SIEMENS

# Annual Report 2020

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# Financial Highlights - Siemens Limited

(₹ in Million)

| | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 |
|---|---|---|---|---|---|
| **Orders received*** | 113,853 | 132,377 | 127,404 | 135,030 | 121,199 |
| **Income, Profit and Dividend*** | | | | | |
| Revenue from operations** | 105,407 | 136,838 | 127,251 | 113,483 | 112,295 |
| Profit Before depreciation, interest, exceptional items and tax (PBDIET) | 13,198 | 18,703 | 15,961 | 13,059 | 11,848 |
| Depreciation | 2,709 | 2,173 | 1,967 | 1,966 | 2,264 |
| Interest | 296 | 114 | 82 | 77 | 91 |
| Profit before exceptional items and tax (PBET) | 10,193 | 16,416 | 13,912 | 11,016 | 9,493 |
| Exceptional Items | - | - | - | 5,675 | 29,923 |
| Profit Before Tax (PBT) | 10,193 | 16,416 | 13,912 | 16,691 | 39,416 |
| Tax | 2,628 | 5,547 | 4,973 | 5,355 | 10,245 |
| Profit After Tax (PAT) | 7,565 | 10,869 | 8,939 | 11,336 | 29,171 |
| Interim dividend - % | - | - | - | - | 1375% |
| Interim dividend - ₹ Per Share | - | - | - | - | 27.5 |
| Dividend - % | 350% | 350% | 350% | 350% | 300% |
| Dividend - ₹ Per Share | 7 | 7 | 7 | 7 | 6 |
| **Share Capital, Assets and Book Value** | | | | | |
| Equity share capital | 712 | 712 | 712 | 712 | 712 |
| Other Equity | 94,028 | 89,724 | 82,342 | 76,335 | 67,496 |
| Net Worth (Equity) | 94,740 | 90,436 | 83,054 | 77,047 | 68,208 |
| Loans | - | - | - | - | - |
| Total Capital Employed | 94,740 | 90,436 | 83,054 | 77,047 | 68,208 |
| Capital Represented by: | | | | | |
| Property, plant and equipment, Capital work-in-progress, other intangible assets and Right-of-Use assets | 12,530 | 12,486 | 13,097 | 13,695 | 12,746 |
| Investments | 550 | 550 | 550 | 550 | 550 |
| Net Current Assets & Other Assets | 81,660 | 77,400 | 69,407 | 62,802 | 54,912 |
| Net Assets | 94,740 | 90,436 | 83,054 | 77,047 | 68,208 |
| Book Value - ₹ | 266.03 | 253.95 | 233.22 | 216.35 | 191.53 |
| **Returns*** | | | | | |
| On Revenue from operations (PBET) - % | 9.67 | 12.00 | 10.93 | 9.71 | 8.45 |
| On Capital Employed (PBT) - % | 10.76 | 18.15 | 16.75 | 21.66 | 57.79 |
| On Shareholders Fund (PAT) - % | 7.99 | 12.02 | 10.76 | 14.71 | 42.77 |
| Per Share (PAT) - ₹ | 21.24 | 30.52 | 25.10 | 31.83 | 81.91 |

* Includes total operations of the Company.

**** Revenue from operations for:**

- 2019-20, 2018-19, 2017-18 and the period 1 July 2017 to 30 September 2017 is net of Goods and Service Tax (GST).
- The period 1 October 2016 to 30 June 2017 and 2015-16 is inclusive of excise duty.

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# Board of Directors

**Deepak S. Parekh**
Chairman

**Darius C. Shroff**
Independent Director
(Up to 29th January, 2020)

**Yezdi H. Malegam**
Independent Director

**Keki B. Dadiseth**
Independent Director
(Up to 29th January, 2020)

**Mehernosh B. Kapadia**
Independent Director

**Anjali Bansal**
Independent Director

**Josef Kaeser**
Director

**Cedrik Neike**
Special Director (Nominee of Siemens Aktiengesellschaft, Germany)
(Up to 30th November, 2020)

**Mariel von Schumann**
Director

**Johannes Apitzsch**
Director

**Tim Holt**
Director
(From 1st June, 2020)

**Matthias Rebellius**
Special Director (Nominee of Siemens Aktiengesellschaft, Germany)
(From 1st December, 2020)

**Sunil Mathur**
Managing Director and Chief Executive Officer

**Daniel Spindler**
Executive Director and Chief Financial Officer

# Management

**Bhaskar Mandal**
Head, Digital Industries

**Gerd Deusser**
Head, Energy

**Robert H. K. Demann**
Head, Smart Infrastructure

**Tilak Raj Seth**
Head, Mobility

## Committees of Directors

(as on 30th September, 2020)

**Audit Committee**

Mr. Yezdi H. Malegam - Chairman

Mr. Deepak S. Parekh

Mr. Johannes Apitzsch

Mr. Mehernosh B. Kapadia

Ms. Anjali Bansal

**Risk Management Committee**

Mr. Yezdi H. Malegam - Chairman

Mr. Deepak S. Parekh

Mr. Johannes Apitzsch

Mr. Mehernosh B. Kapadia

**Nomination and Remuneration Committee**

Mr. Yezdi H. Malegam - Chairman

Mr. Deepak S. Parekh

Mr. Josef Kaeser

Mr. Cedrik Neike

**Corporate Governance Committee**

Mr. Mehernosh B. Kapadia - Chairman

Mr. Deepak S. Parekh

Mr. Yezdi H. Malegam

Mr. Josef Kaeser

Mr. Johannes Apitzsch

Mr. Sunil Mathur

Mr. Cedrik Neike

**Stakeholders Relationship Committee**

Mr. Mehernosh B. Kapadia - Chairman

Mr. Sunil Mathur

Dr. Daniel Spindler

**Corporate Social Responsibility Committee**

Mr. Deepak S. Parekh - Chairman

Mr. Sunil Mathur

Ms. Mariel von Schumann

Dr. Daniel Spindler

**Share Transfer Committee**

Mr. Sunil Mathur - Chairman

Dr. Daniel Spindler

| Company Secretary |
| --- |
| **Mr. Ketan Thaker** |

| Registered and Corporate Office: | Registrar and Share Transfer Agent: |
| --- | --- |
| Siemens Limited<br>Birla Aurora, Level 21, Plot No. 1080,<br>Dr. Annie Besant Road, Worli, Mumbai 400 030<br>Phone: +91 22 6251 7000 Fax: +91 22 2436 2403<br>CIN: L28920MH1957PLC010839<br>Website: www.siemens.co.in | TSR Darashaw Consultants Private Limited<br>6, Haji Moosa Patrawala Industrial Estate,<br>20, Dr. E. Moses Road, Near Famous Studio,<br>Mahalaxmi (West), Mumbai - 400 011<br>Time: 10.00 a.m. to 3.30 p.m. (Monday to Friday)<br>Phone: +91 22 6656 8484 Extn: 411 / 412 / 413<br>Fax: +91 22 6656 8494<br>Email: csg-unit@tsrdarashaw.com<br>Website: www.tsrdarashaw.com |

| Investor Relations Team: |
| --- |
| Contact Person: Mr. Vinayak Deshpande<br>E-mail: Corporate-Secretariat.in@siemens.com Phone: +91 22 6251 7000 Fax: +91 22 2436 2403 |

# Chairman's Statement

Dear Shareholders,

During the financial year 2020, the sudden outbreak of the COVID-19 pandemic together with existing geo-political tensions impacted businesses and economies across the world. The business environment remained volatile and challenging, particularly impacting manufacturing growth that slowed down across several sectors such as automobile, energy, infrastructure, agriculture, travel and severely impacted the small and medium scale enterprises as also government spending. Further, the lockdown in April and May 2020 impacted production activity and supply chains across the country and in many parts of the world as well. The Company's performance was impacted mainly on account of a disruption in the supply chain, capacity under-utilization, logistics-related issues as well as the challenges related to migrant workers.

Despite the pressures from global market conditions, India has over the years continued to remain one of the most resilient and attractive destinations for investment and I am convinced that India's intrinsic growth potential remains intact even though it may have shifted on timelines due to the pandemic.

With Siemens' portfolio of Energy, Mobility, Digital Industries and Smart Infrastructure coupled with Siemens' leadership role in Digitalization across all these businesses, Siemens Limited continues to be well-positioned to meet the needs of India.

**Financial Performance from continuing operations – Highlights**

For the financial year ended 30th September 2020, the Company received New Orders valued at ₹ 107,517 million, a 13.8 percent decrease over ₹ 124,744 million in the financial year ended 30th September 2019. The Order Backlog as of 30th September 2020 stood at ₹ 123,596 million. Sales (excluding Other operating revenues) were down by 24.3 percent to ₹ 95,808 million, compared to ₹ 126,487 million in the previous year.

Profits from Operations stood at ₹ 7,399 million compared to ₹ 13,135 million in the previous year. For the year ended 30th September 2020, the Company's Profit before Tax stood at ₹ 10,206 million compared to ₹ 16,963 million in the previous year, decrease of 39.8 percent. The Profit after Tax for the year was ₹ 7,574 million, decrease by 32.6 percent compared to ₹ 11,231 million in the previous year.

The Board of Directors of the Company has recommended a dividend of ₹ 7/- per equity share of the face value of ₹ 2/- each for the Financial Year ended 30th September 2020.

**Business Performance – Highlights**

From an operational perspective, the Company continued to focus on profitable growth, introducing innovative solutions to the market and enhancing its digitalization offerings across all its business segments.

Among the key highlights during the financial year, the Company took strides towards finding solutions to the nation's energy challenges when it signed a Memorandum of Understanding with NTPC Limited and TERI. The MOU is aimed at identifying, evaluating and setting up reference use cases of hydrogen sector-coupling for various upstream and downstream applications. The Company signed another MoU with TERI for collaboration on technologies to support the energy transition in India including sector-coupling. In addition, the Company successfully implemented an efficient power supply system with advanced passenger safety features for Kolkata Metro Rail Corporation Limited (KMRCL). The Central Park Depot of Kolkata Metro will also be equipped with advanced Supervisory Control and Data Acquisition system (SCADA) and Operation Control Centre supplied by the company, contributing to a safe, energy-efficient and comfortable rail commute. The 'Atal Tunnel', one of the world's longest and highest-altitude tunnels which was inaugurated by Honorable Prime Minister of India, Shri Narendra Modi, has also been equipped with the Company's state-of-the-art automation technologies.

In a step to meet the increasing demand for electrification across industry, infrastructure and buildings in India, the Company also signed an agreement to acquire New Delhi-based C&S Electric Limited. The acquisition has further received the regulatory approval of the Competition Commission of India. This will strengthen the Company's portfolio not only in India, but also for export to competitive international markets. In addition, the Company's Board of Directors approved the sale of the Mechanical Drives business to Siemens AG, which has subsequently announced its intention to sell the business to Carlyle Group.

**Digitalization**

During the financial year 2020, the Company's digitalization portfolio saw renewed interest from customers particularly in the Pharma, Food and Beverage, Automotive and Power Distribution segments enabling increased productivity and flexibility. The Company also won an order from Lalitpur Power Generation Company Limited (LPGCL), a Bajaj Group company, for advanced

digital solutions for LPGCL's power plant located in Lalitpur, Uttar Pradesh. The Company will provide a complete thermal twin for the LPGCL coal-fired power plant, enabling improvements in the plant's performance.

The Company also introduced digital solutions for resilient workplaces to adapt to the 'new normal'. This includes IoT solutions that support adherence to social distancing and contact tracing guidelines, body temperature detection integrated with access control, indoor air quality optimization and secured remote monitoring of a building's systems.

**Business Responsibility**

The Company has undertaken several sustainability initiatives to address issues of the environment, foster sustainable local development while also promoting Skill Development in the country. These initiatives, generally known as Corporate Social Responsibility (CSR), are referred to as Corporate Citizenship at Siemens. The Corporate Citizenship initiatives are in line with the Company's goal and focus on: Education & Science, Social and Environment.

The Company's response to the COVID-19 pandemic focused on strengthening the public health system and subsequently supporting the most vulnerable members of the society.

