the end of the year	<u>340,295,025</u>	<u>681</u>	<u>340,294,900</u>	<u>681</u>

The paid up share capital of the Company increased consequent to the allotment of 125 equity shares to a member upon settlement of a disputed case.

\* Denotes figures less than a million

**c) Details of shareholders holding more than 5% shares in the Company as on 30 September:**

	2012		2011	
Name of shareholder	No. of shares held	% of Holding	No. of shares held	% of Holding
Siemens Aktiengesellschaft, Germany and its subsidiary	251,265,128	73.84%	255,221,175	75.00%
Life Insurance Corporation of India	17,067,385	5.02%	13,105,866	3.85%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**d) Details of aggregate number of shares issued for consideration other than cash and bonus shares issued during the period of five years immediately preceding 30 September:**

Equity shares allotted as	2012	2011
Fully paid up to the shareholders of Siemens Healthcare Diagnostics Ltd. in accordance with the scheme of amalgamation	3,134,700	3,134,700
Fully paid up by way of bonus shares	168,580,100	168,580,100



# Notes to the financial statements (*Continued*)

## as at 30 September 2012

### (Currency: Indian rupees millions)

#### 3 Share capital (*Continued*)

##### e) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

During the year ended 30 September 2012, the amount of per share dividend recognised for distribution to equity shareholders was ₹ 6 (2011: ₹ 6).

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts (if any). The distribution will be in proportion to the number of equity shares held by the shareholders.

	2012	2011
<b>4 Reserves and surplus</b>		
<b>a) Capital reserve</b>		
- Balance brought forward	21	11
- Excess of share capital of Siemens Healthcare Diagnostics Ltd. (SHDL) over the amount credited by the Company to the share capital	-	9
- Addition on amalgamation of Siemens Building Technologies Pvt. Ltd. (SBTPL)	-	1
- Addition on amalgamation of SHDL	-	*
	<u>21</u>	<u>21</u>
<b>b) Amalgamation reserve</b>	<u>56</u>	<u>56</u>
<b>c) Capital redemption reserve</b>		
- Balance brought forward	*	-
- Addition on amalgamation of SBTPL	-	*
	<u>*</u>	<u>*</u>
<b>d) Securities premium account</b>		
- Balance brought forward	1,567	1,545
- Addition on amalgamation of SHDL	-	22
	<u>1,567</u>	<u>1,567</u>
<b>e) Revaluation reserve</b>		
- Balance brought forward	12	13
- Additional depreciation on building due to revaluation transferred from the statement of profit and loss	(1)	(1)
	<u>11</u>	<u>12</u>
<b>f) Cash flow hedge reserve</b>		
- Balance brought forward	33	-
- Transferred to the statement of profit and loss	(33)	-
- Additions during the year [net of deferred tax ₹ * (2011: ₹ 8)]	(3)	33
	<u>(3)</u>	<u>33</u>

	2012	2011
<b>4 Reserves and surplus (Continued)</b>		
<b>g) General reserve</b>		
- Balance brought forward	31,021	32,480
- Excess of the book value of the investments held by SVAI in the equity share capital of Morgan Ltd. over the face value of such share capital and excess of share capital of SVAI over the amount credited by the Company to the share capital suspense account (Refer note 2)	(204)	-
- Addition on amalgamation of SBTPL	-	570
- Addition on amalgamation of Vista	-	13
- Excess of the book value of the investments in the equity share capital of SBTPL & Vista over the face value of such share capital	-	(3,638)
- Addition on amalgamation of SHDL	-	396
- Transferred from surplus balance in the statement of profit and loss	343	1,200
	<u>31,160</u>	<u>31,021</u>
<b>h) Surplus in the statement of profit and loss</b>		
- Balance brought forward	4,771	-
- Addition on amalgamation of SVAI as on 1 October 2011 (Refer note 2)	156	-
- Addition on amalgamation of Morgan as on 1 October 2011 (Refer note 2)	549	-
- Balance in the statement of profit and loss of SHDL as on 1 October 2009	-	64
- Post merger profit of SHDL for the period October 2009 to September 2010	-	55
- Balance in the statement of profit and loss of SBTPL as on 1 October 2010	-	5
- Balance in the statement of profit and loss of Vista as on 1 October 2010	-	53
- Balance in the statement of profit and loss of Siemens Rolling Stock Pvt. Ltd. (SRSPL) as on 1 October 2009	-	(146)
- Post merger loss of SRSPL for the period October 2009 to September 2010 (net of tax of ₹ 72)	-	(141)
- Profit for the year	3,432	8,454
Less: Appropriations		
- Proposed dividend	(2,112)	(2,042)
- Tax on proposed dividend	(343)	(331)
- Transfer to general reserve	(343)	(1,200)
Total appropriations	<u>(2,798)</u>	<u>(3,573)</u>
<b>Net surplus in the statement of profit and loss</b>	<u>6,110</u>	<u>4,771</u>
<b>Total reserves and surplus</b>	<u>38,922</u>	<u>37,481</u>
* Denotes figures less than a million		
<b>5 Other long-term liabilities</b>		
<b>a) Trade payables</b>	865	956
<b>b) Others</b>		
- Long-term employee incentives	47	39
- Other liabilities	136	110
	<u>183</u>	<u>149</u>
	<u>1,048</u>	<u>1,105</u>

Notes to the financial statements (*Continued*)  
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	2012	2011
<b>6 Long-term provisions</b>		
<b>a) Provision for employee benefits</b>		
- Pension (Refer note 39)	144	153
- Leave wages	374	258
- Medical benefits (Refer note 39)	237	243
- Silver jubilee and star awards	278	179
<b>b) Others</b>		
- Warranty (Refer note 34)	788	1,543
- Liquidated damages (Refer note 34)	780	299
- Other matters (Refer note 34)	474	329
	<u>3,075</u>	<u>3,004</u>
<b>7 Trade payables</b>		
- Micro and Small Enterprises (Refer note 42)	1,340	589
- Others	25,202	21,984
	<u>26,542</u>	<u>22,573</u>
<b>8 Other current liabilities</b>		
Advances from customers	5,608	2,772
Billing in excess/ Income received in advance	11,624	14,480
Unclaimed dividend	30	25
Security deposits	60	66
Other liabilities		
- Accrued salaries and benefits	1,766	1,773
- Derivative contracts	742	1,210
- Liability for capital goods	648	197
- Interest accrued and due	323	214
- Others	1,278	1,117
	<u>22,079</u>	<u>21,854</u>
<b>9 Short-term provisions</b>		
<b>a) Provision for employee benefits</b>		
- Pension (Refer note 39)	29	29
- Leave wages	58	28
- Medical benefits (Refer note 39)	31	9
- Gratuity (Refer note 39)	76	5
- Silver jubilee and star awards	15	12
<b>b) Others</b>		
- Warranty (Refer note 34)	2,093	2,108
- Loss order (Refer note 34)	3,580	916
- Liquidated damages (Refer note 34)	2,821	6,920
- Other matters (Refer note 34)	2,919	2,635
- Proposed dividend	2,112	2,042
- Tax on proposed dividend	343	331
	<u>14,077</u>	<u>15,035</u>

# 10 Fixed assets

	Tangible assets				Intangible assets			
	Land (Refer note i)	Buildings (Refer note i and iii)	Plant and equipment (Refer note iii and iv)	Furniture and fixtures (Refer note iii)	Office equipment (Refer note iii)	Vehicles	Total	Previous year
<b>Gross block</b>								
At 1 October 2011	1,168	4,495	10,948	671	1,425	33	18,740	13,163
Additions on amalgamation of SHDL	-	-	-	-	-	-	-	-
Additions on amalgamation of SBTPPL	-	-	-	-	-	-	-	-
Additions on amalgamation of SRSPPL	-	-	-	-	-	-	-	-
Additions on amalgamation of Morgan	-	-	-	-	-	-	-	-
Additions on amalgamation of SVAL	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Deductions / adjustments	(1)	1,073	3,183	79	393	4	4,728	4,262
Transferred to investment property	(3)	(37)	(137)	(53)	(12)	(11)	(245)	(494)
<b>At 30 September 2012</b>	<b>1,164</b>	<b>5,510</b>	<b>14,118</b>	<b>711</b>	<b>1,899</b>	<b>36</b>	<b>23,438</b>	<b>18,740</b>
<b>Accumulated depreciation / amortisation</b>								
At 1 October 2011	50	786	5,319	458	1,055	24	7,692	5,877
Additions on amalgamation of SHDL	-	-	-	-	-	-	-	-
Additions on amalgamation of SBTPPL	-	-	-	-	-	-	-	-
Additions on amalgamation of SRSPPL	-	-	-	-	-	-	-	-
Additions on amalgamation of Morgan	-	-	-	-	-	-	-	-
Additions on amalgamation of SVAL	-	-	-	-	-	-	-	-
Charge for the year (Refer note ii)	10	191	1,432	79	227	5	1,944	1,401
Deductions / adjustments	-	(13)	(123)	(52)	(11)	(10)	(209)	(288)
Transferred to investment property	-	(13)	-	-	-	-	(13)	(13)
<b>At 30 September 2012</b>	<b>60</b>	<b>953</b>	<b>6,665</b>	<b>495</b>	<b>1,334</b>	<b>30</b>	<b>9,537</b>	<b>7,692</b>
<b>Net block</b>								
<b>At 30 September 2012</b>	<b>1,104</b>	<b>4,557</b>	<b>7,453</b>	<b>216</b>	<b>565</b>	<b>6</b>	<b>13,901</b>	<b>11,048</b>
At 30 September 2011	1,118	3,709	5,629	213	370	9	11,048	-

## Notes :-

i Included in the gross block of land at 30 September 2012 is freehold land of ₹ 471 (2011: ₹ 474) and buildings includes ₹ 393 (2011: ₹ 173) representing 330 shares of ₹ 50 each and 10 shares of ₹ 100 each (2011: 525 shares of ₹ 50 each and 10 shares of ₹ 100 each) in various co-operative housing societies.