In tough and uncertain times, the company pledged a total contribution of ₹ 20 crore towards fighting COVID-19. The interventions included set up of a COVID-19 Testing Lab, state-of-the-art Computed Tomography scanner for treatment of COVID-19 patients, 75,000 units of COVID-19 testing kits (PCR tests and Antibody tests), 50 ventilators to several government hospitals across India and 500,000 surgical masks and 100,000 gloves to frontline health workers. The Company also supported 25,000 migrant and daily wage workers with dry rations and hygiene kits.

In the area of education, the Company's scholarship program completed its eighth year and so far, has provided holistic development support to 735 engineering students from 77 government engineering colleges across 23 States of India. Fifty percent of these scholarships are offered to girls. The program received recognition within the Siemens world when it won the Werner von Siemens 2020 Award in the Siemens Matters category.

The Company also signed a Joint Declaration of Intent with the Ministry of Skill Development and Entrepreneurship, Government of India (MSDE), Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany (BMZ) to create framework conditions for high-quality training in India based on Dual Vocational Education and Training (Dual VET). The Company is supporting long-term research & development through the concept of a Digital Transformation Lab at the Indian Institute of Science (IISc) in Bengaluru. The new Lab has been fitted with a premium digital industry software suite. The lab will support the skilling of graduate and research students of the institution.

In the area of sustainable communities and environment, the Company's Project Asha focuses on 72 villages in Palghar and Aurangabad through interventions in education, healthcare, sanitation, water conservation, energy, livelihood and governance. The Project has helped provide potable water as well as water for irrigation in numerous villages – over 150 million liters of rainwater have been harvested and over 1,100 acres of arable land brought under irrigation in the two districts. The project focused on watershed development ensuring the availability of drinking water and water for irrigation. Earlier the community relied on Paddy and Ragi crops, which was for mere consumption purposes. With the availability of water, vegetable cultivation in the Kharif season has been introduced. This year the main efforts have concentrated around livelihood.

**People Excellence**

The Company placed utmost priority on the safety, health and well-being of its employees. A cross-functional Siemens Taskforce was constantly reviewing the rapidly changing situation to ensure that measures are always continuously implemented to keep employees safe during the pandemic period while also attempting to ensure business continuity.

Regular Townhalls and 'pulse checks' were conducted to engage with employees, monitor stress levels, gather feedback on various initiatives and support employees to maintain a work-life balance. A team of medical experts from the Company were available to provide preventive healthcare support and also to support employees who needed medical care. The Company is also extremely proud of its project and service engineers who worked under very difficult conditions to ensure that critical facilities in hospitals, diagnostic centers and essential infrastructure & services continue to function & remain operational.

In addition to the above, the Company lays great stress on ensuring a Zero Harm Culture for each one of its employees as well as all employees working on a contractual basis. During the year, several measures were introduced to ensure the health and safety at all offices, factories and project sites.

Many initiatives have been taken by the Company to make it an employer of choice and a great place to work. The ongoing initiatives are centered around competency building, career development and creating an environment of empowerment and trust.

**Outlook**

While there are unprecedented challenges that have risen due to the pandemic, green-shoots and demand revival in various sectors are now visible. The government's stimulus packages, efforts to introduce favorable reforms and policies are steps in the right direction. These are very encouraging signs for the manufacturing sector and a boost to exports. It is imperative that domestic demand picks up for economic growth to sustain, which will require government investments in infrastructure and large projects.

India's GDP is expected to revive on the back of digitization, globalization, favorable demographics, and reforms. The Company is fully aligned to support the 'Atmanirbhar Bharat' program announced by the Honorable Prime Minister with its offerings to support the various initiatives of Make in India, Digital India, Power for All, Smart Cities, Modernization of the Railways, etc.

The Company has also witnessed heightened interest from customers for Digitalization solutions to enable them to reduce their Capex requirements, save cash and increase their productivity. Being a global leader in Automation and Digitalization coupled with a strong local footprint, the Company is in an advantageous position to enable greater productivity and be the preferred choice for customers across all business segments.

In conclusion, I would like to wish, good health and safety and sincerely thank our customers, the board, the management, unions and most importantly, the dedicated employees for their consistent support and commitment to Siemens Limited during another challenging year.

**Deepak Parekh**
Chairman

# Directors' Report

Dear Members,

The Directors have pleasure in presenting the 63rd Annual Report of your Company and the Audited Financial Statements for the year ended 30th September, 2020.

**1. Financial Performance** (₹ in million)

| | Standalone | |
|---|---|---|
| | **2019-20** | **2018-19** |
| Turnover | 105,407 | 136,838 |
| Less: Expenses | 98,020 | 124,254 |
| Profit from operations before other income and finance costs | 7,387 | 12,584 |
| Add: Other Income | 3,102 | 3,946 |
| Less: Finance costs | 296 | 114 |
| Profit before tax | 10,913 | 16,416 |
| Less: Tax | 2,628 | 5,547 |
| Profit for the year | 7,565 | 10,869 |
| Other Comprehensive income | (278) | (499) |
| Impact of Ind AS 116 on opening reserves | (72) | - |
| Balance in the Statement of Profit and Loss brought forward | 56,030 | 48,665 |
| Amount available for appropriation | 63,245 | 59,034 |
| Appropriations: | | |
| Proposed Dividend | 2,493 | 2,493 |
| Dividend Distribution Tax | 512 | 512 |
| Balance in the Statement of Profit and Loss carried forward | 60,240 | 56,030 |

**2. State of the Company's affairs**

i. **Operations**

The Turnover of the Company was ₹ 105,407 million for the year ended 30th September, 2020 as compared to ₹ 136,838 million in the previous year. The Company's Profit from Operations for the year ended 30th September, 2020 was ₹ 7,387 million as compared to ₹ 12,584 million in the previous year.

The Profit after Tax for the year ended 30th September, 2020 was ₹ 7565 million as compared to ₹ 10,869 million during 30th September, 2019.

ii. **Acquisition of C&S Electric Limited**

During the year under review, the Company has entered into definitive agreements for the acquisition of 99.22% (approx.) of the paid-up Equity Share capital of C&S Electric Limited from its Promoters at a price of ₹ 21,200 million on a cash free / debt free basis and subject to other adjustments that are mutually agreed between the parties to the transaction.

In this regard, approval from Competition Commission of India has since been received. The proposed acquisition is still subject to receipt of other approvals and fulfilment of condition precedents as agreed between the parties.

iii. **Sale and transfer of Mechanical Drives business**

The Board of Directors of the Company at its Meeting held on 26th August 2020 approved the sale and transfer of the Company's Mechanical Drives (**'MD'**) Business, to Flender Drives Private Limited, a subsidiary of Flender GmbH, which in turn is a subsidiary of Siemens AG, as a going concern on a slump sale basis, with effect from 1st January, 2021 subject to receipt of requisite statutory and regulatory approvals, as applicable and fulfilment of condition precedents as agreed between the parties, for a cash consideration of INR 4,400 million (Indian Rupees Four Thousand Four Hundred million), subject to adjustment for the change in net current assets and capital

expenditure, subsequent to 30th June, 2020 upto the date of actual transfer of the MD Business. The MD business achieved a revenue of ₹ 6,713 million for FY 2020 and had an operating loss of ₹ 11 million.

iv. **COVID-19 update**

A major part of the period under review was impacted on account of the COVID-19 pandemic. This was mainly on account of a disruption in the supply chain, capacity under-utilization, logistics-related issues, substantial ramp up costs including additional costs required to ensure the health and safety of all employees in each of the Company's factories and project sites. All of the Company's offices remained closed during the second half of the financial year. However, employees continued to work from home during this period to ensure minimum disruption to the business.

During the period under review, in response to COVID-19 pandemic, the Company had focused on supporting the public health system in dealing with the COVID-19 pandemic as also supporting the most vulnerable members of the society.

A cross-functional taskforce was set up to constantly review the rapidly changing situation to ensure that measures are continuously implemented to keep employees safe during the pandemic period while also attempting to ensure business continuity.

**3. Dividend**

The Board of Directors has recommended a dividend of ₹ 7 per equity share having face value of ₹ 2 each, subject to the approval of the Members at the 63rd Annual General Meeting (**"AGM"**). In the previous year, the Company paid a Dividend of ₹ 7 per equity share of ₹ 2 each.

Pursuant to the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"LODR"**), the Dividend Distribution Policy of the Company is available on the Company's website at https://new.siemens.com/in/en/company/investor-relations.html

**4. Share Capital**

During the year under review, there was no change in share capital of the Company.

**5. Subsidiary company**

Siemens Rail Automation Private Limited (**'SRAPL'**) is a non-material and unlisted subsidiary of the Company pursuant to LODR. SRAPL is engaged in the business of manufacture, supply, design, installation and commissioning of Railway Signaling equipment consisting of trackside and on board equipment.

The Company has not made any equity investment in SRAPL during the year. Your Company has obtained a certificate from the Statutory Auditor certifying that the Company is in compliance with the Foreign Exchange Management Act with respect to downstream investment.

A summary of performance of SRAPL is provided below.

The Turnover of SRAPL for FY 2019-20 stood at ₹ 913 million (0.9%) of consolidated turnover of the Company as compared to ₹ 896 million in the previous year and its Profit from Operations for the year ended 30th September, 2020 was ₹ 117 million as compared to ₹ 137 million in the previous year.

SRAPL has reported Profit after Tax for the year ended 30th September, 2020 of ₹ 121 million as compared to ₹ 125 million during FY 2018-19.

The Company does not have any joint venture or associate companies during the year.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (**"the Act"**), a statement containing salient features of Financial Statements of SRAPL in the prescribed Form AOC-1 is provided in **Annexure I** forming part of this Report. The audited Financial Statements of SRAPL for FY 2019-20 are available on the Company's website at https://new.siemens.com/in/en/company/investor-relations/financials-of-our-subsidiaries.html and the same are also available for inspection as per the details mentioned in notice of the 63rd AGM. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

**Consolidated Financial Statements**

The Annual Audited Consolidated Financial Statements together with the Report of Auditors' thereon forms part of this Annual Report.

**6. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

Information pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in **Annexure II** forming part of this Report.

**7. Corporate Governance**

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

Pursuant to the requirements of LODR, a detailed report on Corporate Governance along with the Auditor's Certificate thereon forms part of this Report as **Annexure IV.**

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

**8. Directors and Key Managerial Personnel**

During FY 2019-20, based on recommendation of the Nomination and Remuneration Committee (**'NRC'**) of the Company, the Board of Directors has appointed Mr. Tim Holt (DIN: 08742663) as an Additional Director (Non-Executive Non-Independent Director) of the Company with effect from 1st June 2020.

Mr. Cedrik Neike (DIN: 07810035) Special Director (Nominee of Siemens AG) has taken up new role and responsibility at Siemens AG. Consequently, he has resigned as Director of the Company with effect from close of business hours of 30th November 2020.

The Board of Directors at its Meeting held on 25th November 2020 has appointed Mr. Matthias Rebellius as an Additional Director (Non-Executive Non-Independent Director) and as a Special Director (Nominee of Siemens AG) of the Company with effect from 1st December 2020 or on allotment of DIN (by the Ministry of Corporate Affairs, Government of India) whichever is later.

As per the provisions of Section 161 of the Act and Article 107 of the Articles of Association of the Company, Mr. Tim Holt and Mr. Matthias Rebellius shall hold office as an Additional Director upto the date of the forthcoming 63rd AGM and are eligible for appointment as Director. The resolutions for aforesaid appointments along with the brief profile of Mr. Holt and Mr. Rebellius forms part of the Notice of the 63rd AGM and resolutions are recommended for your approval.

During FY 2019-20, Mr. Darius Shroff (DIN:00170680) and Mr. Keki Dadiseth (DIN:00052165) ceased to be Independent Directors of the Company with effect from 30th January 2020 upon completion of their tenure.

The Board places on record the appreciation for the valuable services, support and guidance rendered by Mr. Shroff, Mr. Dadiseth and Mr. Neike during their tenure as Director of the Company.

At the forthcoming 63rd AGM, Ms. Mariel von Schumann (DIN: 06625674) retires by rotation. However, she has informed that with a view to pursue opportunities outside Siemens, she does not seek re-appointment as Director at ensuing 63rd AGM of the Company and accordingly she will cease to be a Director of the Company on conclusion of 63rd AGM of the Company. The Board proposes that the vacancy caused by her retirement be not filled up. The Board places on record the appreciation for the valuable services, support and guidance rendered by Ms. von Schumann during her tenure as Director of the Company.

The Independent Directors of the Company viz. Mr. Deepak S. Parekh (DIN: 00009078), Mr. Yezdi Malegam (DIN:00092017), Mr. Mehernosh Kapadia (DIN: 00046612) and Ms. Anjali Bansal (DIN: 00207746) have furnished declarations to the Company under Section 149(7) of the Act, confirming that they meet the criteria prescribed for Independent Directors under Section 149(6) of the Act as well as under LODR and that their names have been included in the data bank of Independent Directors as prescribed under the Act.

During the year under review, Mr. Deepak S. Parekh (DIN: 00009078) and Mr. Yezdi Malegam (DIN:00092017) were re-appointed as Independent Directors by the Members with effect from 30th January 2020 to hold office for a period of three years and one year respectively. The Board of Directors is of opinion that Independent Directors possess necessary expertise, integrity and experience.

Mr. Sunil Mathur, Managing Director and Chief Executive Officer (DIN:02261944), Dr. Daniel Spindler, Executive Director and Chief Financial Officer (DIN: 08533833) and Mr. Ketan Thaker, Company Secretary (ACS No.: 16250) are the Key Managerial Personnel of the Company as on the date of this Report.

**9. Board Meetings**

During FY 2019-20, six meetings of the Board of Directors were held. The details of the attendance of Directors at the Board Meetings are mentioned in the report on Corporate Governance annexed hereto.

**10. Annual evaluation of Board, its Committees and individual Directors**

The details of the Annual evaluation of Board, its Committees and individual Directors are mentioned in the report on the Corporate Governance.

**11. Audit Committee**

The Company has an Audit Committee pursuant to the requirements of the Act read with the rules framed thereunder and LODR. The details relating to the same are given in the report on Corporate Governance forming part of this Report. During FY 2019-20, the recommendations of Audit Committee were duly accepted by the Board.

**12. Corporate Social Responsibility**

At Siemens, we have an unrelenting drive and promise to sustainably improve living conditions for as many people as possible. We deliver on this promise by combining our innovation with our know-how – in the areas of electrification and automation, enhanced by digitalization and by acting as a reliable and responsible partner. Our company-wide Corporate Citizenship framework forms a part of the Sustainability & Citizenship priority area. The Company considers it as its economic, environmental and social responsibility to foster sustainable local development as well as add value to the local economy in which it operates.

In accordance with the provisions of Section 135 of the Act and Rules framed there under, the Company has a Corporate Social Responsibility (**"CSR"**) Committee of Directors comprising of Mr. Deepak Parekh (Chairman) (DIN: 00009078), Ms. Mariel von Schumann (DIN: 06625674), Mr. Sunil Mathur (DIN: 02261944) and Dr. Daniel Spindler (DIN: 08533833). The Committee reviews and monitors the CSR projects and expenditure undertaken by the Company on a regular basis.

The Company implements the CSR projects directly as well as through implementing partners. The details of such initiatives, CSR spend etc., have been provided as **Annexure VI** to this Report, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**13. Remuneration Policy**

On recommendation of NRC, the Company has formulated, amongst others, a policy on Directors' appointment as well as Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other employees. The details of the Remuneration policy are mentioned in the report on the Corporate Governance and the same is also placed on the Company's website at https://new.siemens.com/in/en/company/investor-relations.html

A Statement of Disclosure of Remuneration pursuant to Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as **Annexure VII** forming part of this Report.

**14. Vigil Mechanism**

As per the provisions of Section 177(9) of the Act and Regulation 22 of LODR, the Company is required to establish a Vigil Mechanism for Directors and employees to report genuine concerns. The Company has a Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistleblowers ("the Whistleblower Policy") in place and the details of the Whistleblower Policy are provided in the Report on Corporate Governance forming part of this Report. The Company has disclosed information about the establishment of the Whistleblower Policy on its website https://new.siemens.com/in/en/company/investor-relations/business-ethics.html

**15. Risk Management Policy**

Siemens Enterprise Risk Management (ERM) is a company-wide framework of methods and processes used to identify, assess, monitor and mitigate risks and seize opportunities related to achievement of Siemens business objectives. The Siemens ERM approach is based on the globally accepted "The Committee of Sponsoring Organizations of the Treadway Commission" ("COSO") framework i.e. "ERM – Integrated Framework". The COSO framework provides a generic concept which has been customized to reflect Company's requirements.

Major risks identified by the Business Divisions and Corporate Departments are systematically addressed through mitigating actions on a continuing basis. The Company has a Risk Management Committee in accordance with the requirements of LODR to, inter alia, monitor the risks and their mitigating actions. The Board of Directors of the Company also reviews the Risk Assessment and Mitigation Report annually.

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are given in the Management's Discussion and Analysis, which forms part of this Report.

**16. Directors' Responsibility Statement**

Pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Act, the Directors confirm that, to the best of their knowledge and belief:

a) that in the preparation of the Annual Financial Statements for the year ended 30th September 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies have been selected and applied consistently and judgment 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 30th September 2020 and of the profit of the Company for the year ended on that date;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual Financial Statements have been prepared on a going concern basis;

e) that proper internal financial controls are in place and that such internal financial controls were adequate and were operating effectively;

f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and are adequate and operating effectively.

**17. Annual Return**

In accordance with the provisions of Section 92(3) of the Act, Annual Return of the Company is hosted on website of the Company at https://new.siemens.com/in/en/company/investor-relations/annual-reports.html

**18. Particulars of contracts or arrangements with Related Parties**

The particulars of contracts or arrangements with Related Parties referred to in Section 188(1) of the Act, in the prescribed Form AOC - 2, forms part of this report as **Annexure VIII**.

**19. Particulars of Loans, Guarantees or Investments**

A statement providing particulars of loans, guarantees or investments under Section 186 of the Act is provided as **Annexure IX** forming part of this Report.

**20. Business Responsibility Report**

In compliance with Regulation 34(2)(f) of LODR, your Company has included Business Responsibility Report, as part of the Annual Report, describing initiatives taken by the Company from an environmental, social and governance perspective.

As a Green Initiative, the BRR for FY 2019-20 has been hosted on the Company's website, which can be accessed at https://new.siemens.com/in/en/company/investor-relations/annnual-report.html

Any Member interested in obtaining a copy of BRR may write to the Company Secretary.

**21. 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.

**22. Amount, if any, proposed to transfer to reserves**

The Company has made no transfer to reserves during FY 2019-20.

**23. Employees**

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

The information on employees particulars as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure forming part of the Report. In terms of Section 136 of the Act, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding aforesaid Annexure. The said information is available for inspection by the Members as per the details mentioned in notice of the 63rd AGM. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

**24. Policy on Prevention of Sexual Harassment at Workplace**

The Company has Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder and Internal Complaints Committee has also been set up to redress complaints received regarding sexual harassment. During the year, one complaint with allegations of sexual harassment was received by the Company and the same was investigated and resolved.

**25. Auditors**

i. The Report issued by Messrs. B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022), Statutory Auditor for FY 2019-20 does not contain any qualification, reservation, adverse remark or disclaimer.

ii. The Board of Directors, on recommendation of the Audit Committee, has re-appointed Messrs. R. Nanabhoy & Co., Cost Accountants (Firm Registration No. 000010), as Cost Auditor of the Company, for the Financial Year ending 30th September 2021, at a remuneration as mentioned in the Notice convening the 63rd AGM and same is recommended for your consideration and ratification.

The Company had filed the Cost Audit Report for FY 2018-19 on 4th March 2020, which is within the time limit prescribed under the Companies (Cost Records and Audit) Rules, 2014.

As per requirements of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly, such accounts and records has been maintained in respect of the applicable products for the year ended 30th September 2020.

iii. Pursuant to provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to requirement of LODR, the Secretarial Audit Report for FY 2019-20 issued by Secretarial Auditor i.e. Messrs. Parikh Parekh & Associates, Practicing Company Secretaries (Unique Code No. P1978MH01000) is provided as **Annexure X** to this Report. The Secretarial Audit Report for FY 2019-20 does not contain any qualification, reservation, adverse remark or disclaimer.

iv. There have been no instances of fraud reported by abovementioned Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government during FY 2019-20.

**26. Compliance with Secretarial Standards**

During FY 2019-20, the Company has complied with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and adopted under the Act.

**27. Material changes and commitment, if any, affecting financial position of the Company from financial year end and till the date of this report**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year to which the Financial Statements relate and the date of this Report.

**28. Significant and Material Orders passed by the Regulators or Courts**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

**29. Acknowledgements**

The Board of Directors takes this opportunity to thank Siemens AG – 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 Limited**

**Deepak S. Parekh**
Chairman
DIN: 00009078

Mumbai
Wednesday, 25th November 2020

## Annexure I to the Directors' Report

# Form No. AOC-1

Pursuant to first proviso to sub-section (3) of Section 129 of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014

**Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures:**

**Part "A": Subsidiaries**

**(Amount in ₹)**

| | |
|---|---|
| Name of the subsidiary | Siemens Rail Automation Private Limited |
| The date since when subsidiary was acquired | 1st October 2014 |
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 1st October, 2019 to 30th September, 2020 (Same as that of Holding Company) |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR |
| Share capital | 648,980 |
| Reserves and Surplus | 448,559,025 |
| Total assets | 2,242,542,918 |
| Total Liabilities | 1,793,334,913 |
| Investments | - |
| Turnover | 913,318,692 |
| Profit / (Loss) before taxation | 163,696,274 |
| Provision for taxation | 42,430,155 |
| Profit / (Loss) after taxation | 121,266,119 |
| Proposed Dividend | Nil |
| % of shareholding | 100 |

**Part "B": Associates and Joint Ventures:** Not Applicable

On Behalf of the Board of Directors
For **Siemens Limited**

**Deepak S. Parekh**
Chairman
DIN: 00009078

**Sunil Mathur**
Managing Director
and Chief Executive Officer
DIN: 02261944

**Daniel Spindler**
Executive Director
and Chief Financial Officer
DIN: 08533833

**Yezdi H. Malegam**
Director and Chairman of
Audit Committee
DIN: 00092017

**Ketan Thaker**
Company Secretary
ACS No.: 16250

Mumbai
Wednesday, 25th November 2020

Annexure II to the Directors' Report

# Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

(Pursuant to provisions of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014)

**A. Conservation of Energy**

**I. Steps taken or impact on conservation of energy:**

i. Lighting systems has been upgraded from conventional office lighting and shop floor lighting into LED lighting across locations which has resulted in reduction of electricity consumption by 98 MWh.

ii. In Goa factory, several measures were undertaken such as chiller plant optimization, Electronically Commutated Fans have been retrofitted in Air Handling Units (**'AHU'**), upgradation of lighting system, installation of separate air conditioner unit which has resulted in saving of 624 MWh of electricity.

iii. High Volume Low Speed fans were installed in the 1st Bay of the Switchboard factory at Kalwa. Also, few high energy consuming unwanted fans from shop floor have been removed due to which electricity to the extent of 73 MWh has been saved.

Further, installation of Insta Contactor and timers has enabled wastage reduction by use of Hi-bay lamps (Bay-1 to 6 bay) and has resulted in saving 16 MWh of electricity at Switchgear factory at Kalwa.

iv. In the Air Insulated Switchgear (**'AIS'**) and Electrical Products (**'EP'**) factories at Aurangabad, by controlling the AC temperature and installing timers for running air conditioners, 47 MWh of electricity has been saved. Motion sensors were installed for lighting and Split ACs in office areas, conference room and common areas in the AIS and EP factories in Aurangabad which has resulted in saving of 55 MWh of electricity. By stopping compressed air during holidays, both at AIS factory and EP factories at Aurangabad, electricity of 37 MWh has been saved. Further, by functioning the AHU on blower mode only, 25 MWh of electricity has been saved at Aurangabad factory.