## ii Depreciation and amortisation expense:

	2012	2011
Depreciation on tangible assets	1,944	1,401
Amortisation of intangible assets	61	116
Depreciation on investment property	6	6
Less : Transferred to revaluation reserve	(1)	(1)
<b>As per the statement of profit and loss</b>	<b>2,010</b>	<b>1,522</b>

## iii Assets includes assets given on operating lease:

Particulars	2012				2011			
	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Buildings	Plant and equipment	Furniture and fixtures	Office equipment
Gross Block	490	633	177	80	496	1,607	36	46
Written Down Value	405	355	59	22	409	775	16	13
Depreciation charge for the year	15	61	22	8	11	221	6	3

iv Plant and equipments includes Gross Block of ₹ 25 (2011: ₹ 25) and Net Block of ₹ 15 (2011: ₹ 17) cost incurred by the Company on certain assets ownership of which vests with the West Bengal State Electricity Board.

**Notes to the financial statements (*Continued*)**  
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	2012	2011
<b>11 Non-current investments</b>		
<b>Investment property less accumulated depreciation</b>		
Land and Building (at cost)	446	424
Less: Accumulated depreciation	(36)	(19)
Net block	410	405
<b>In government securities (unquoted)</b>		
National savings certificates (Non-trade at cost)	-	*
	410	405
- Aggregate amount of unquoted investments	-	*
* Denotes figures less than a million		
<b>12 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
Arising on account of timing differences in :		
Provision for doubtful debts and advances	442	350
Expenditure debited to the statement of profit and loss but allowable for tax purposes in following years	1,273	1,319
Other provisions	1,573	581
	3,288	2,250
<b>Less - Deferred tax liability</b>		
Arising on account of timing differences in :		
Depreciation / impairment losses	112	361
<b>Deferred tax assets (net)</b>	3,176	1,889
<b>13 Long-term loans and advances (unsecured considered good, unless otherwise stated)</b>		
Advances recoverable in cash or kind	565	576
Capital advances	286	294
Security deposits		
- considered good	331	283
- considered doubtful	22	-
	353	283
Provision for doubtful security deposits	(22)	-
	331	283
Advance payments of income tax [net of provision for tax ₹ 26,066 (2011: ₹ 23,210)]	4,159	3,560
	5,341	4,713

	2012	2011
<b>14 Other non-current assets</b>		
Long-term trade receivables (unsecured, considered good)	7,720	5,471
Derivative contracts	53	-
	<u>7,773</u>	<u>5,471</u>
<b>15 Inventories (at lower of cost and net realisable value)</b>		
Raw materials [includes Goods in Transit ₹ 345 (2011 : ₹ 670)]	2,847	2,600
Work-in-progress	3,409	2,694
Finished goods	1,319	1,009
Traded goods [includes Goods in Transit ₹ 667 (2011 : ₹ 632)]	1,856	1,775
	<u>9,431</u>	<u>8,078</u>
<b>16 Trade receivables (unsecured)</b>		
Trade receivables outstanding		
- for a period exceeding six months from the date they are due for payment	5,834	2,629
- other receivables	<u>34,458</u>	<u>34,558</u>
	40,292	37,187
Of which		
- considered good	39,124	36,288
- considered doubtful	<u>1,168</u>	<u>899</u>
	40,292	37,187
Provision for doubtful receivables	(1,168)	(899)
	<u>39,124</u>	<u>36,288</u>
<b>17 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks:		
- On current accounts	3,533	2,725
- Bank deposits with original maturity of less than 3 months	4,715	8,172
- On unpaid dividend account	30	25
Cash on hand	7	8
Cheques / drafts on hand	<u>1,483</u>	<u>695</u>
	9,768	11,625
<b>Other bank balances</b>		
- Bank deposits with original maturity of more than 3 months but less than 12 months	-	1,125
	-	1,125
	<u>9,768</u>	<u>12,750</u>

**Notes to the financial statements (*Continued*)**  
**as at 30 September 2012**  
**(Currency: Indian rupees millions)**

	2012	2011
<b>18 Short-term loans and advances (unsecured considered good, unless otherwise stated)</b>		
Advances recoverable in cash or kind		
- considered good	2,582	3,059
- considered doubtful	64	103
	<u>2,646</u>	<u>3,162</u>
Provision for doubtful advances	(64)	(103)
	<u>2,582</u>	<u>3,059</u>
Security deposits		
- considered good	351	294
- considered doubtful	45	75
	<u>396</u>	<u>369</u>
Provision for doubtful security deposits	(45)	(75)
	<u>351</u>	<u>294</u>
Loans and advances to related parties (Refer note 37)		
- Inter corporate deposits	1,065	4,771
- Interest accrued on inter corporate deposits	2	28
	<u>1,067</u>	<u>4,799</u>
Balances with excise, customs etc.	1,690	843
	<u>5,690</u>	<u>8,995</u>
Amount receivable from customs towards excess payment of customs duty	3	2
<b>19 Other current assets</b>		
Project excess cost	10,183	8,883
Assets held for sale	15	-
Derivative contracts	534	665
Interest accrued on bank deposits	4	67
Other receivables	26	43
	<u>10,762</u>	<u>9,658</u>

	2012	2011
<b>20 Revenue from operations, net of excise duty</b> (Refer note 31)		
Sale of products	47,869	42,846
Sale of services	5,456	4,357
Commission income	326	483
Revenue from construction contracts (Refer note 35 and note 45)	73,430	70,497
Other operating revenues (Refer note 20a)	2,118	2,106
	<u>129,199</u>	<u>120,289</u>
<b>20a Other operating revenues</b>		
Export incentives	93	171
Recoveries	1,126	639
Rental income	491	605
Liabilities written back	227	660
Others	181	31
	<u>2,118</u>	<u>2,106</u>
<b>21 Other income</b>		
Interest income	575	882
Profit on sale of fixed assets, net	-	144
Profit on sale of subsidiaries	-	21
	<u>575</u>	<u>1,047</u>
<b>22 Purchase of traded goods</b>		
Medical electronic diagnostic equipment	5,989	4,838
Others	18,409	18,774
	<u>24,398</u>	<u>23,612</u>
<b>23 Project bought outs and other direct costs</b>		
Spares and stores consumed	635	654
Project bought outs	43,813	43,751
Other costs (Refer note 45)	4,662	1,641
	<u>49,110</u>	<u>46,046</u>
Included in other costs, change in excise duty on closing stock of finished goods	73	36
<b>24 Employee benefits expense</b>		
Salaries, wages and bonus, net	10,464	7,905
Contribution to provident and other funds	804	706
Staff welfare expenses	691	563
	<u>11,959</u>	<u>9,174</u>
<b>25 Finance costs</b>		
Interest costs	243	106
Other costs	27	21
	<u>270</u>	<u>127</u>



**Notes to the financial statements (*Continued*)**  
**for the year ended 30 September 2012**  
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	2012	2011
<b>26 Other expenses</b>		
Exchange loss / (gains), net	465	(325)
Travel and conveyance	1,946	1,551
External software services and data processing	692	352
Rates and taxes	269	884
Communications	293	368
Packing and forwarding	1,282	820
Power and fuel	533	406
Insurance	258	139
Rent	1,013	645
Repairs		
- on building	387	250
- on machinery	241	224
- others	189	126
Legal and professional	608	617
Advertising and publicity	257	154
Office supplies, printing and stationery	114	86
Research and development expenditure	73	124
Bank guarantee commission / bank charges	224	156
Donation	12	10
Commission to directors	17	15
Directors' fees	1	1
Bad debts	167	170
Provision for doubtful debts and advances, net	124	(92)
Loss on sale of fixed assets, net	12	-
Miscellaneous expenses (Refer note 28)	672	1,283
	<u>9,849</u>	<u>7,964</u>
<b>27 Contingent liabilities</b>		
<b>(a) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<u>1,606</u>	<u>1,783</u>
<b>(b) Contingent liabilities</b>		
Income tax (excluding interest)	159	158
Excise / sales tax liabilities, under dispute	1,804	958
Customs liabilities, under dispute	120	120
Claims against the Company not acknowledged as debts	<u>149</u>	<u>143</u>
In respect of above contingent liabilities, the future cash outflows are determinable only on receipt of judgements pending at various forums / authorities.		