In EP factory at Aurangabad, power saving in compression moulding machine by installation of timer to stop the motor has resulted in saving electricity by 10 MWh.

Due to reduced load requirement, only one transformer was used instead of two transformers at Aurangabad location which has resulted in saving of 12 MWh of electricity.

v. In Kharagpur factory, 40 MWh of energy was saved by using alternate Electric Overhead Travelling crane for reducing oil quenching time loss in carburizing furnace. Use of scheduler in nital etching process to switch heater on just 8 hours before the process requirement has resulted in optimizing on time and saving 10 MWh of electricity. Introduction of separate Proportional Integral Derivative in heating control of Furnace 5 for faster ramp-up heating has saved 2 MWh of electricity. Further, reduction of pressurized air loss was done with the help of prevention of air leakages and energy efficient compressor system which has resulted in saving 125 MWh of electricity. 106 MWh of electricity was saved by removing hot air to outside Heating Ventilation and Air Conditioning area.

**II. Steps taken by the Company for utilizing alternate sources of energy:**

i. Installation of roof top solar photovoltaic power generation plants in Kalwa and Aurangabad factories has generated 3,028 MWh of renewable energy which has resulted in saving of 2,483 tons of CO2 emissions.

ii. Green Power has been procured from external provider for consumption in Bangalore office of 2,200 MWh which has saved 1,804 tons of CO2 emissions.

**III. Capital investment on energy conservation equipments:**

The Company made capital investments amounting to ₹ 18.6 million on energy conservation equipment in FY 2019-20.

**B. Technology Absorption**

**I. Efforts made towards technology absorption:**

i. Consistent focus on localization of technologies such as Vacuum interrupter technology, Weldomat contact welding machine, Camera vision system

ii. Focus on competency development for optical inspection by use of Artificial intelligence and localization of Vacuum technology

iii. Development of test automats new test lines in switchgear works

# Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

iv. Inspection and evaluation of Conformal coating process

v. Training on Technology of Impulse designed steam

vi. Localization of repair and restoration of the Flue Gas Expenders, turbine parts and components for RS and K series Turbine and Digital Thermal Twin

vii. Specialization on Welding of ultra-high speed (24000 RPM) air compressor impeller Vane tip welding / repair.

viii. Restoration of SCREW compressors

ix. Barcode scanning implemented in stores

x. Remote commissioning support

xi. Facility Upgrade and knowhow transfer relating to Thyristor-based Line Commutated Converters (LCC) and Control & Protection (C&P) System for High Voltage Direct Current (HVDC) System

xii. Upgradation of Thyristor valve module production line for assembly and routine testing of thyristor-based LCC valve modules for HVDC

xiii. Transient Network Analyser based software engineering setup established & Real Time Digital Simulator based simulation setup upgraded for HVDC LCC C&P system

xiv. Local Design & manufacturing of Variable Shunt Reactors with On Load Tap Changer

xv. Local Design & manufacturing of 145kV SF6 Current Transformer & 123kV Power VT

xvi. Development of high horse power electric locomotive

xvii. Cantilever assembly centre for overhead equipment in Rail Electrification

xviii. Introduction of axle counter module ACM200 in Rail Automation

xix. Introduction of latest technology tools and new fixtures for process optimization

xx. Torsional Vibrational Analysis using Local Competence

xxi. Remote Working Technology using Internet and Cloud based services

xxii. Indigenous design & set-up of Semi-automatic Nital Etching Process plant

xxiii. Condition monitoring and automatic quality control of cooling water for heat treatment by 3D Tracer system

**II. Benefits derived as a result of the above efforts:**

- Cost reduction due to localization
- Productivity improvement by reducing manual visual checks, by reducing non-value additional activities, instant flow of information in digital form to facilitate better communications and controls
- Product improvement
- Price competitiveness
- Reduction in process time, increased life of critical equipment

**III. Imported Technology:**

| Details of Technology Imported | Year of Import | Whether the technology been fully absorbed | If not fully absorbed, areas where this has not taken place, reasons thereof |
|---|---|---|---|
| Weldomat Contact welding machine | 2017 | Yes | Not applicable |
| Camera vision system | 2019 | No | In process |
| 3D vision system | 2020 | No | In process |
| Metallurgical digital microscope | 2019 | Yes | Not applicable |
| Vacuum interrupter technology | 2019 | No | In process |

| Details of Technology Imported | Year of Import | Whether the technology been fully absorbed | If not fully absorbed, areas where this has not taken place, reasons thereof |
|---|---|---|---|
| Base model for combined cycle power plant | 2018 | No | In process |
| Assembly line workbenches | 2020 | Yes | Not applicable |
| Tools and testing equipment for thyristor-based HVDC valve modules | 2020 | Yes | Not applicable |
| Hardware and Software for Transient network analyzer engineering set up | 2019 | Yes | Not applicable |
| Real Time Digital Simulator upgrade | 2019 | Yes | Not applicable |
| 72.5-420kV Line Trap | 2020 | No | Low volume of total product |
| Variable Shunt reactor | 2020 | No | Low volume of total product |
| Know how of the Vehicle Control Software for Locomotive Control System | 2019 | Yes | Not applicable |
| Integrated Traction Converter for E-Loco | 2019 | Yes | Not applicable |
| Overhead line cantilevers and assemblies | 2017 | No | In process |
| Axle counters for Rail Automation - ACM200 | 2019 | No | In process |

**IV. Expenditure incurred on Research and Development:** ₹ 62 million

**C. Foreign exchange earnings and outgo**

Foreign exchange earnings and outgo during Financial Year 2019-20:

(₹ in million)

| | |
|---|---|
| Foreign Exchange earned in terms of actual inflows | 29,794.83 |
| Foreign Exchange outgo in terms of actual outflows | 40,204.89 |

On Behalf of the Board of Directors
For **Siemens Limited**

**Deepak S. Parekh**
Chairman
DIN: 00009078

Mumbai
Wednesday, 25th November 2020

Annexure III to the Directors' Report

# Management's Discussion & Analysis

**Overview**

The macro-economic environment became even more challenging during the past year. While capital expenditure was already muted prior to the onset of the Covid-19, the pandemic accelerated the slowdown further during a large part of the financial year with the Gross Domestic Product of India contracting by 23.9 percent in the quarter April-June 2020. Following the nation-wide lockdown announced in March, the Company's manufacturing operations were temporarily halted and project sites closed. The priority of the Company was the safety and health of its employees, business partners and customers.

With an easing of the nation-wide lockdown in May, the supply chain and distribution channels continued to be disrupted, impacting the Company's factory and project operations. There were also challenges due to delays in clearance of import shipments at seaports and airports. However, capacity utilization and product offtake from the Company's factories improved towards the end of the financial year 2020. The Company also had to incur incremental Health & Safety costs to prepare factories and project sites for re-opening.

Government spending in the capital goods continued during the lockdown, though at a slower pace and with lower order sizes in areas such as power transmission and distribution. Private sector spending was at a standstill. The short cycle business was particularly impacted due to poor offtake from original equipment manufacturers (OEMs) and machine builders caused by slowdown in segments such as automotive. However, orders in water, food and beverages, pharmaceuticals and fertilizer segments in addition to essential goods continued to flow albeit with lower volumes. Investments in new generation capacities and waste heat recovery solutions were deferred while orders for industrial steam units occurred in areas such as metals, chemicals and fertilizers. Electrification and Signalling orders for Railways and Metros also continued across the country.

The index of industrial production improved for September 2020 to 0.2 percent, compared to September 2019 (it contracted by 21.1 percent for the period April to September 2020), led by consumer durables, construction, infrastructure, electricity and mining sectors. Both the manufacturing PMI (Purchasing Managers' Index), at 56.8 in September compared to 52 in August, and the Services PMI, at 49.8 in September versus 41.8 in July, also improved mainly due to fewer trade restrictions and export demand. All these data indicate a gradual recovery of the Indian economy.

The focus of the Company continues on driving profitable growth with digitalization being a key focus area.

During financial year 2020, New Orders reduced by 13.8 percent at ₹ 107,517 million, compared to ₹ 124,744 million in financial year 2019. Sales (excluding Other operating revenues) were down by 24.3 percent to ₹ 95,808 million, compared to ₹ 126,487 million in financial year 2019, while Profit after Tax (PAT) was at ₹ 7,574 million compared to ₹ 11,231 million in financial year 2019. The Company's Operating Profit Margin (%) and Net Profit Margin (%) for financial year 2020 was 7.7 and 7.9 compared to 10.4 and 8.9, respectively, in financial year 2019.

The Company's Debtors Turnover stood at 2.7 times while Inventory Turnover was at 5.7 times.

The above financial performance is from continuing operations.

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Return on Net Worth (after tax) | 8.0% | 12.0% |

The decrease in Return on Net Worth is mainly due to lower profit impacted by COVID-19.

**Digital Industries**

Digital Industries provides technologies for the automation and digitalization of the discrete, hybrid and process industries, supporting their digital transformation. Its portfolio consists of industrial software, automation & drive technologies for optimizing the manufacturing value chain, covering product design, production planning, engineering, execution and after-sales services. Its 'Digital Enterprise Suite' offers flexibility and efficiency to various discrete industries, general engineering segments and OEMs engaged in machine tools, printing, packaging and electrical panel manufacturing. The business environment in which the Business operates is primarily driven by core sector industries.

During the financial year 2020, Digital Industries' operational performance was impacted by lower demand for its products due to reduced private sector Capex spending as well as supply chain disruptions due to the COVID-19 pandemic since March 2020. The sectors which witnessed initial recovery in demand were Pharmaceuticals, Food & Beverages and Chemicals. Interest in the application of digitalization in areas like virtual commissioning, industrial security and remote services is picking up.

Among the highlights of the financial year, Digital Industries' made new inroads into segments such as tunnel automation, intralogistics, airport logistics, metros & data centers. The Sitrain Digital Industry Academy expanded its offering to include 'Sitrain access' - a digital learning platform for online training. In spite of the COVID-19 disruption, the engagement with customers across verticals remained high while efforts continued to meet customer requirements via digital channels.

For financial year 2020, the New Orders were reduced by 25.4 percent to ₹ 19,794 million, Sales (excluding Other operating revenues) reduced by 28.2 percent to ₹ 18,518 million, while Profit from Operations was ₹ 1,156 million compared to ₹ 1,648 million in the previous year.

**Outlook**

Demand continues to grow in the manufacturing industry for automation, cloud-based digital services, data analytics solutions and digitalization in its push towards Industry 4.0. Over the nine months since the onset of the pandemic, there has been increased interest in services such as remote factory acceptance tests (simulation test using automation systems), virtual commissioning, industrial security and diagnostics services etc., which is expected to continue.

Coupled with advanced automation requirement, higher demand is also expected as customers embark on their digital transformation journey, which would involve investments in cloud-based digital services, data analytics solutions, productivity improvements, process simulation, Cybersecurity etc. The optimal use of data is becoming increasingly important for industry with customers looking for plug-and-play connectivity with Internet of Things gateway, structured asset management and seamless integration with customer's systems. Here, the Company's Industrial Edge and cloud-based open Internet of Things platform MindSphere are well-placed to be solutions of choice.

**Energy**

The Company's Energy Business (earlier called Gas and Power) provides fully-integrated products, solutions, and services across the energy value chain of oil and gas production, power generation and transmission to make society carbon neutral. Its offerings include sustainable products, solutions and services that make fossil energy greener. It also helps deliver decentralized, flexible power; manage the complexities of the grid; improve and de-risk aging assets; and connect supply and demand through storage technologies such as grid-scale batteries and Power-to-X technologies. The Business has a broad customer base that includes oil and gas, utilities, independent power producers, engineering, procurement and construction companies (EPCs), transmission system operators, and industrial companies in sectors such as mining and chemicals.

The Energy Business was impacted by COVID-19 with factories and project sites partially or fully closed leading to lower revenue. However, the Business remained resilient due to the Engineering, R&D and Services, which were marginally impacted. Demand for industrial steam turbines continued in verticals such as metals, chemicals and fertilizers. However, new investment decisions were deferred.

Among the highlights, the Company signed two MoUs on decarbonization with NTPC Limited for reducing the industrial and commercial carbon footprint and bringing down the dependence on hydrocarbons in India as well as with TERI for enabling energy transitions across the electricity, transport and industrial sectors. It also announced an order win from Lalitpur Power Generation Company Limited, a Bajaj Group company, for advanced digital solutions for its power plant located in Lalitpur, Uttar Pradesh. The solution is a complete thermal twin for a coal-fired power plant, enabling improvements in the plant's performance. The Company's experts, in close collaboration with plant operations team, will provide remote performance monitoring and diagnostics from the Siemens MindSphere Application Center in Gurgaon.

For financial year 2020, the New Orders reduced by 7.6 percent to ₹ 42,819 million, Sales (excluding Other operating revenues) reduced by 21.9 percent to ₹ 39,475 million, while Profit from Operations was ₹ 4,014 million compared to ₹ 6,949 million in the previous year.

**Outlook**

The Government of India has announced the National Infrastructure Pipeline which envisages major investments in infrastructure for the next few years. This program, as well as additional incentives announced by the Government as a response to COVID-19, is expected to accelerate capacity addition and grid improvement. Reliable electricity will continue to be a major component of various infrastructure projects. Increasing electrification and industrialization and improving infrastructure will drive growth in power consumption. With the increasing contribution of renewable energy sources to the energy mix, grid stability and reliability will be a key focus area. New policy measures to push the use of these energy sources are expected to contribute to the achievement of the goals set by the government, for instance, sector coupling, or Power-to-X involving flexible storage capabilities and hydrogen technologies, could emerge as critical innovation areas.

**SMART INFRASTRUCTURE**

Smart Infrastructure (SI) is shaping the market for intelligent, adaptive infrastructure for today and the future. It addresses the pressing challenges of urbanization and climate change by optimizing the interactions between energy systems, buildings, and industries. SI provides customers with a comprehensive end-to-end portfolio from a single source – with products, systems, solutions, and services from the point of power generation all the way to consumption. This is achieved by improving the use of resources in real world with the help of digitalization technologies in the virtual world. With an increasingly digitalized ecosystem, it helps customers thrive and communities progress while contributing toward protecting the planet. SI creates environments that care.

During the financial year, the SI business performance was impacted by COVID-19, where factories halted production during the nation-wide lockdown (mainly in the quarter, April to June 2020). Subsequently, the factories resumed in a phased manner, while the Company continued to provide service support for customers via digital technologies. Critical project sites remained operational with site engineers equipped with personal protective equipment and complying with stringent safety norms. Customers were also affected by the pandemic

and the Company supported them to recover operations by quickly adapting and introducing digital solutions that demonstrated Customer Focus. A few examples include solutions like track and trace, and safe return to work place through IoT solutions which measures the body temperature of a person seeking to access a building and integrates the results into the video and access systems of the company, and remote connectivity and data-driven services. Digital solutions have been rolled out for Remote Factory Acceptance Tests, using state of the art solutions providing accurate video streaming directly from the test area to the screen of the customer via IP cameras. This solution has helped eliminate the need for a physical order approval and assisted in streamlining processes. The offering is also available for our MSME customers, that will support with optimizing their operations.

Among the highlights, the Company signed an agreement to acquire New Delhi-based C&S Electric Limited. The acquisition is aimed at strengthening the Company's position as a key supplier of low-voltage power distribution and electrical installation technology and to enable export to other markets. CCI approval has been obtained in August 2020. Acquisition is still subject to receipt of other approvals and fulfilment of condition precedents as agreed between the parties. The scope of the acquisition comprises the Indian operations of C&S Electric's low-voltage switchgear components and panels, low and medium voltage power busbars as well as protection and metering devices businesses, for both domestic and export markets.

The Company won a few marquee projects in financial year 2020, including a single telecom package covering nine stations in a Metro project and a project for supply of 33kV substation, distribution transformer, etc. in Sri Lanka. The Company has also bagged significant projects in focus verticals of future, including powering and monitoring of a 40MW Data Center (with intelligent LV Switchboards, ACB, MCCB, multifunction meters, etc.) and the first Distributed Energy Systems (DES) project for the Company, as a first-of-its-kind project. This solution for the DES project includes supplying power generated by solar PV and stored with battery storage and a hybrid invertor, and a smart grid system with a micro grid and a smart metering infrastructure.

The Company's Smart Infrastructure solutions for power distribution as well as fire safety systems were implemented at the Atal Tunnel. The Company also designed a modular capsule for computerized tomography (CT) scanning (in collaboration with Siemens Healthineers), wherein the CT equipment is housed within a container. This container can be set up in the premises of an isolation ward, minimizing the risk of exposure and spread of infections. The Company is also strengthening its portfolio of Digital Twin that combines the real and virtual worlds by providing utilities with a model for data across their entire IT landscape – thus facilitating grid simulation across all domains relevant for reliable, efficient and secure electrical system planning, operation and maintenance.

For financial year 2020, the New Orders reduced by 16.4 percent to ₹ 32,520 million, Sales (excluding Other operating revenues) reduced by 25.7 percent to ₹ 25,669 million, while Profit from Operations was ₹ 1,013 million compared to ₹ 3,545 million in the previous year.

**Outlook**

The outlook for Smart Infrastructure solutions is expected to improve further in the coming year. The SI business demand is boosted by the need for safety and security in the workplace as well the need for upgrading energy infrastructures. There is also a growing demand for microgrid offerings to manage distributed energy solutions. Digital solutions have the potential to improve the quality of life in cities, on parameters such as optimal use of resources, mobility, productivity and wellbeing.

Smart grids enable reliable, cost-efficient, flexible and safe distribution of power in urban areas, which is the need of the hour. Integral solutions being adopted for a fully-digitized power utility, will prove its efficacy towards improving operations and collection. These technologies can facilitate real-time monitoring of demand, lower aggregate technical and commercial losses, billing efficiency, etc. among other benefits. The Company has the digital technology innovations and expertise to transform cities and has been engaging with stakeholders in multiple cities across India to implement integrated smart infrastructure solutions.

**MOBILITY**

The Company's Mobility business offers intelligent and efficient mobility solutions and freight transportation covering the entire gamut of Rail infrastructure comprising signaling and electrification and Rolling Stock components and systems. This is complemented by customer services across all technologies as well as turnkey solutions. During the financial year 2020, orders were impacted due to the halt in economic activities owing to the lockdown during COVID-19.

The railway network remains the most preferred choice for long-distance travel and movement of bulk commodities, apart from being an energy-efficient and economic mode of conveyance and transport. In recent years the Indian Railways have focused on modernization of infrastructure adding high horsepower locomotives to its fleet, integration of rail network with other modes of transport, developing a multi-modal transportation network, focus on dedicated freight corridor and on automation and digitalization in various solutions and processes.

Indian Railways is driving its infrastructure development with enhanced rate of electrification and adapting modern signaling. The Company's Mobility business continued expansion of its Metro footprint by delivering power supply systems and intelligent infrastructure including Digital simulation technologies for the Kolkata Metro extension contract during the financial year. It also added a new city, Bengaluru, to its country-wide network of metro customers.

The Company equipped Indian Railways' indigenous 9000HP electric locomotive with integrated propulsion system and steel tank transformer is under approval. The Company's Nagpur project team was also awarded the 'Safe system contractor award' by Maha Metro for completing 1.1 million safe man hours at the project site and showcasing Zero Harm. Till date, Siemens Mobility business has achieved 9.3 million safe man hours.

For financial year 2020, the New Orders increased by 1.8 percent to ₹ 8,709 million, Sales (excluding Other operating revenues) reduced by 23.6 percent to 8,412 million, while Profit from Operations was ₹ 953 million compared to ₹ 1,126 million last year.

**Outlook**

Investment in research, design, manufacturing and digitalization will be the key drivers in transformation of Indian Railways. Government of India has focused on investing in railway infrastructure by making investor-friendly policies and has announced initiatives in infrastructure development, electrification, energy efficiency and privatization. In addition to covering the entire range of Rail Infrastructure, the Mobility business is focusing on digitalization. Indian Railways is targeting to increase its freight traffic to 3.3 billion tons and the Mobility businesses sees a great opportunity in partnering the Railways in such projects. Special emphasis is also being given to hygiene, cleanliness, digital systems and safety keeping in mind the COVID-19 impact. The order position of the Company is therefore largely dependent on the timing when these opportunities are tendered.

**Portfolio Companies**

Portfolio Companies is a dedicated business focused on specific industry verticals such as Minerals, Mining and Cement, Irrigation, Oil & Gas, Metals, Pulp and Paper, Marine Ports, Renewables and Defense. The Portfolio Companies include Large Drive Applications and Mechanical Drives. Large Drive Applications produces heavy-duty electrical drive systems such as electrical motors, converters and generators for medium and high-voltage ranges as well as turnkey electronics and instrumentations solutions for cement and mining industries. In an already-muted capex environment, the demand for solutions provided by Portfolio Companies was impacted due to COVID-19.

Among the highlights of Portfolio Companies during the financial year, the Large Drive Applications team successfully completed remote commissioning, including testing, of 11kV SINAMICS variable frequency drives for boiler feed pumps at a power plant near Narayanganj, Bangladesh. It also won several orders for Digitalization via asset connected to SIDRIVE IQ for medium voltage drives to provide digital services from a steel plant in Bellary, Karnataka and cement plants in Tamil Nadu. Remote services were also provided to start the 140-Megawatt pump motor at Kaleshwaram irrigation project.

The Board of Directors of the Company has approved the sale and transfer of its Mechanical Drives (MD) business for a consideration of approximately ₹ 440 crore to Flender Drives Private Limited, subject to adjustment for the change in net current assets and capital expenditure, subsequent to June 30, 2020 up to the date of actual transfer of the MD business. The consideration has been arrived at based on an independent valuation, recommended by the Committee of Directors and the Audit committee. The sale and transfer of MD business is as going concern and on a slump sale basis, with effect from January 1, 2021. The same is subject to receipt of requisite statutory and regulatory approvals, as applicable and fulfilment of condition precedents as agreed between the parties.

For financial year 2020, the New Orders reduced by 17.4 percent to ₹ 3,676 million, Sales (excluding Other operating revenues) reduced by 18.6 percent to ₹ 3,733 million, while Profit from Operations was ₹ 200 million compared to Loss from Operations ₹ 373 million in the previous year. These are for continuing operations (excluding Mechanical Drives business).

**Outlook**

Demand for products related to Portfolio Companies is driven by energy-saving requirements in existing industrial fan or pump applications. The Large Drives Applications Business continues to innovate with products such as SINAMICS Perfect Harmony GH180 Gen V, SIMOTICS Platform MV Motors, Digital Drive Train Analytics as well as applications based on Siemens' MindSphere open Internet of Things platform, The Large Drives Applications will continue the innovations in its solutions business of Cement and Mining industry.

**HUMAN RESOURCES**

The Company's employees stood up to the challenge created by the global health crisis by quickly adapting to the New Normal, setting the foundation for the mobile working model. There was a high focus on the safety and health of employees across functions and locations. While the Company's factories and project sites became operational in a phased manner, the offices remained shut. Extensive efforts were made on an ongoing basis to ensure people managers and their virtual teams remained connected in ways that reduced stress and improved productivity. Regular Townhalls and 'pulse checks' were conducted to engage with employees, monitor stress levels, gather feedback on various initiatives and take suggestions to improve work-life balance.

The Company launched the MyGrowth program to enable professional growth and development through digital platforms. The program is specially structured for continuous learning in an age where an increasingly-digital environment encourages fast-paced change and combines learning and career growth opportunities. A specially-curated set of learning sessions was also organized for the Company's people managers, comprising a wide range of topics such as psychosocial wellbeing for resilient leadership, mindfulness,

reverse mentoring and design thinking, and used innovative methods such as gamified digital simulations.