	2012	2011
<b>28 Auditors' remuneration (for Audit services exclusive of service tax)</b>		
- Audit fees	23	15
- Tax audit fees	5	4
- Other audit related attestations	3	3
- Reimbursement of expenses	2	1
	<u>33</u>	<u>23</u>
<b>29 Earnings and expenditure in foreign exchange (on accrual basis)</b>		
<b>(a) Earnings in foreign currency</b>		
- Exports of goods		
Direct on FOB basis	3,283	3,733
- Project Business (Based on Actual Billing)	14,067	21,647
- Commission	326	483
- Service charges and others	1,141	471
<b>(b) Expenditure in foreign currency (on accrual basis)</b>		
- Travelling	176	237
- Installation charges	70	316
- Expenditure on contracts at foreign sites	6,119	10,502
- Commission	-	80
- Service charges	2,832	1,552
- Others	1,608	888
<b>(c) Value of imports calculated on CIF basis</b>		
- Raw materials, components, spare parts and traded goods	39,859	34,870
- Capital goods	1,031	927
<b>30 Net dividend remitted in foreign exchange</b>		
Period to which the dividend relates	1.10.2010 to 30.09.2011	1.10.2009 to 30.09.2010
Number of non-resident shareholders	Two	One
Number of equity shares held on which dividend was due :		
- Siemens AG	253,066,759	186,041,090
- Siemens Diagnostic Holdings II B.V, Netherlands	2,154,416	-
Amount remitted:		
- Siemens AG	1,518	930
- Siemens Diagnostic Holdings II B.V, Netherlands	13	-
Erstwhile Siemens Healthcare Diagnostics Ltd.		
Period to which the dividend relates	-	1.10.2009 to 30.09.2010
Number of non-resident shareholders	-	One
Number of equity shares held on which dividend was due	-	1,077,208
Amount remitted	-	19

# Notes to the financial statements (Continued)

## for the year ended 30 September 2012

(Currency: Indian rupees millions)

### 31 Revenue from operations

	2012 Value	2011 Value
<b>Sale of products</b>		
Switchgear items	6,359	11,984
Switchboards, control boards and miscellaneous accessories	12,674	4,840
Industrial turbines	12,254	14,035
Others	16,582	11,987
<b>Revenue from construction contracts</b>		
Other engineering project goods	73,430	70,497
<b>Sale of services</b>		
Maintenance, repairs and other services	5,456	4,357
	126,755	117,700
Commission income	326	483
Other operating revenues	2,118	2,106
	129,199	120,289

### 32 Imported and indigenous raw materials and stores & spares consumed

	2012		2011	
	Value	% of total consumption	Value	% of total consumption
Imported	9,521	36%	9,701	45%
Indigenous	17,098	64%	11,918	55%
	26,619	100%	21,619	100%

### 33 Raw materials consumed

	2012 Value	2011 Value
Copper flats, strips and profiles	1,112	1,011
Enamelled copper wire	271	339
Brass sheets and strips	42	57
Aluminium ingots, profiles and castings	353	206
Iron and steel castings and shafts	844	823
Dynamo steel sheets, strips and laminations	244	437
Hot rolled & cold rolled steel sheets, strips	522	697
Cables and wires	207	123
Silver components	450	580
Ball and roller bearings	370	398
Thyristors, diodes and transistors	34	30
X-ray tubes	42	38
Amphenol terminals	66	41
Vacuum tubes	499	199
Integrated circuits	225	11
Capacitors and condensers	75	55
Printed circuit boards	35	38
Turbine components	1,825	3,020
Others	18,768	12,862
	25,984	20,965

Raw materials consumed includes costs incurred for manufacturing of finished goods which have been internally used for the project business.

### 34 Disclosure relating to Provisions

#### *Provision for warranty*

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacement, material cost, servicing and past experience in respect of warranty costs. It is expected that this expenditure will be incurred over the contractual warranty period.

#### *Provision for liquidated damages*

Liquidated damages are provided based on contractual terms when the delivery/ commissioning dates of an individual project have exceeded or are likely to exceed the delivery / commissioning dates as per the respective contracts. This expenditure is expected to be incurred over the respective contractual terms upto closure of the contract (including warranty period).

#### *Provision for loss orders*

A provision for expected loss on construction contracts is recognised when it is probable that the contract costs will exceed total contract revenue. For all other contracts loss order provisions are made when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits.

#### *Other matters*

The Company has made provisions for known contractual risks, litigation cases and pending assessments in respect of taxes, duties and other levies, the outflow of which would depend on the cessation of the respective events.

The movements in the above provisions are summarised below:

	<b>Warranties</b>		<b>Liquidated damages</b>		<b>Loss orders</b>		<b>Other matters</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Balance as at 1 October	<b>3,651</b>	2,883	<b>7,219</b>	6,718	<b>916</b>	662	<b>2,964</b>	2,742
Additions on amalgamation of SVAI	-	-	<b>9</b>	-	<b>112</b>	-	-	-
Additions on amalgamation of Morgan	<b>65</b>	-	<b>238</b>	-	<b>2</b>	-	<b>20</b>	-
Additions on amalgamation of SHDL	-	3	-	-	-	-	-	-
Additions on amalgamation of SBTPL	-	22	-	-	-	-	-	-
Provisions :								
- Created	<b>1,293</b>	1,703	<b>1,640</b>	1,291	<b>3,511</b>	1,030	<b>1,065</b>	688
- Utilised	<b>(643)</b>	(256)	<b>(108)</b>	(194)	<b>(781)</b>	(645)	<b>(182)</b>	(175)
- Reversed	<b>(1,485)</b>	(704)	<b>(5,397)</b>	(596)	<b>(180)</b>	(131)	<b>(474)</b>	(291)
Balance as at 30 September	<b>2,881</b>	3,651	<b>3,601</b>	7,219	<b>3,580</b>	916	<b>3,393</b>	2,964
- Current	<b>2,093</b>	2,108	<b>2,821</b>	6,920	<b>3,580</b>	916	<b>2,919</b>	2,635
- Non-current	<b>788</b>	1,543	<b>780</b>	299	-	-	<b>474</b>	329

### 35 Disclosure pursuant to Accounting Standard - 7 'Construction Contracts' :

	<b>2012</b>	<b>2011</b>
(i) Contract Revenue recognised for the year ended 30 September 2012 (net of prior period ₹ 572, Refer note 45)	<b>72,858</b>	70,497
(ii) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress as at 30 September 2012	<b>220,833</b>	216,957
(iii) Amount of advances received	<b>7,592</b>	8,312
(iv) Amount of retentions	<b>19,683</b>	16,845
(v) Amounts due from customers	<b>12,700</b>	14,899
(vi) Amounts due to customers	<b>9,652</b>	11,825

# Notes to the financial statements (Continued)

## for the year ended 30 September 2012

(Currency: Indian rupees millions)

### 36 Disclosure pursuant to Accounting Standard - 19 'Leases' :

Lease payments on non cancellable lease arrangement debited to the statement of profit and loss and the future lease payments in respect of non cancellable operating lease are summarised below:

	2012	2011
(i) Amount due not later than one year from the balance sheet date	360	248
(ii) Amount due later than one year and not later than five years	1,622	1,013
(iii) Amount due later than five years	338	769
	<u>2,320</u>	<u>2,030</u>

Lease rent debited to the statement of profit and loss ₹ 1,013 (2011: ₹ 645)

Sub-lease payments recognised in the statement of profit and loss ₹ 339 (2011: ₹ 175)

There is no contingent rent recognised in the statement of profit and loss

General description of the leasing arrangement:

- (i) The Company has entered into operating lease arrangements for its office premises, storage locations, residential premises and motor cars for its employees.
- (ii) The future lease rental payments are determined on the basis of the monthly lease payment terms as per the agreements.
- (iii) At the expiry of the non cancellable lease period the option of renewal rests with the Company.
- (iv) Some of the lease agreements have escalation clause ranging from 5% to 15%. There are no exceptional / restrictive covenants in the lease agreements.

### 37 Related party transactions

#### 37.1 Parties where control exists

Siemens AG	Holding Company
iMetrex Technologies Ltd. (Ireland)	Wholly owned subsidiary of Siemens Ltd. (upto 9 May 2011)
Europlex Technologies Ltd. (United Kingdom)	Wholly owned subsidiary of iMetrex Technologies Ltd. (Ireland) (upto 9 May 2011)
Europlex Technologies (Ireland) Ltd. formerly known as Europlex Manufacturing Ltd. (Ireland)	Wholly owned subsidiary of iMetrex Technologies Ltd. (Ireland) (upto 9 May 2011)

#### 37.2 Other related parties where transactions have taken place during the year

Fellow Subsidiaries	Name	Country
	Siemens Spa	Algeria
	Siemens S.A.	Argentina
	Siemens Ltd.	Australia
	ETM professional control GmbH	Austria
	Siemens Aktiengesellschaft Österreich	Austria
	Siemens Transformers Austria GmbH & Co KG	Austria
	Siemens VAI Metals Technologies GmbH	Austria
	Trench Austria GmbH	Austria
	Siemens Gebäudemanagement & -Services G.m.b.H.	Austria
	Siemens W.L.L.	Bahrain