During the financial year 2020, the Company established mobile working as a core component of its "new normal". The aim is to enable employees to work on a mobile basis for an average of two or three days a week, whenever reasonable and feasible. Here, mobile working explicitly means that employees – in consultation with their supervisors – are to choose the work locations where they are most productive. Work in person at the office is to supplement mobile working as appropriate.

The Company continues to have a cordial relationship with its Unions.

As of September 30, 2020, Siemens Limited had 9,258 employees compared to 9,437 as on September 30, 2019.

**COMPLIANCE**

The Company's active ownership culture makes the difference. People rightly associate the Company with Reliability, Fairness and Integrity. Promoting Integrity means acting in accordance with our Values – Responsible, Excellent and Innovative. The Company's rules are contained in the Business Conduct Guidelines ("BCG") which help its employees apply Siemens values to conduct business, besides complying applicable laws of the land and prohibition of corruption and other violations of the principles and rules of fair competition.

The Company has a 24/7 whistleblower hotline, "Tell Us" through which any compliance violations including potential cases can be notified. This is available for Employees, Directors, as well as External Stakeholders. It is operated by a provider that is independent of Siemens to enable receipt of anonymous as well as protected information to be passed on without any bias or any sort of retaliation against whistleblowers.

The Company continues to exhibit "zero tolerance" towards any non-compliant behavior and violations have attracted disciplinary consequences, in line with the company's stress on "Clean Business Everywhere, Every time". (Details on compliance activities are included in the Business Responsibility Report available on www.siemens.co.in).

The Company is fully aware of its obligations to create a sustainable environment and thus continues its drive to create awareness about a corruption-free environment by addressing the topic of corporate corruption at various public forums as well as invites from other like-minded corporates to provide an overview of Siemens compliance processes and demonstrating by example the feasibility of combating corruption, a task that the corporate world has acknowledged. The Company aims at the creation of a level playing field for corporates to operate in a corruption free environment.

**RISK & INTERNAL CONTROL**

The Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting (ICFR). The ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable accounting principles and includes those policies and procedures that:

Pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's Management assessed the effectiveness of the Company's ICFR as of September 30, 2020. As a result of the evaluation, the Management has concluded that the Company's ICFR was effective as of September 30, 2020 with no significant deficiency.

During the year, the Company actively participated in industry forums of Enterprise Risk Managers. The Risk and Internal Control team is actively involved in training and developing the employees of the company, as well as of group companies to foster a conducive internal control environment and risk culture. The Siemens Enterprise Risk Register captures key points related to the risks that could impact the businesses and ensures that adequate mitigation measures are put in place and monitored.

**ENVIRONMENTAL PROTECTION, HEALTH MANAGEMENT AND SAFETY**

The Company's Environmental Protection, Health Management and Safety (EHS) performance is monitored regularly by the Board of Directors as well as the Heads of Business who actively propagate EHS through constant communications and business review meetings. During the financial year, the Company intensified and expanded its efforts towards the journey of Zero Harm Culture, focusing on technical preventive measures as well as personal attitudes and the commitment of management and employees.

With the advent of COVID-19 pandemic in March 2020 in India and subsequent lockdowns, EHS minimized the impact of disruptions and enabled business continuity by introducing additional robust EHS measures and adapting existing processes as per requirement and ensuring stringent implementation. A COVID-19 Task Force was formed to continuously and centrally monitor the changing situation and implement proactive measures in close alignment with the Management team.

Before the nation-wide lockdown was announced by the Government, the Company made mandatory guidelines covering travel, events, meetings, workplace and personal hygiene, not only for its own employees but also for its stakeholders. Keeping in mind the health and safety of our employees, the Company temporarily closed all factories, offices and project sites, except few projects to enable continued plant operations of critical Customers in line with the Government directives.

This Task Force worked out a comprehensive response plan at the Company level. As never-before a central procurement program of personal protective equipment was implemented catering to requirement of all locations in very difficult and restricted environment. All employees were constantly alerted through travel, health and safety advisories and the situation was monitored on a daily basis. The company also initiated several measures to engage with employees for overall psychosocial wellbeing, like awareness programs on physical and mental wellbeing, personalized counselling, telemedicine and communications etc. In addition to encouraging employees to regularly update the Arogya Setu app of the government, the Company also launched its own Health & Travel Declaration App for employees to fill in their health status daily. A team of Health Management Professionals continue to monitor employee health status on daily basis and support High and Moderate risk employees proactively thereby significantly contributing to employee wellbeing and maintaining business continuity.

With pandemic not relenting, the factories and project sites have been restored as per detailed standard operating procedures and government guidelines in calibrated manner to ensure business continuity. Such efforts have been appreciated by many of our Customers.

During the financial year, over 48,500 person hours of safety trainings were conducted. Between October 2019 and March 17, 2020, over 5,400 preventive health checkups of eligible employees were conducted.

As part of its initiatives to improve environmental protection, the Company undertook various measures that led to improved energy and water efficiency in its various manufacturing units and offices. The Company implemented the Extended Producer Responsibility program for collection and recycling of electrical and electronic waste and plastic waste. During the financial year, the Company has recycled 7.4 tons of e-waste and 194 tons of plastic waste.

The company has implemented solar roof top project and procured green energy; carbon footprint has been reduced by 4,287 tons during the financial year 2020.

## OUTLOOK

Various economic indicators such as collections of Goods and Services Tax and E-Way Bills, improving demand across sectors (automotive, pharmaceuticals, chemicals, steel, cement, food and beverages), power consumption, railway freight and higher exports point to a revival of the Indian economy. The Government's stimulus measures and increased focus on Atmanirbhar Bharat are also expected to boost the economy in a sustainable manner. The Reserve Bank of India has also given its guidance, expecting the economy to contract by 9.5% and recovery in growth to be seen gradually in the future.

The pandemic has brought to the fore the value and power of digital and automation solutions, and interest for these solutions have increased both from small and medium enterprises as well as large customers. The Company's service engineers demonstrated the capability of solutions such as remote factory acceptance tests, virtual commissioning and remote diagnostics. The Company will continue to concentrate on its digital portfolio to drive Industry 4.0, addressing the needs of customers who are concentrating on saving cost and capital expenditure. In addition, the Company will also increase its focus on electric vehicle infrastructure business, new technologies in power generation such as green hydrogen and energy battery storage, digital offerings for smart buildings, fire safety, security and building automation. In the Mobility segment, demand will continue to remain for Metros, automated train technologies such as communication-based train control and multi-modal mobility.

The Management of the Company believes that profitable growth would be in line with the market in financial year 2021. Higher growth will depend largely on the increase in demand in the Indian economy as also an increase in Infrastructure Spending by the Government. The Company's focus remains on sustainable profitable growth.

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 Limited**

**Deepak S. Parekh**
Chairman
DIN - 00009078

Mumbai, 25th November 2020

# Corporate Governance Report

[As per Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")]

## I. Company's Philosophy on Corporate Governance

A clearly structured and fully implemented corporate governance system is the Company's highest priority. Good corporate governance is the basis for decision-making and control processes.

## II. Board of Directors

### a. Composition

The Board of Directors (Board) currently comprises of 11 experts 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 LODR in this regard. The Chairman of the Board is a Non-executive and Independent Director. All Directors, except the Independent Directors, Managing Director and Special Director [Nominee Director of Siemens Aktiengesellschaft, ("Siemens AG")] are liable to retire by rotation.

There is no relationship between the Directors inter-se.

The Composition of the Board[$], Directorship / Committee positions in other companies as on 30th September, 2020, number of meetings held and attended during the Financial Year (FY) are as follows:

| Name | | Category[1] | Board Meetings during FY 2019-20 | | Attendance at last Annual General Meeting (AGM) held on 11.02.2020 | Other Director-ships in India[2] | Committee positions in India[3] | |
|---|---|---|---|---|---|---|---|---|
| | | | Held | Attended | | | Member | Chairman |
| 1 | Mr. Deepak S. Parekh[8] (Chairman) | NED (I) | 6 | 6 | Yes | 5# | 1 | NIL |
| 2 | Mr. Darius C. Shroff[6] | NED (I) | 2 | 2 | N.A. | N.A. | N.A. | N.A. |
| 3 | Mr. Yezdi H. Malegam[8] | NED (I) | 6 | 6 | Yes | 1 | NIL | 1 |
| 4 | Mr. Keki B. Dadiseth[6] | NED (I) | 2 | 2 | N.A. | N.A. | N.A. | N.A. |
| 5 | Mr. Mehernosh B. Kapadia[8] | NED (I) | 6 | 6 | Yes | 4# | 4 | 2 |
| 6 | Ms. Anjali Bansal[8] | NED (I) | 6 | 5 | Yes | 7# | 3 | NIL |
| 7 | Mr. Cedrik Neike[4][5][9] (Nominee of Parent Company, Siemens AG) | NED | 5 | 5 | Yes | NIL | NIL | NIL |
| 8 | Mr. Josef Kaeser[4][9] | NED | 5 | 4 | Yes | NIL | NIL | NIL |
| 9 | Mr. Johannes Apitzsch[4][9] | NED | 5 | 5 | Yes | NIL | NIL | NIL |
| 10 | Ms. Mariel von Schumann[9] | NED | 5 | 4 | Yes | NIL | NIL | NIL |
| 11 | Mr. Tim Holt[7][9] | NED | 1 | 1 | N.A. | NIL | NIL | NIL |
| 12 | Mr. Sunil Mathur | WTD | 6 | 6 | Yes | NIL | N.A. | N.A. |
| 13 | Dr. Daniel Spindler | WTD | 6 | 6 | Yes | NIL | NIL | NIL |

**Notes:**

(1) Category: WTD - Whole-time Director, NED – Non-executive Director, NED (I) – Non-executive Director and Independent.

(2) Includes directorships in public limited companies. None of the Directors of the Company hold Independent Directorships in more than 7 listed companies and overall hold Directorships in more than 8 listed companies.

(3) Includes only Audit Committee and Stakeholders Relationship Committee of public limited companies other than Siemens Limited. 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.

(4) In the whole-time employment of parent company, Siemens AG. Ms. Mariel von Schumann's employment with Siemens AG ceased to be effective from 1st July, 2020.

(5) Special Director as per Article 113 of the Articles of Association of the Company.

(6) Mr. Darius C Shroff and Mr. Keki B. Dadiseth did not seek re-appointment for the second term as Independent Directors of the Company and accordingly ceased to be Directors of the Company with effect from 30th January, 2020. Details provided for the period for which Mr. Darius C Shroff and Mr. Keki B. Dadiseth held directorship of the Company during Financial Year 2019 – 20.

(7) Mr. Tim Holt was appointed as Additional Director of the Company with effect from 1st June, 2020, subject to approval of members. Details provided for the period for which Mr. Tim Holt held directorship of the Company during Financial Year 2019 – 20.

(8) The Board of Directors have noted the declaration received from the Independent Directors pursuant to LODR with regard to their Independence and are of the opinion that the Independent Directors fulfil the conditions of independence and are independent of the management of the Company.

(9) Did not participate in the meeting held on 26th August, 2020, as an agenda item of the meeting was to consider a proposed related party transaction with a subsidiary of Siemens AG.

($) The Board evaluates its composition to ensure that the Board has the appropriate mix of skills, experience, independence and knowledge to ensure their continued effectiveness. The Board Members should, at a minimum, have background that when combined provide a portfolio of experience and knowledge that will serve Siemens's governance and strategic needs. Directors should have demonstrated experience and ability that is relevant to the Board's oversight role with respect to Siemens business and affairs.

The skills / expertise / competencies required for the effective functioning of the Company includes leadership and general management, strategic and business planning, technology, accounting and finance, compliance and risk management. The abovementioned skills / expertise / competencies are available with the Board as a whole.