37.2 Other related parties where transactions have taken place during the year (*Continued*)

<b>Fellow Subsidiaries</b>	<b>Name</b>	<b>Country</b>
	Siemens Bangladesh Ltd.	Bangladesh
	Siemens Healthcare Diagnostics SA	Belgium
	Siemens S.A./N.V.	Belgium
	Siemens Ltda.	Brazil
	Siemens EOOD	Bulgaria
	Siemens Hearing Instruments Inc.	Canada
	Trench Ltd.	Canada
	Siemens Healthcare Diagnostics Manufacturing Ltd.	Cayman Islands
	MWB (Shanghai) Co Ltd.	China
	Siemens Electrical Apparatus Ltd.	China
	Siemens Electrical Drives (Shanghai) Ltd.	China
	Siemens Electrical Drives Ltd.	China
	Siemens Factory Automation Engineering Ltd.	China
	Siemens Healthcare Diagnostics (Shanghai) Co. Ltd.	China
	Siemens High Voltage Switchgear Co., Ltd. Shanghai	China
	Siemens International Trading Ltd., Shanghai	China
	Siemens Ltd., China	China
	Siemens Mechanical Drive Systems (Tianjin) Co., Ltd.	China
	Siemens Power Automation Ltd.	China
	Siemens Shanghai Medical Equipment Ltd.	China
	Siemens Shenzhen Magnetic Resonance Ltd.	China
	Siemens Switchgear Co. Ltd.	China
	Siemens Transformer (Guangzhou) Co., Ltd.	China
	Siemens Transformer (Wuhan) Company Ltd.	China
	Siemens VAI Metals Technologies Co., Ltd., Shanghai	China
	Siemens Water Technologies Ltd.	China
	Siemens Wiring Accessories Shandong Ltd.	China
	Siemens X-Ray Vacuum Technology Ltd.	China
	Trench High Voltage Products Ltd., Shenyang	China
	Siemens Numerical Control Ltd.	China
	Siemens Power Plant Automation Ltd.	China
	Siemens Wind Power Blades (Shanghai) Co., Ltd.	China
	Siemens Circuit Protection Systems Ltd.	China
	Siemens Medium Voltage Switching Technologies (Wuxi) Ltd.	China

# Notes to the financial statements (*Continued*) for the year ended 30 September 2012 (Currency: Indian rupees millions)

## 37.2 Other related parties where transactions have taken place during the year (*Continued*)

<b>Fellow Subsidiaries</b>	<b>Name</b>	<b>Country</b>
	Siemens S.A.	Columbia
	Koncar Power Transformers Ltd.	Croatia
	Siemens, s.r.o.	Czech Republic
	Siemens Electric Machines s.r.o.	Czech Republic
	Siemens, s.r.o., odstepny zavod Industrial Turbomachinery	Czech Republic
	Siemens A/S	Denmark
	Siemens Wind Power A/S	Denmark
	Siemens S.A.	Ecuador
	Siemens Technologies S.A.E.	Egypt
	Siemens Osakeyhtiö	Finnland
	FLENDER-GRAFFENSTADEN SAS	France
	Siemens S.A.S.	France
	Siemens Transmission & Distribution SAS	France
	Siemens VAI Metals Technologies SAS	France
	Trench France S.A.S.	France
	Siemens SAS, Division Production Sensors & Communication, Usine de Haguenau	France
	Alpha Verteilertechnik GmbH	Germany
	evosoft GmbH	Germany
	LINCAS Export Services GmbH	Germany
	Siemens Bank GmbH	Germany
	Siemens Healthcare Diagnostics Holding GmbH	Germany
	Siemens Healthcare Diagnostics Products GmbH	Germany
	Trench Germany GmbH	Germany
	HSP Hochspannungsgeräte GmbH	Germany
	Siemens Beteiligungen Inland GmbH	Germany
	Loher GmbH	Germany
	Siemens Geared Motors GmbH	Germany
	Siemens Industrial Turbomachinery GmbH	Germany
	Siemens Industriegetriebe GmbH	Germany
	Siemens IT Solutions and Services GmbH	Germany
	Siemens Turbomachinery Equipment	Germany
	Siemens VAI Metals Technologies GmbH	Germany
	TLT-Turbo GmbH	Germany

37.2 Other related parties where transactions have taken place during the year (*Continued*)

<b>Fellow Subsidiaries</b>	<b>Name</b>	<b>Country</b>
	SYKATEC Systeme, Komponenten, Anwendungstechnologie GmbH	Germany
	Weiss Spindeltechnologie GmbH	Germany
	Electrium Sales Ltd.	Great Britain
	Siemens Healthcare Diagnostics Manufacturing Ltd.	Great Britain
	Siemens Healthcare Diagnostics Products Ltd.	Great Britain
	Siemens Industrial Turbomachinery Ltd.	Great Britain
	Siemens plc	Great Britain
	Siemens plc, Industry Sector, Metals Technologies	Great Britain
	Siemens Protection Devices Ltd.	Great Britain
	Siemens Transmission & Distribution Ltd.	Great Britain
	Siemens VAI Metals Technologies Ltd.	Great Britain
	Siemens Magnet Technology	Great Britain
	Siemens Healthcare Diagnostics Ltd.	Hongkong
	Siemens Ltd.	Hongkong
	eMeter India Pvt. Ltd.	India
	OSRAM Automotive Lamps Pvt. Ltd. (erstwhile Compact Automotive Lamp Pvt. Ltd.)	India
	OSRAM India Pvt. Ltd.	India
	PETNET Radiopharmaceutical Solutions Pvt. Ltd.	India
	Powerplant Performance Improvement Ltd.	India
	Siemens Hearing Instruments Pvt. Ltd.	India
	Siemens IT Solutions and Services (upto 1 July 2011)	India
	Siemens Power Engineering Pvt. Ltd.	India
	Siemens Technology and Services Pvt. Ltd. (STS) (erstwhile SISL)	India
	Siemens Corporate Finance Pvt. Ltd. (merged with STS w.e.f. 1 October 2011)	India
	Siemens Information Processing Services Pvt. Ltd. (merged with STS w.e.f. 1 October 2011)	India
	Winergy Drive Systems India Pvt. Ltd.	India
	Siemens Financial Services Pvt. Ltd.	India
	Siemens Industry Software (India) Pvt. Ltd.	India
	P.T. Siemens Indonesia	Indonesia
	PT. Siemens Industrial Power	Indonesia
	Europlex Technologies (Ireland) Ltd.	Ireland
	Siemens Medical Solutions Diagnostics Europe Ltd.	Ireland



# Notes to the financial statements (*Continued*) for the year ended 30 September 2012 (Currency: Indian rupees millions)

## 37.2 Other related parties where transactions have taken place during the year (*Continued*)

Fellow Subsidiaries	Name	Country
	Siemens Concentrated Solar Power Ltd.	Israel
	Siemens Israel Ltd.	Israel
	Siemens S.p.A.	Italy
	Siemens VAI Metals Technologies S.r.l.	Italy
	Trench Italia S.r.l.	Italy
	Siemens Japan K.K.	Japan
	Siemens TOO	Kazakhstan
	Siemens Kenya Ltd.	Kenya
	Siemens Ltd. Seoul	Korea
	Siemens Electrical & Electronic Services K.S.C.C.	Kuwait
	Siemens Malaysia Sdn. Bhd.	Malaysia
	Siemens, S.A. de C.V.	Mexico
	Siemens Plant Operations Tahaddart	Morocco
	Siemens Nederland N.V.	Netherland
	Siemens (N.Z.) Ltd.	New Zealand
	Siemens Ltd.	Nigeria
	Siemens AS	Norway
	Siemens L.L.C.	Oman
	Siemens S.A.C.	Peru
	Siemens, Inc.	Philippines
	Siemens Sp. z o.o.	Poland
	TurboCare Sp. z o.o.	Poland
	Siemens S.A.	Portugal
	Siemens W.L.L.	Qatar
	Siemens S.R.L.	Romania
	OOO Siemens	Russian Federation
	Arabia Electric Ltd. (Equipment)	Saudi-Arabia
	Siemens Ltd.	Saudi-Arabia
	Siemens Pte. Ltd.	Singapore
	Siemens Healthcare Diagnostics Pte. Ltd.	Singapore
	Siemens IT Solutions and Services Operations Pte. Ltd.	Singapore
	Siemens s.r.o.	Slovakia
	Siemens d.o.o.	Slovenia
	Siemens Ltd.	South Africa
	Siemens S.A.	Spain

### 37.2 Other related parties where transactions have taken place during the year (*Continued*)

<b>Fellow Subsidiaries</b>	<b>Name</b>	<b>Country</b>
	Siemens AB	Sweden
	Siemens Industrial Turbomachinery AB	Sweden
	Siemens, Security Products	Sweden
	Siemens Schweiz AG	Switzerland
	Siemens Schweiz AG, Building Technologies Division, International Headquarters	Switzerland
	Siemens Ltd.	Taiwan
	Siemens Tanzania Ltd.	Tanzania
	Siemens Ltd.	Thailand
	Siemens IT Solutions and Services Ltd.	Thailand
	Siemens S.A.	Tunisia
	Siemens Sanayi ve Ticaret A.S.	Turkey
	DP Siemens Ukraine	Ukraine
	SD (Middle East) LLC	United Arab Emirates
	Siemens LLC	United Arab Emirates
	S' Industry - WT	USA
	Siemens Demag Delaval Turbomachinery, Inc.	USA
	Siemens Energy, Inc.	USA
	Siemens Energy, Inc. (US) - Oil& Gas (PT2)	USA
	Siemens Energy, Inc. (US) - Transmission (PPR)	USA
	Siemens Healthcare Diagnostics Inc.	USA
	Siemens Industry, Inc.	USA
	Siemens Medical Solutions USA, Inc.	USA
	SMS Inc. - Customer Solutions Group	USA
	Siemens Corporation	USA
	Siemens S.A.	Venezuela
	Siemens Ltd.	Vietnam

### 37.3 Key Managerial Personnel

<b>Whole-time Directors</b>	Dr. Armin Bruck
	Mr. Sunil D. Mathur
	Mr. Vijay Paranjape (retired on 30 September 2011)

# Notes to the financial statements (*Continued*) for the year ended 30 September 2012 (Currency: Indian rupees millions)

## 37.4 Related party transactions

Description	2012			2011			
	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel
<b>Revenue (net of taxes)</b>							
- Siemens AG	3,090	-	-	1,158	-	-	-
- Europlex Technologies (Ireland) Ltd.	-	-	-	-	20	-	-
- Siemens Technology and Services Pvt. Ltd. (STS)	-	31	-	-	-	92	-
- Siemens Industry, Inc.	-	546	-	-	-	366	-
- Siemens VAI Metals Technologies Pvt. Ltd. (merged w.e.f. 1 October 2011)	-	-	-	-	-	854	-
- Siemens W.L.L.	-	466	-	-	-	369	-
- Others	-	2,471	-	-	-	1,665	-
<b>Commission income</b>							
- Siemens AG	304	-	-	423	-	-	-
- Siemens Industrial Turbomachinery AB	-	6	-	-	-	18	-
- Siemens Concentrated Solar Power Ltd.	-	5	-	-	-	-	-
- S' Industry - WT	-	5	-	-	-	-	-
- Siemens Industrial Turbomachinery Ltd.	-	-	-	-	-	40	-
- Others	-	5	-	-	-	3	-
<b>Other recoveries</b>							
- Siemens AG	571	-	-	205	-	-	-
- Europlex Technologies (Ireland) Ltd.	-	-	-	-	4	-	-
- Siemens Technology and Services Pvt. Ltd. (STS)	-	161	-	-	-	102	-
- Siemens Wind Power A/S	-	118	-	-	-	81	-
- Siemens Wind Power Blades (Shanghai) Co., Ltd.	-	11	-	-	-	-	-
- Siemens IT Solutions and Services	-	-	-	-	-	43	-
- Siemens Schweiz AG, Building Technologies Division, International Headquarters	-	357	-	-	-	-	-
- Others	-	125	-	-	-	155	-
<b>Reimbursement of expenses</b>							
- Siemens AG	2,572	-	-	1,927	-	-	-
- Siemens VAI Metals Technologies GmbH	-	53	-	-	-	-	-
- Siemens VAI Metals Technologies SAS	-	189	-	-	-	-	-
- Siemens Wind Power Blades (Shanghai) Co., Ltd.	-	91	-	-	-	-	-
- Siemens Power Engineering Pvt. Ltd.	-	6	-	-	-	56	-
- Siemens Schweiz AG, Building Technologies Division, International Headquarters	-	5	-	-	-	26	-
- Siemens VAI Metals Technologies Pvt. Ltd. (merged w.e.f. 1 October 2011)	-	-	-	-	-	24	-
- Others	-	183	-	-	-	50	-
<b>Purchase / Other services</b>							
- Siemens AG	30,221	-	-	23,464	-	-	-
- Europlex Technologies (Ireland) Ltd.	-	-	-	-	2	-	-

### 37.4 Related party transactions (Continued)

Description	2012			2011			
	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel
- Siemens Technology and Services Pvt. Ltd. (STS)	-	347	-	-	-	57	-
- Siemens Information Processing Services Pvt. Ltd.	-	-	-	-	-	132	-
- Koncar Power Transformers Ltd.	-	115	-	-	-	1,989	-
- Siemens Electrical Apparatus Ltd.	-	851	-	-	-	718	-
- Siemens Medical Solutions USA, Inc.	-	498	-	-	-	325	-
- Winergy Drive Systems India Pvt. Ltd.	-	636	-	-	-	258	-
- Others	-	6,797	-	-	-	6,371	-
<b>Rent Received</b>							
- Siemens AG	3	-	-	2	-	-	-
- Siemens Technology and Services Pvt. Ltd. (STS)	-	111	-	-	-	72	-
- Siemens Power Engineering Pvt. Ltd.	-	255	-	-	-	246	-
- Siemens VAI Metals Technologies Pvt. Ltd. (merged w.e.f. 1 October 2011)	-	-	-	-	-	129	-
- Others	-	37	-	-	-	88	-
<b>Interest Income</b>							
- Osram India Pvt. Ltd.	-	80	-	-	-	132	-
- Winergy Drive Systems India Pvt. Ltd.	-	105	-	-	-	105	-
- Siemens VAI Metals Technologies Pvt. Ltd. (merged w.e.f. 1 October 2011)	-	-	-	-	-	130	-
- OSRAM Automotive Lamps Pvt. Ltd.	-	5	-	-	-	1	-
- Siemens Financial Services Pvt. Ltd.	-	1	-	-	-	-	-
<b>Interest Expenses</b>							
- Siemens AG	28	-	-	23	-	-	-
- Siemens Technology and Services Pvt. Ltd. (STS)	-	82	-	-	-	-	-
<b>Bank Charges</b>							
- Siemens AG	93	-	-	-	-	-	-
<b>Liabilities written back</b>							
- Siemens AG	15	-	-	258	-	-	-
- Siemens Industry, Inc.	-	19	-	-	-	-	-
- Siemens VAI Metals Technologies Co., Ltd., Shanghai	-	11	-	-	-	-	-
<b>Sale of investments in subsidiaries</b>							
- Siemens Schweiz AG	-	-	-	-	-	186	-
<b>Dividend paid</b>							
- Siemens AG	1,518	-	-	930	-	-	-
- Siemens Diagnostics Holding II B.V.	13	-	-	-	-	19	-

# Notes to the financial statements (*Continued*) for the year ended 30 September 2012 (Currency: Indian rupees millions)

## 37.4 Related party transactions (*Continued*)

Description	2012			2011			
	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel
<b>Purchase of Fixed assets / Capital work in progress</b>							
- Siemens AG	356	-	-	162	-	-	-
- Siemens Water Technologies Ltd.	-	39	-	-	-	-	-
- Siemens Transmission & Distribution SAS	-	10	-	-	-	47	-
- Siemens Wiring Accessories Shandong Ltd.	-	44	-	-	-	-	-
- Siemens Medical Solutions USA, Inc.	-	18	-	-	-	1	-
- Others	-	16	-	-	-	21	-
<b>Purchase of Intangible Assets</b>							
- Siemens AG	-	-	-	123	-	-	-
- TLT-Turbo GmbH	-	-	-	-	-	98	-
<b>Issue of Share Capital</b>							
- Siemens Diagnostics Holding II B.V.	-	-	-	-	-	4	-
<b>Managerial Remuneration</b>							
- Dr. Armin Bruck	-	-	81	-	-	-	80
- Mr. Sunil D. Mathur	-	-	58	-	-	-	44
- Mr. Vijay Paranjape (Retired on 30 September 2011)	-	-	-	-	-	-	29
<b>Inter Corporate Deposits given</b>							
- Osram India Pvt. Ltd.	-	100	-	-	-	4,340	-
- Winergy Drive Systems India Pvt. Ltd.	-	19,175	-	-	-	4,200	-
- Siemens VAI Metals Technologies Pvt. Ltd. (merged w.e.f. 1 October 2011)	-	-	-	-	-	6,200	-
- OSRAM Automotive Lamps Pvt. Ltd.	-	50	-	-	-	93	-
- Siemens Financial Services Pvt. Ltd.	-	700	-	-	-	-	-
<b>Refund of Inter corporate deposits given</b>							
- Osram India Pvt. Ltd.	-	1,770	-	-	-	3,770	-
- Winergy Drive Systems India Pvt. Ltd.	-	19,810	-	-	-	4,000	-
- Siemens VAI Metals Technologies Pvt. Ltd. (merged w.e.f. 1 October 2011)	-	-	-	-	-	5,150	-
- Siemens Financial Services Pvt. Ltd.	-	200	-	-	-	-	-
- OSRAM Automotive Lamps Pvt. Ltd.	-	101	-	-	-	43	-
<b>Inter Corporate Deposits taken</b>							
- Siemens Technology and Services Pvt. Ltd. (STS)	-	8,650	-	-	-	-	-
<b>Inter Corporate Deposits repaid</b>							
- Siemens Technology and Services Pvt. Ltd. (STS)	-	8,800	-	-	-	-	-

### 37.4 Related party transactions (Continued)

Description	2012			2011			
	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Holding Company	Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel
<b>Outstanding Balances</b>							
<b>Receivables</b>							
- Siemens AG	352	-	-	532	-	-	-
- Siemens W.L.L.	-	5	-	-	-	112	-
- Siemens Schweiz AG, Building Technologies	-	27	-	-	-	54	-
- Siemens VAI Metals Technologies Pvt. Ltd. (merged w.e.f. 1 October 2011)	-	-	-	-	-	2	-
- Siemens Technology and Services Pvt. Ltd. (STS)	-	74	-	-	-	70	-
- Morgan Construction Company India Pvt. Ltd. (merged w.e.f. 1 October 2011)	-	-	-	-	-	12	-
- Others	-	104	-	-	-	239	-
<b>Payables</b>							
- Siemens AG	7,519	-	-	4,676	-	-	-
- Siemens Technology and Services Pvt. Ltd. (STS)	-	71	-	-	-	24	-
- Siemens Information Processing Services Pvt. Ltd.	-	-	-	-	-	35	-
- Siemens Power Engineering Pvt. Ltd.	-	51	-	-	-	53	-
- Koncar Power Transformers Ltd.	-	10	-	-	-	17	-
- Siemens Industrial Turbomachinery Ltd.	-	254	-	-	-	236	-
- TLT-Turbo GmbH	-	14	-	-	-	79	-
- Trench Germany GmbH	-	17	-	-	-	15	-
- Siemens Healthcare Diagnostics Inc, USA	-	87	-	-	-	369	-
- Others	-	1,250	-	-	-	1,749	-
<b>Inter Corporate Deposits</b>							
- Osram India Pvt. Ltd.	-	-	-	-	-	1,670	-
- Winergy Drive Systems India Pvt. Ltd.	-	565	-	-	-	1,200	-
- Siemens VAI Metals Technologies Pvt. Ltd. (merged w.e.f. 1 October 2011)	-	-	-	-	-	1,850	-
- OSRAM Automotive Lamps Pvt. Ltd.	-	-	-	-	-	51	-
- Siemens Financial Services Pvt. Ltd.	-	500	-	-	-	-	-
<b>Interest accrued on Inter Corporate Deposits</b>							
- Osram India Pvt. Ltd.	-	-	-	-	-	8	-
- Winergy Drive Systems India Pvt. Ltd.	-	2	-	-	-	6	-
- Siemens VAI Metals Technologies Pvt. Ltd. (merged w.e.f. 1 October 2011)	-	-	-	-	-	14	-
- Siemens Financial Services Pvt. Ltd.	-	*	-	-	-	-	-
- OSRAM Automotive Lamps Pvt. Ltd.	-	-	-	-	-	*	-
<b>Managerial Remuneration Payable</b>							
- Dr. Armin Bruck	-	-	27	-	-	-	32
- Mr. Sunil D. Mathur	-	-	18	-	-	-	19
- Mr. Vijay Paranjape (Retired on 30 September 2011)	-	-	-	-	-	-	13