In the table below, the specific areas of expertise of individual Board members are as under:

| Director | Area of Expertise | | | | | |
|---|---|---|---|---|---|---|
| | Leadership and General Management | Strategic and Business Planning | Technology | Accounting and Finance | Compliance | Risk Management |
| Mr. Deepak S. Parekh | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Mr. Yezdi H. Malegam | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Mr. Mehernosh B. Kapadia | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Ms. Anjali Bansal | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Josef Kaeser | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Cedrik Neike | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Johannes Apitzsch | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Ms. Mariel von Schumann | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Mr. Sunil Mathur | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Dr. Daniel Spindler | ✓ | ✓ | | ✓ | ✓ | ✓ |
| Mr. Tim Holt | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

# Corporate Governance Report

[As per Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")]

# - Details of Directorships of Directors (as applicable) in other listed Companies –

| Name of Director | Name of Company | Category of Directorship |
|---|---|---|
| Mr. Deepak S. Parekh | Housing Development Finance Corporation Limited<br>HDFC Life Insurance Company Limited<br>HDFC Asset Management Company Limited<br>HDFC ERGO General Insurance Company Limited | Non- executive Director |
| Mr. Mehernosh B. Kapadia | Tata Capital Limited<br>Tata Capital Housing Finance Limited<br>HDFC ERGO General Insurance Company Limited | Independent Director |
| Ms. Anjali Bansal | Bata India Limited<br>Apollo Tyres Limited<br>The Tata Power Company Limited<br>Voltas Limited | Independent Director |

**Board Meetings**

During the Financial Year 2019-20, 6 Meetings were held on 19th November, 2019, 24th January, 2020, 11th February, 2020, 13th May, 2020, 7th August, 2020 and 26th August, 2020.

The gap between any two Meetings did not exceed 120 days. Further, the Company has adopted and adhered to the Secretarial Standards prescribed by The Institute of Company Secretaries of India and approved by the Central Government.

Agenda papers containing all necessary information / documents are made available to the Board / Committees in advance to enable the Board / Committees 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, subject to compliance with legal requirements. Considerable time is spent by the Directors on discussions and deliberations at the Board / Committee Meetings.

The information as specified in Schedule II to the LODR is regularly made available to the Board, whenever applicable, for discussion and consideration.

## III. Committees of Directors

### A. Mandatory Committees

### i. Audit Committee

**Composition & Meetings**

The Audit Committee (AC) comprises of experts specialising in accounting / financial management. The Audit Committee comprises of 5 members, all being Non-executive Directors with majority being Independent Directors and the Chairman of the Audit Committee is a Non-executive and Independent Director.

During the Financial Year 2019-20, 6 Meetings were held on 19th November, 2019, 24th January, 2020, 11th February, 2020, 13th May, 2020, 7th August, 2020 and 26th August, 2020. Details of the composition and attendance at the aforementioned meetings are as follows:-

| Name | No. of meetings during FY 2019-20 | |
|---|---|---|
| | Held | Attended |
| Mr. Yezdi H. Malegam, Chairman | 6 | 6 |
| Mr. Deepak S. Parekh | 6 | 6 |
| Mr. Keki B. Dadiseth(1) | 2 | 2 |
| Mr. Johannes Apitzsch(2) | 5 | 5 |
| Mr. Mehernosh B. Kapadia | 6 | 6 |
| Ms. Anjali Bansal(3) | 4 | 4 |

Note:-

(1) Mr. Keki B Dadiseth, upon his retirement as Director of the Company, ceased to be Member of the Committee with effect from 30th January, 2020. Details provided for the period for which Mr. Keki B. Dadiseth held Membership of the Committee during the Financial Year 2019 – 20.

(2) Mr. Apitzsch being Senior management member of Siemens AG did not participate in the meeting held on 26th August, 2020 as an agenda item of this meeting was to consider a proposed related party transaction with a subsidiary of Siemens AG.

(3) Ms. Anjali Bansal has been appointed as a Member of the Committee with effect from 30th January, 2020. Details provided for the period for which Ms. Anjali Bansal held Membership of the Committee during the Financial Year 2019 - 20.

The Company Secretary is the Secretary to the Committee.

The Chief Executive Officer, Chief Financial Officer, Head of Accounts, Internal Auditors and the Statutory Auditors are permanent invitees to the Meetings.

**Terms of reference**

The terms of reference are briefly described below:

1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.

4) Recommending to the Board, the appointment and remuneration of Cost Auditor.

5) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

6) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of the Companies Act, 2013;

   b. Changes, if any, in accounting policies and practices and reasons for the same;

   c. Major accounting entries involving estimates based on the exercise of judgment by management;

   d. Significant adjustments made in the financial statements arising out of audit findings;

   e. Compliance with listing and other legal requirements relating to financial statements;

   f. Disclosure of any related party transactions; and

   g. Qualifications in the draft audit report.

7) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

8) Reviewing, with the management, performance of internal auditors, adequacy of the internal control systems.

9) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

10) Discussing with internal auditors any significant findings and follow up there-on.

11) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

12) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

13) To 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.

14) To review the functioning of the Whistle Blower mechanism.

15) To scrutinize inter-corporate loans and investments.

16) To review guidelines for investing surplus funds of the Company.

17) To review investment proposals before submission to the Board.

18) To review proposal for mergers, demergers, acquisitions, carve-outs, sale, transfer of business / real estate and its valuation report and fairness opinion, if any, thereof.

19) Approval or any subsequent modification of transactions of the Company with related parties.

20) To approve the valuation of undertakings or assets of the Company, wherever it is necessary.

21) To appoint valuers for the valuation of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of Company or liability of the Company under the provision of the Companies Act, 2013.

22) To ensure proper system of storage, retrieval, display, or printout of the electronic records.

23) To evaluate internal financial controls and risk managements systems.

24) Any other requirement in accordance with the applicable provisions of the LODR and / or the Companies Act, or any re-enactment, amendment or modification thereto from time to time.

25) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

26) Carrying out such other function as may be delegated by the Board from time to time.

27) Review the following information:-

    a. Management discussion and analysis of financial condition and results of operations;

    b. Statement of significant related party transactions, (as defined by the Audit Committee), submitted by management;

    c. Management letters / letters of internal control weaknesses issued by the statutory auditors;

    d. Internal audit reports relating to internal control weaknesses;

    e. The appointment, removal and terms of remuneration of the chief internal auditor and

    f. The financial statements, in particular, the investments made by unlisted subsidiary companies.

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 62nd AGM of the Company held on 11th February, 2020.

**ii. Stakeholders Relationship Committee**

**Composition & Meetings**

The Stakeholders Relationship Committee (SRC) comprises of 3 members. The Chairman of the Committee is a Non-executive and Independent Director.

During the Financial Year 2019-20, the Committee met twice on 24th October, 2019 and 29th September, 2020. The details of composition and attendance at the aforementioned meetings are as follows:-

| Name | No. of meetings during FY 2019-20 | |
|---|---|---|
| | Held | Attended |
| Mr. Mehernosh B. Kapadia, Chairman(1) | 1 | 1 |
| Mr. Darius C. Shroff, Chairman(2) | 1 | 1 |
| Mr. Sunil Mathur | 2 | 2 |
| Dr. Daniel Spindler | 2 | 2 |

Note:

(1) Mr. Mehernosh B. Kapadia was appointed as Chairman of the Committee with effect from 30th January, 2020. Details provided for the period for which Mr. Mehernosh B. Kapadia held Chairmanship of the Committee during the Financial Year 2019 – 20.

(2) Mr. Darius C. Shroff, upon his retirement as Director of the Company ceased to be Chairman of the Committee with effect from 30th January, 2020. Details provided for the period for which Mr. Darius C. Shroff held Chairmanship of the Committee during the Financial Year 2019 – 20.

The Company Secretary is the Secretary to the Committee and is the "Compliance Officer" pursuant to the requirements of LODR.

The SRC primarily considers and resolves grievances of the security holders of the Company and looks into the mechanism for addressing the same. It reviews measures taken to ensure timely receipt of corporate benefits to the shareholders and exercise of their voting rights, adherence to service standards in respect of services rendered by the Registrar and Share Transfer Agent and also suggests improvements to investor relations initiatives undertaken at the Company.

**Details of Investors' Complaints**

The Company and TSR Darashaw Consultants Private Ltd., (TSRDCPL) Registrar & Share Transfer Agent, 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, 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.

The details of complaints received, cleared / pending during the Financial Year 2019-20 is given below:

| Nature of Complaints | Received | Cleared | Pending |
|---|---|---|---|
| Letters from SEBI / SCORES Site | 2 | 1 | 1(*) |
| Letters from Stock Exchanges | 1 | 1 | - |
| **Total** | **3** | **2** | **-** |

(*) – since resolved

### iii. Nomination and Remuneration Committee

**Composition & Meetings**

The Nomination and Remuneration Committee (NRC) comprises of 4 members, all being Non–executive Directors. The Chairman of the Committee is a Non-executive and Independent Director.

During the Financial Year 2019-20, the Committee met twice on 19th November, 2019 and 13th May, 2020. The details of composition and attendance at the aforementioned meetings are as follows:-

| Name | No. of meetings during FY 2019-20 | |
|---|---|---|
| | Held | Attended |
| Mr. Yezdi H. Malegam, Chairman | 2 | 2 |
| Mr. Darius C. Shroff(1) | 1 | 1 |
| Mr. Deepak S. Parekh | 2 | 2 |
| Mr. Josef Kaeser | 2 | 1 |
| Ms. Mariel von Schumann(2) | 1 | 1 |
| Mr. Cedrik Neike(3) | 1 | 1 |

(1) Mr. Darius C. Shroff, upon his retirement as Director of the Company ceased to be Member of the Committee with effect from 30th January, 2020. Details provided for the period for which Mr. Darius C. Shroff held Membership of the Committee during the Financial Year 2019 – 20.

(2) Ms. Mariel von Schumann ceased to be a Member of the Committee with effect from 12th February, 2020. Details provided for the period for which Ms. Mariel von Schumann held Membership of the Committee during the Financial Year 2019 – 20.

# Corporate Governance Report

[As per Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")]

(3) Mr. Cedrik Neike was appointed as a Member of the Committee with effect from 12th February, 2020. Details provided for the period for which Mr. Cedrik Neike held membership of the Committee during the Financial Year 2019 – 20.

The Company Secretary is the Secretary to the Committee.

**Terms of Reference**

Brief Terms of Reference of the NRC are as under:-

a. Identifying persons who are qualified to become the Directors / hold other senior management position and formulating criteria for determining qualities/positive attributes of Independent Directors.

b. Recommending to the Board and periodically reviewing Remuneration Policy.

c. Formulation of criteria for evaluation of Independent Directors and the Board and devising Board diversity policy.

d. Determine the Company's policy on specific remuneration packages for Whole-time Directors / Executive Directors.

e. Performance evaluation of Whole-time Directors and determining the amount of incentive including performance linked incentives payable.

The Chairman of the NRC was present at the 62nd Annual General Meeting of the Company held on 11th February, 2020.

**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. The Board of Directors of the Company has, on the recommendation of the NRC, approved the policy for remuneration of whole-time Directors, Senior Management / Key Managerial Personnel and employees of the Company.

**1. For Whole-time Directors**

The Board of Directors / the NRC 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 NRC within the salary package 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 Director 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 Section 197 the Companies Act, 2013 ("Act").

Remuneration paid / payable to the Whole-time Directors as approved by NRC / Board for the Financial Year 2019-20 is as under:–

(Amount in INR million.)

| | **Mr. Sunil Mathur** | **Dr. Daniel Spindler(#)** |
|---|---|---|
| Salary | 22.21 | 11.95 |
| Allowances(1) | 25.18 | 12.35 |
| Perquisites | 24.76 | 6.89 |
| Performance Linked Incentive | 87.10 | 20.93 |
| Contribution to Provident Fund and NPS* | 4.40 | – |
| Compensation under Stock Option Plan(s) of Siemens AG | 29.96 | 1.78 |
| Commission | – | – |
| **Total** | **193.61** | **53.90** |

| | Mr. Sunil Mathur | Dr. Daniel Spindler(#) |
|---|---|---|
| **Tenure** | | |
| From | 22.07.2008 | 01.09.2019 |
| To | 31.12.2023 | 31.07.2023 |
| Shares of ₹ 2 each held as on 30.09.2020 | Nil | Nil |

* National Pension System

# Subject to Central Government approval.

**Notes:**

(1) Allowances includes Special Allowance in case of Mr. Mathur and Dr. Spindler.