\* Denotes figures less than a million

Notes to the financial statements (*Continued*)  
for the year ended 30 September 2012  
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38 (i) Information about business segments

	Revenue						Results	
	External revenue		Inter segmental revenue		Total		2012	2011
	2012	2011	2012	2011	2012	2011		
Infrastructure and Cities	27,567	24,937	3,574	3,580	31,141	28,517	1,655	2,277
Energy (Refer note 44)	52,284	53,000	245	367	52,529	53,367	2,157	6,453
Industry (Refer note 2)	37,915	30,640	4,767	4,863	42,682	35,503	1,633	2,253
Healthcare	10,815	10,609	-	-	10,815	10,609	61	512
Eliminations	-	-	(8,586)	(8,810)	(8,586)	(8,810)	-	-
<b>Total</b>	<b>128,581</b>	<b>119,186</b>	<b>-</b>	<b>-</b>	<b>128,581</b>	<b>119,186</b>	<b>5,506</b>	<b>11,495</b>
Interest expenses							(243)	(106)
Interest income							575	882
Unallocable corporate items	618	1,103	-	-	618	1,103	170	478
<b>Profit before prior period items and tax</b>							<b>6,008</b>	<b>12,749</b>
Prior period items (Refer note 45)							(799)	-
<b>Profit before tax</b>							<b>5,209</b>	<b>12,749</b>
Income tax							(2,958)	(4,637)
Deferred tax							1,181	342
<b>Profit after tax</b>							<b>3,432</b>	<b>8,454</b>
<b>Consolidated total</b>	<b>129,199</b>	<b>120,289</b>	<b>-</b>	<b>-</b>	<b>129,199</b>	<b>120,289</b>	<b>3,432</b>	<b>8,454</b>

	Assets		Liabilities		Capital Expenditure		Non cash expenditure			
							Depreciation & amortisation / Impairment		Others	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Infrastructure and Cities	16,807	14,869	9,951	9,903	1,616	977	362	260	(33)	155
Energy	39,137	40,059	28,266	30,862	1,316	2,125	1,671	469	(116)	313
Industry (Refer note 2)	24,904	15,882	17,801	11,941	878	858	533	393	105	20
Healthcare	4,046	4,421	4,781	4,652	453	322	302	298	126	(45)
<b>Total</b>	<b>84,894</b>	<b>75,231</b>	<b>60,799</b>	<b>57,358</b>	<b>4,263</b>	<b>4,282</b>	<b>2,868</b>	<b>1,420</b>	<b>82</b>	<b>443</b>
Unallocable corporate items	21,553	26,502	6,022	6,213	144	170	174	102	29	(3)
<b>Consolidated total</b>	<b>106,447</b>	<b>101,733</b>	<b>66,821</b>	<b>63,571</b>	<b>4,407</b>	<b>4,452</b>	<b>3,042</b>	<b>1,522</b>	<b>111</b>	<b>440</b>

### 38 (ii) Secondary segment information

	Revenue based on location of customers		Carrying amount of segment assets by location		Additions to tangible assets and intangible assets	
	2012	2011	2012	2011	2012	2011
Within India	111,102	93,792	93,956	84,961	4,407	4,452
Outside India	18,097	26,497	12,491	16,772	-	-
<b>Total</b>	<b>129,199</b>	<b>120,289</b>	<b>106,447</b>	<b>101,733</b>	<b>4,407</b>	<b>4,452</b>

### (iii) Other disclosures :

- Inter-segment prices are normally negotiated amongst the segments with reference to the costs, market price and business risks.
- Profits / losses on inter segment transfers are eliminated at the Company level.
- During the year, there has been a re-organisation of the Business segments. Figures for the year ended 30 September 2011 have been regrouped to make them comparable.

### (iv) Segment information :

The primary and secondary reportable segments are business segments and geographical segments respectively.

**Business Segments:** The business of the Company is divided into four segments. These segments are the basis for management control and hence, form the basis for reporting. The business of each segment comprises of :

- **Infrastructure and Cities** :- Provides Electrical Installation Technologies, i.e. Products for Building, e.g. Miniature Circuit breakers, Distribution boards, Residual Current Circuit Breakers etc. It also provides solutions for rail automation, railway electrification, light and heavy rail, locomotives, trains, turnkey projects and integrated services. Also provides solutions for the automation of power grids to products like medium-voltage switchgear and components.
- **Industry** :- Provides complete range of automation products & systems, industrial automation systems & low-voltage switchgears, complete range of large and standard drives and motors, special purpose motors, process and motion control systems. Also undertakes turnkey projects in the industrial and infrastructure sectors over the entire life cycle including concept, engineering, procurement, supplies, installation, commissioning and after sales services.
- **Energy** :- Offers highly efficient products and solutions for power generation based on fossil fuels. It ranges from individual gas and steam turbines and generators, to turnkey power plants. Also offers customer products and solutions used for extraction, conversion and transport of oil and gas. Also provides solutions for power generation and distribution including products and solutions in the high-voltage field – such as High Voltage Direct Current (HVDC) transmission systems, substations, switchgear and transformers.
- **Healthcare** :- Provides diagnostic, therapeutic and life-saving products in computer tomography (CT), magnetic resonance imaging (MRI), ultrasonography, nuclear medicine, digital angiography, patient monitoring systems, digital radiography systems, radiology networking systems, lithotripsy and linear accelerators.

**Geographical Segments:** The business is organised in two geographical segments i.e. within India and outside India.



# Notes to the financial statements (*Continued*) for the year ended 30 September 2012 (Currency: Indian rupees millions)

## 39 Disclosure pursuant to Accounting Standard - 15 'Employee Benefits' :

### (i) Defined Contribution Plans

Amount of ₹ 216 (2011: ₹ 188) is recognised as an expense and included in "employee benefits expense" (Refer note 24) in the statement of profit and loss.

### (ii) Defined Benefit Plans

#### a) Amounts for the current period are as follows :

		Gratuity		Pension		Medical	
		2012	2011	2012	2011	2012	2011
<b>I</b>	<b>Change in defined benefit obligation</b>						
	Liability at the beginning of the year	1,013	819	182	167	252	202
	Interest cost	95	72	13	13	21	17
	Current service cost	109	93	-	-	10	9
	Transfer from other Company	32	29	-	-	-	-
	Benefits paid	(51)	(38)	(31)	(29)	(35)	(24)
	Actuarial (gain) / loss on obligations	7	38	9	31	20	48
	Liability at the end of the year	1,205	1,013	173	182	268	252
<b>II</b>	<b>Fair value of plan assets</b>						
	Fair value of plan assets at the beginning of the year	1,008	850	-	-	-	-
	Expected return on plan assets	87	72	-	-	-	-
	Contributions	87	122	-	-	-	-
	Transfer from other Company	24	29	-	-	-	-
	Benefits paid	(51)	(38)	-	-	-	-
	Actuarial gain / (loss) on plan assets	(26)	(27)	-	-	-	-
	Fair value of plan assets at the end of the year	1,129	1,008	-	-	-	-
<b>III</b>	<b>Actual return on plan assets</b>						
	Expected return on plan assets	87	72	-	-	-	-
	Actuarial gain / (loss) on plan assets	(26)	(27)	-	-	-	-
	Actual return on plan assets	61	45	-	-	-	-
<b>IV</b>	<b>Amount recognised in the balance sheet</b>						
	Defined benefit obligation at the end of the year	1,205	1,013	173	182	268	252
	Fair value of plan assets at the end of the year	1,129	1,008	-	-	-	-
	Amount recognised in the balance sheet	76	5	173	182	268	252

**39 Disclosure pursuant to Accounting Standard - 15 'Employee Benefits' (Continued) :**

		Gratuity		Pension		Medical	
		2012	2011	2012	2011	2012	2011
<b>V</b>	<b>Expenses recognised in the statement of profit and loss</b>						
	Interest cost	95	72	13	13	21	17
	Current service cost	109	93	-	-	10	9
	Expected return on plan assets	(87)	(72)	-	-	-	-
	Net actuarial (gain) / loss recognised	33	66	9	31	20	48
	Expense recognised in employee benefits expense (Refer note 24)	150	159	22	44	51	74
<b>VI</b>	<b>Balance Sheet reconciliation</b>						
	Opening net liability	5	(32)	182	167	252	202
	Expense as above	150	159	22	44	51	74
	Transfer from other Company	8	-	-	-	-	-
	Less Employers contribution	87	122	31	29	35	24
	Amount recognised in the balance sheet	76	5	173	182	268	252
	- Current	76	5	29	29	31	9
	- Non-current	-	-	144	153	237	243
<b>VII</b>	<b>Actuarial Assumptions : For the Year</b>						
	Discount Rate Current	8.60%	8.50%	8.60%	8.50%	8.60%	8.50%
	Rate of Return on Plan Assets Current	8.60%	8.50%	-	-	-	-
	Attrition rate:						
	upto 30 years	15.00%	15.00%	-	-	-	-
	31-50 years	3.00%	3.00%	-	-	-	-
	above 50 years	2.00%	2.00%	-	-	-	-
	Salary Escalation/ Medical cost increase rate	7.00%	7.00%	-	-	7.00%	7.00%
<b>VIII</b>	<b>Sensitivity</b>						
	Change in Liability for 1% increase in discount rate	-	-	-	-	252	237
	Change in Liability for 1% decrease in discount rate	-	-	-	-	285	267
	Change in Liability for 1% increase in inflation rate	-	-	-	-	285	268

Notes to the financial statements (*Continued*)  
for the year ended 30 September 2012  
(Currency: Indian rupees millions)

39 Disclosure pursuant to Accounting Standard - 15 'Employee Benefits' (*Continued*) :

		Gratuity		Pension		Medical	
		2012	2011	2012	2011	2012	2011
<b>VIII</b>	<b>Sensitivity (<i>Continued</i>)</b>						
	Change in Liability for 1% decrease in inflation rate	-	-	-	-	251	236
	Change in Service Cost for 1% increase in discount rate	-	-	-	-	8	9
	Change in Service Cost for 1% decrease in discount rate	-	-	-	-	10	11
	Change in Interest Cost for 1% Increase in discount rate	-	-	-	-	22	20
	Change in Interest Cost for 1% decrease in discount rate	-	-	-	-	25	23

<b>IX</b>	<b>Amount for the Current and Previous periods as per AS15 Para 120(n) are as follows:</b>					
		<b>Gratuity</b>				
		<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	Liability at the end of the year	1,205	1,013	819	605	466
	Fair value of plan assets at the end of the year	1,129	1,008	850	648	477
	Difference	76	5	(32)	(43)	(10)
	Experience Adjustment on Plan Liabilities (gain) / loss	17	99	(73)	10	8
	Experience Adjustment on Plan Assets (loss) / gain	(25)	(27)	5	(14)	2
		<b>Pension</b>				
		<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	Experience Adjustment on Plan Liabilities (gain) / loss	9	36	-	-	-
	Experience Adjustment on Plan Assets (loss) / gain	-	-	-	-	-
		<b>Medical</b>				
		<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	Experience Adjustment on Plan Liabilities (gain) / loss	21	55	-	-	-
	Experience Adjustment on Plan Assets (loss) / gain	-	-	-	-	-

### 39 Disclosure pursuant to Accounting Standard - 15 'Employee Benefits' (Continued) :

- b) The fund formed by the Company manages the investments of the Gratuity Fund. Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio, along with the estimated incremental investments to be made during the year. Yield on portfolio is calculated based on a suitable mark-up over the benchmark Government securities of similar maturities. The Company expects to contribute ₹ 100 to gratuity fund in 2012-13.
- c) The estimates of future salary increases, considered in actuarial valuation, take in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- d) The Company has contributed ₹ 396 (2011: ₹ 284) towards provident fund during the year ended 30 September 2012. The Guidance on Implementing AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The Actuary Society of India has issued the final guidance for measurement of provident fund liabilities on 1 April 2011. The Actuary has accordingly provided a valuation and based on the assumptions provided below there is no shortfall as at 30 September 2012 and 2011 respectively.

The details of the fund and plan asset position as at 30 September are as follows:

	As at 30 September	
	2012	2011
Present value of benefit obligation at year end	5,549	4,490
Fair value of plan assets at year end	5,654	4,577
Shortfall	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	As at 30 September	
	2012	2011
Government of India securities (GOI) bond yield	8.60%	8.50%
Remaining term of maturity (in years)	10.23	14.57
Expected guaranteed interest rate	8.60%	8.60%

#### (iii) General descriptions of significant defined plans

##### I Gratuity Plan

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's Scheme whichever is more beneficial.

##### II Medical

Post-Retirement Medical Benefit is paid to eligible employees in case of survival upto the retirement age and after death, benefits are available to the employee's spouse. The Company reimburses the employees for expenses incurred over and above the claim accepted by the insurance company. The Company pays 80% of difference between liability incurred by employee and claim received from insurance company subject to ceiling based on the grade of employees.

# Notes to the financial statements (*Continued*) for the year ended 30 September 2012 (Currency: Indian rupees millions)

## 39 Disclosure pursuant to Accounting Standard - 15 'Employee Benefits' (*Continued*) :

### (iv) Broad category of plan assets as a percentage of total plan assets of the Gratuity plans

Particulars	2012	2011
Government of India securities	15%	14%
State Government securities	28%	28%
Public sector unit bonds	34%	35%
Special Discount scheme	23%	23%
<b>Total Plan Assets</b>	<b>100%</b>	<b>100%</b>

## 40 Derivative Instruments

### a) Forward Contracts

The Company uses forward contracts to mitigate its risks associated with foreign currency fluctuations having underlying transaction and relating to firm commitments or highly probable forecast transactions. The Company does not enter into any forward contract which is intended for trading or speculative purposes.

The details of forward contracts outstanding at the year end is as follows:-

Currency	Buy			Sell		
	Number of contracts	Amount	Indian rupees equivalent	Number of contracts	Amount	Indian rupees equivalent
<b>US Dollar</b>						
2012	251	141	7,438	151	198	10,447
2011	251	122	5,981	163	312	15,300
<b>Euro</b>						
2012	281	245	16,810	64	37	2,500
2011	185	203	13,530	66	60	3,988
<b>Qatari Riyal</b>						
2012	-	-	-	11	454	6,595
2011	1	*	5	24	1,008	13,562
<b>Japanese Yen</b>						
2012	1	1	1	-	-	-
2011	5	25	16	-	-	-
<b>Pound Sterling</b>						
2012	13	2	205	6	1	97
2011	17	6	441	3	1	75
<b>CHF</b>						
2012	7	2	107	1	*	5
2011	4	2	120	-	-	-

## 40 Derivative Instruments (Continued)

Currency	Buy			Sell		
	Number of contracts	Amount	Indian rupees equivalent	Number of contracts	Amount	Indian rupees equivalent
<b>CAD</b>						
2012	-	-	-	-	-	-
2011	2	*	13	-	-	-
<b>SEK</b>						
2012	6	12	100	-	-	-
2011	4	10	75	-	-	-
<b>SGD</b>						
2012	4	2	72	-	-	-
2011	3	3	105	-	-	-
<b>AED</b>						
2012	1	*	1	-	-	-
2011	1	*	7	-	-	-
<b>AUD</b>						
2012	1	1	63	-	-	-
2011	-	-	-	-	-	-

b) The Company has the following unhedged exposures in various foreign currencies as at the year end:

	Foreign currency		Indian rupees	
	2012	2011	2012	2011
<b>Payables:</b>				
BDT	11	6	7	4
DKK	*	-	1	-
JPY	15	-	10	-
KWD	*	*	1	1
LKR	83	66	34	29
NOK	*	*	1	4
ZAR	*	*	*	1
USD	*	-	23	-
EUR	1	-	72	-
GBP	*	-	1	-
CAD	*	-	3	-
AUD	-	*	-	8
<b>Receivables:</b>				
SEK	*	2	*	18
AED	-	*	-	1
SGD	*	*	*	2

# Notes to the financial statements (*Continued*) for the year ended 30 September 2012 (Currency: Indian rupees millions)

## 40 Derivative Instruments (*Continued*)

The forward contracts have been converted in Indian rupees, at the spot rates, as at 30 September 2012 to facilitate reading purposes only.

The Company has a policy of hedging its foreign currency exposure on a net basis. Accordingly, unhedged balances of receivables and payables are disclosed on a net basis.

\* Denotes figures less than a million

### c) Commodity Contracts

The Company uses Commodity Future Contracts to hedge against fluctuation in commodity prices. The following are outstanding future contracts entered into by the Company as on 30 September 2012.

Year	Commodity	Number of Contracts	Contractual Quantity	Buy /Sell
2012	Copper	3,353	3,353,000 Kgs	Buy
	Silver	136	4,080 Kgs	Buy
2011	Copper	2,924	2,924,000 Kgs	Buy
	Nickel	34	8,500 Kgs	Buy
	Silver	180	5,400 Kgs	Buy

**Note:** Each contract of copper is of 1,000 kg, silver is of 30 kg and nickel is of 250 kg.

## 41 Earnings per share:

	2012	2011
Profit after tax (Net profit attributable to Equity shareholders)	3,432	8,454
<b>Shares :-</b>		
<b>Weighted average number of Equity shares outstanding during the year</b>		
Number of equity shares outstanding	340,295,025	338,800,550
Number of equity shares in share capital suspense account (Refer note 2)	11,738,108	-
<b>Total number of shares</b>	<b>352,033,133</b>	<b>338,800,550</b>
<b>Earnings per share (Basic and diluted)</b>	<b>9.75</b>	<b>24.95</b>

## 42 Micro and Small Enterprises Development Act, 2006 ('MSMED')

The Company has amounts due to suppliers under MSMED as at 30 September 2012. The disclosure pursuant to the said Act is as under:

	2012	2011
Principal amount due to suppliers under MSMED Act	1,340	589
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid	41	3
Payment made to suppliers (other than interest) beyond the appointed day during the year	2,550	2,926
Interest paid to suppliers under the MSMED Act	-	-
Interest due and payable towards suppliers under MSMED Act towards payments already made	272	211
Interest accrued and remaining unpaid at the end of the accounting year	323	214

The information has been given in respect of such vendors to the extent they could be identified as 'micro and small enterprises' on the basis of information available with the Company.

#### 43 Other Costs, net

Miscellaneous expenses as disclosed in Note 26 includes ₹ Nil (2011: ₹ 451) in respect of provisions created for sales tax matters of earlier years.

#### 44 Exceptional item

The Company has incurred an amount of ₹ 1,330 as at 30 September 2012 on acquisition of land, construction of buildings and other expenditure for setting up a manufacturing facility for the wind energy business included in Energy segment. The Company has estimated an additional expenditure of ₹ 823 towards completing the construction work, which is in progress. In view of the current business scenario, the Board of Directors reviewed the plan for the wind energy business and decided to use these assets for alternate purposes. Based on evaluation of various options, the Company has recognized an impairment loss of ₹ 1,032 and other consequential provisions of ₹ 168, aggregating ₹ 1,200 which is reflected as an "exceptional item" in the statement of profit and loss. The recoverable amount for ascertaining the impairment loss was based on the market value of land and realisable value of buildings based on alternative use as determined by an independent valuation.

#### 45 Prior period items

In accordance with the practice consistently followed and pursuant to significant developments in certain projects, the Company revises estimated revenue, costs and project related provisions. During the course of the year, the Company has identified certain updates relating to the prior year. The total of such updates are debited to the statement of profit and loss and impact the current year's profit before tax by ₹ 799 (2011: ₹ Nil). Details are as under:

Decrease in revenue from construction contracts	572
Increase in 'other costs' under the head project bought outs and other direct costs	227
<b>Net decrease in profits for the year</b>	<b>799</b>

#### 46 Proposed Amalgamations

- (i) The Board of Directors approved the amalgamation of Siemens Power Engineering Pvt. Ltd., Gurgaon (SPEL - a 100% subsidiary of Siemens AG) with the Company on 31 January 2012. The amalgamation scheme was filed with the Honourable High Courts of Bombay and Punjab & Haryana on 20 February 2012 and 22 March 2012 respectively. In terms of the scheme, the appointed date is 01 October 2011 and the share swap ratio will be 6 equity shares of the face value of ₹ 2 each fully paid-up of the Company for every 13 equity shares of the face value of ₹ 10 fully paid-up of SPEL. The Shareholders of the Company approved the amalgamation in their meeting held on 11 April 2012. The Honourable High Court of Bombay has approved the Scheme of amalgamation on 2 November 2012 but awaiting the Order from the Honourable High Court of Punjab & Haryana.

Pending approval of the aforesaid High Courts, no effects of the above mentioned proposed amalgamation have been recognised in these financial statements.

- (ii) The Board of Directors approved the amalgamation of Winergy Drive Systems India Pvt. Ltd. (Winergy) with the Company on 10 August 2012. The amalgamation scheme was filed with the Honourable High Courts of Bombay and Madras on 28 August 2012 and 4 September 2012 respectively. In terms of the scheme, the appointed date is 1 October 2012 and the share swap ratio will be 1 equity shares of the face value of ₹ 2 each fully paid-up of the Company for every 72 equity shares of the face value of ₹ 10 fully paid-up of Winergy.



# Notes to the financial statements (*Continued*) for the year ended 30 September 2012 (Currency: Indian rupees millions)

## 47 Prior year comparatives

Pursuant to the amalgamation of SVAI and Morgan (Refer note 2) , the figures of the current year are not strictly comparable to those of the previous year. Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

As per report of even date

### **For S.R.Batliboi & Associates**

Firm Registration Number:- 101049W  
*Chartered Accountants*

### **per Sudhir Soni**

*Partner*

Membership No: 41870

Mumbai

Date: 23 November 2012

### **For and on behalf of the Board of Directors of Siemens Limited**

**Deepak S. Parekh** *Chairman*

**Dr. Armin Bruck** *Managing Director*

**Sunil D. Mathur** *Executive Director*

**Yezdi H. Malegam** *Director & Chairman of Audit Committee*

**Ajai Jain** *Vice President (Legal) & Company Secretary*

Mumbai

Date: 23 November 2012

## SIEMENS LIMITED

Registered Office: 130, Pandurang Budhkar Marg, Worli, Mumbai - 400 018

Dear Member(s),

**Sub.: Green Initiative in Corporate Governance - Electronic Mode of service of documents**

The Ministry of Corporate Affairs (MCA) has, vide its Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011, allowed companies to serve all notices and correspondences to shareholders including Annual Reports i.e., Audited Financial Statements, Directors' Report, Auditors' Report, etc., through electronic mode (e-mail). The initiative taken by the MCA is a welcome move for the Society at large, as this will reduce paper consumption to a great extent, ensure prompt receipt of communication and avoid loss of document in postal transit. Keeping in view of the theme underlying the Circulars issued by MCA, we propose to henceforth send documents like notices, intimation under Section 302 of the Companies Act, 1956, Annual Reports, Financial Results, etc., to our shareholders through electronic mode.

We are sure that you will whole-heartedly support this initiative for a greener environment and co-operate with the Company to make it a success. We therefore request you to fill up the Information Slip below for registering your e-mail ID and send it to our Registrar & Share Transfer Agent (RTA), TSR Darashaw Ltd. You can also send us an e-mail from your e-mail ID to [Corporate-Secretariat.in@siemens.com](mailto:Corporate-Secretariat.in@siemens.com) / [csg-green@tsrdarashaw.com](mailto:csg-green@tsrdarashaw.com) for receiving the aforesaid documents in electronic form and mentioning therein your Folio No. / DP ID / Client ID as the case may be. On receipt of the Information Slip or an e-mail from you for registering your e-mail ID, we shall send such documents in electronic form to the said e-mail ID in future.

Please note that the Information Slip should be signed by the first / sole-holder as per the specimen signature recorded with the RTA. If you do not register your e-mail ID, a physical copy of the Annual Report and other communication / documents will be sent to you free of cost, as per the current practice. These documents will also be available on the Company's website [www.siemens.co.in](http://www.siemens.co.in) for your ready reference under the Investors' Relations Section.

Let's be part of this 'Green Initiative'

Thanking You,  
Yours faithfully,

For **Siemens Ltd.**



**Ajai Jain**  
**Vice President (Legal) &**  
**Company Secretary**

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**TSR Darashaw Ltd.**

**Unit: Siemens Ltd**

6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road,  
Mahalaxmi, Mumbai – 400 011.

Folio No. / DP ID & Client ID	:	_____
Name of 1 <sup>st</sup> Registered Holder	:	_____
Name of Joint Holder(s)	:	_____
E-mail ID address (to be registered)	:	_____
Phone number (alongwith STD Code) / Mobile No. (in case the shares are held in physical form)	:	_____

Date: \_\_\_\_\_

Signature of 1<sup>st</sup> Holder: \_\_\_\_\_

**Note:** Shareholders are requested to keep DP / RTA / Company informed as and when there is any change in the e-mail address. Unless the e-mail ID given above is changed by you by sending another communication in writing / e-mail, the Company will continue to send the documents to you on the above mentioned e-mail ID.

# Siemens Ltd.

Registered Office: 130, Pandurang Budhkar Marg, Worli, Mumbai – 400 018

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM

DP. Id		NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER
Client Id/ Folio No.		
No. of Shares		

I hereby record my presence at the 55<sup>th</sup> Annual General Meeting of the Company to be held at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai – 400 021 on Thursday, 31<sup>st</sup> January, 2013, at 2.30 p.m.

Full name of the Proxy, if attending the Meeting:

Signature of the Member / Joint Member / Proxy attending the Meeting :

### Note:

Persons attending the Meeting are requested to bring this Attendance Slip and Annual Report with them. Duplicate Attendance Slip and Annual Reports will not be issued at the Annual General Meeting.

# Siemens Ltd.

Registered Office: 130, Pandurang Budhkar Marg, Worli, Mumbai – 400 018

## PROXY FORM

I / We, \_\_\_\_\_  
of \_\_\_\_\_ being a Member / Members of Siemens Ltd.  
hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
or failing him / her \_\_\_\_\_ of \_\_\_\_\_

as my / our Proxy to vote for me / us and on my / our behalf at the 55<sup>th</sup> Annual General Meeting of the Company to be held at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai – 400 021 on Thursday, 31<sup>st</sup> January, 2013, at 2.30 p.m. and at any adjournment thereof.

Registered Folio / DP. ID. & Client ID.:

No. of Shares held:

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

Affix a  
15 paise  
Revenue  
Stamp

Signature(s) of the Member(s)

### Notes:

- Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
- A Member entitled to attend and vote at this Meeting is entitled to appoint a proxy and the proxy need not be a Member.

**Siemens Ltd.,**  
130, Pandurang Budhkar Marg,  
Worli, Mumbai - 400018.  
Tel.: +91 22 3967 7000  
Fax: +91 22 3967 7500

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