(2) The whole-time Directors are covered under the Company's gratuity (for Mr. Sunil Mathur), leave, medical and silver/golden jubilee schemes as applicable, 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 and notice period as per the rules of the Company.

**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 of ₹ 50,000/- per meeting for attending all Board and Committee Meetings. The Board of Directors approved the commission payable to Non-executive Directors.

**Commission**

The Members of the Company at the 57th Annual General Meeting held on 30th January, 2015 approved payment of Commission not exceeding 1% per annum of the Net Profits of the Company (computed in the manner provided in Section 198 of the Act or as may be prescribed by the Act or Rules framed there under from time to time) to the Non-executive Directors of the Company.

The actual amount of Commission payable to each Non-executive Director is decided by the Board on the following criteria:

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

Remuneration paid / payable to the Independent Directors / Non-executive Directors(1) for the Financial Year 2019-20 is as under:

(Amount in INR million.)

| Name | Sitting Fees* for Board / Committee Meetings attended | Commission*(2) | Total | Number of Equity Shares of ₹ 2 each held on 30.09.2020 |
|---|---|---|---|---|
| Mr. Deepak S. Parekh(3) | 1.10 | 3.63 | 4.73 | 9,000 |
| Mr. Yezdi H. Malegam(3) | 1.00 | 2.83 | 3.83 | 8,000 |
| Mr. Darius C. Shroff(4) | 0.25 | 0.62 | 0.87 | N.A. |

# Corporate Governance Report

[As per Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")]

(Amount in INR million.)

| Name | Sitting Fees* for Board / Committee Meetings attended | Commission*(2) | Total | Number of Equity Shares of ₹ 2 each held on 30.09.2020 |
|---|---|---|---|---|
| Mr. Keki B. Dadiseth(4) | 0.25 | 0.62 | 0.87 | N.A. |
| Mr. Mehernosh B. Kapadia(3) | 0.95 | 1.85 | 2.80 | - |
| Ms. Anjali Bansal | 0.50 | 1.85 | 2.35 | - |
| Ms. Mariel von Schumann(5) | 0.10 | 0.47 | 0.57 | - |

* Exclusive of Goods & Service Tax (as applicable).

**Notes:**

(1) Mr. Josef Kaeser, Mr. Johannes Apitzsch, Mr. Cedrik Neike and Mr. Tim Holt, Non – executive Directors, opted not to accept any Sitting Fees and Commission. They do not hold any Equity shares of the Company as on 30th September, 2020.

(2) Subject to the approval of Annual Financial Statements for the Financial Year 2019-20 by the Members at the 63rd Annual General Meeting.

(3) Includes payment of sitting fees for attending the meetings of the Committee of Directors constituted by the Board of Directors during the Financial Year 2019-20.

(4) Details provided for the period for which Mr. Darius C. Shroff and Mr. Keki B. Dadiseth held Directorship of the Company during the Financial Year 2019 – 20. The commission has been determined on a pro-rata basis for Financial Year 2019 - 20 till the time Mr. Darius C. Shroff and Mr. Keki B. Dadiseth were members of the Board of Directors of the Company.

(5) Ms. Mariel von Schumann ceased to be an employee of Siemens AG effective from 1st July, 2020. Accordingly, sitting fees for meetings attended and commission is on a pro-rata basis for Financial Year 2019 – 20 from 1st July, 2020.

(6) None of the Non-executive Directors have any other pecuniary interest in the Company, as disclosed to the Company.

**iv. Risk Management Committee**

**Composition & Meetings**

The Risk Management Committee (RMC) comprises of 4 members, all being Non – executive Directors and majority being Independent Directors. The Chairman of the Committee is a Non-executive and Independent Director.

During the Financial Year 2019-20, the Committee met once on 7th August, 2020. The details of composition and attendance at the aforementioned Meeting are as follows:-

| Name | No. of meetings during FY 2019 – 20 | |
|---|---|---|
| | Held | Attended |
| Mr. Yezdi H. Malegam, Chairman | 1 | 1 |
| Mr. Deepak S. Parekh | 1 | 1 |
| Mr. Keki B. Dadiseth(1) | N.A. | N.A. |
| Mr. Johannes Apitzsch | 1 | 1 |
| Mr. Mehernosh B. Kapadia | 1 | 1 |

Note:-

(1) Mr. Keki B Dadiseth, upon his retirement as Director of the Company ceased to be Member of the Committee with effect from 30th January, 2020. Details provided for the period for which Mr. Keki B. Dadiseth held Membership of the Committee during the Financial Year 2019 – 20.

The Risk Management Committee is inter-alia responsible for risk identification, evaluation and mitigation and control process for such risks, over sight of the Enterprise Risk Management System and internal control process; monitoring and reviewing risk management plan of the Company and reviewing the foreseeable trends that could significantly impact the Company's overall business objectives and mitigants thereof.

The Company Secretary is the Secretary to the Committee.

**B. Non-Mandatory Committees**

i. **Corporate Social Responsibility Committee(*)**

**Composition & Meetings**

The Corporate Social Responsibility Committee (CSRC) comprises of 4 members and the Chairman of the Committee is a Non-executive and Independent Director.

During the Financial Year 2019-20, the Committee met twice on 19th November, 2019 and 7th August, 2020. The details of composition and attendance at the aforementioned Meetings are as follows:-

| Name | No. of meetings during FY 2019 - 20 | |
|---|---|---|
| | Held | Attended |
| Mr. Deepak S. Parekh, Chairman | 2 | 2 |
| Mr. Sunil Mathur | 2 | 2 |
| Ms. Mariel von Schumann | 2 | 2 |
| Dr. Daniel Spindler | 2 | 2 |

The Committee is primarily responsible for formulating and recommending to the Board a Corporate Social Responsibility (CSR) policy and reviews and monitors the CSR projects and expenditure undertaken by the Company.

The Company Secretary is the Secretary to the Committee.

(*) – Constitution of CSRC Committee is mandatory as per the Act.

**ii. Corporate Governance Committee**

The Corporate Governance Committee (CGC) comprises of 7 members. The Chairman of the Committee is a Non-executive and Independent Director.

During the Financial Year 2019-20, the Committee met once on 7th August, 2020. The details of composition and attendance at the aforementioned Meetings are as follows:-

| Name | No. of meetings during FY 2019 – 20 | |
|---|---|---|
| | Held | Attended |
| Mr. Mehernosh B. Kapadia, Chairman(1) | 1 | 1 |
| Mr. Keki B. Dadiseth, Chairman(2) | N.A. | N.A. |
| Mr. Deepak S. Parekh | 1 | 1 |
| Mr. Yezdi H. Malegam | 1 | 1 |
| Mr. Darius C. Shroff(3) | N.A. | N.A. |
| Mr. Josef Kaeser | 1 | NIL |
| Mr. Johannes Apitzsch | 1 | 1 |
| Mr. Sunil Mathur | 1 | 1 |
| Mr. Cedrik Neike | 1 | 1 |

**Note:-**

(1) Mr. Mehernosh B. Kapadia was appointed as Chairman of the Committee with effect from 7th August, 2020.

(2) Mr. Keki B. Dadiseth upon his retirement as Director of the Company ceased to be Chairman of the Committee with effect from 30th January, 2020. Details provided for the period for which Mr. Keki B. Dadiseth held Chairmanship of the Committee during the Financial Year 2019 – 20.

# Corporate Governance Report

[As per Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")]

(3) Mr. Darius C. Shroff upon his retirement as Director of the Company ceased to be Member of the Committee with effect from 30th January, 2020. Details provided for the period for which Mr. Darius C. Shroff held Membership of the Committee during the Financial Year 2019 – 20.

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

The Company Secretary is the Secretary to the Committee.

**iii. Share Transfer Committee (STC)**

The details of the composition of STC are as follows:-

| Name | From |
|---|---|
| Mr. Sunil Mathur, Chairman | 01.10.2008 |
| Dr. Daniel Spindler | 01.09.2019 |

The STC approves cases of transfer (as applicable) and transmission, issue of shares in exchange for sub-divided, consolidated, defaced shares etc., as approved by the authorised persons and issue of duplicate share certificates. It also notes and takes on record the transfer / transmission / transposition of shares and consolidation / splitting of folios, issue of share certificate. The STC also notes the dealings in Company's Shares by the designated employees under the Company's Code of Conduct for Prohibition of Insider Trading. During the Financial Year 2019-20, the Committee met on various occasions and also conducted its business by way of passing circular resolutions.

The Company Secretary is the Secretary to the Committee.

**C. Committees of Management (Constituted by the Board of Directors)**

**i. Finance Committee (FC)**

The details of the composition of FC are as follows:-

| Name | From |
|---|---|
| Dr. Daniel Spindler, Chairman | 01.09.2019 |
| Mr. Sunil Mathur | 01.01.2008 |
| Mr. Ketan Thaker, Member & Secretary | 02.08.2013 |

The FC authorises opening / operating / closing of bank accounts, availing of credit facilities, giving of loans, intercorporate deposits, guarantees, commodity hedging etc. The FC Meetings are held as and when required. During the Financial Year 2019-20, the Committee met on various occasions and also conducted its business by way of passing circular resolutions.

**ii. Delegation of Powers Committee (DPC)**

The details of the composition of DPC are as follows:-

| Name | From |
|---|---|
| Mr. Sunil Mathur, Chairman | 27.07.2008 |
| Dr. Daniel Spindler | 01.09.2019 |
| Mr. Ketan Thaker, Member & Secretary | 02.08.2013 |

The DPC issues/revokes Power of Attorneys, grants authorization for various purposes of the Company etc. The DPC Meetings are held as and when required. During the Financial Year 2019-20, the Committee met on various occasions and also conducted its business by way of passing circular resolutions.

**IV. Separate Independent Directors' Meetings**

Pursuant to requirements of the Act and LODR the Company's Independent Directors met once during the Financial Year without the presence of Non–Executive Directors, Executive Directors or Management to discuss the matters as laid out therein for such meetings. Further, interactions outside the Board meeting take place between the Chairman and Independent Directors on a regular basis.

**V. Subsidiary company**

Siemens Rail Automation Private Limited (SRAPL) is a wholly owned subsidiary of the Company. SRAPL is a non-material, non listed subsidiary of the Company pursuant to LODR. The Company has in place the Policy on Material Subsidiary and the same is available on the website of the Company at https://new.siemens.com/in/en/company/investor-relations/corporate-governance.html

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

As required by LODR, the CEO and CFO certification on the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for Financial Year 2019 – 20 has been obtained from Mr. Sunil Mathur (Managing Director and Chief Executive officer) and Dr. Daniel Spindler (Executive Director and Chief Financial Officer), the same is enclosed to this Report.

**VII. Business Conduct Guidelines (BCGs)**

The Company has adopted BCGs (including an addendum for Independent Directors incorporating the duties of the Independent Directors of the Company) as the Code of Conduct for Directors and Senior Management of the Company, as per the requirement of LODR. The Company has received confirmations from all Directors and Senior Management of the Company regarding compliance with the BCGs for the year ended 30th September 2020 as applicable to them. A certificate from Mr. Sunil Mathur, Managing Director and Chief Executive Officer, to this effect, is enclosed to this Report. The BCGs can be viewed on the website of the Company https://new.siemens.com/in/en/company/investor-relations/business-ethics.html.

**VIII. 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, directors as well as third parties to report unethical behaviour and actual or suspected frauds, the Company has adopted the Whistleblower Policy in line with LODR and also as per Act. No personnel have been denied access to the Chairman of the Audit Committee and Chairman of the Board of Directors in exceptional circumstances.

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

**IX. Familiarisation programme for Independent Directors –**

The Company familiarises its Independent Directors pursuant to the requirements of LODR with their roles, rights, responsibility in the Company, nature of the industry in which the Company operates and business model of the Company etc. The details of the familiarisation programme imparted to the Independent Directors of the Company during Financial Year 2019 – 20 are available on the website of the Company at https://new.siemens.com/in/en/company/investor-relations/corporate-governance.html

**X. Annual evaluation of Board, Committees and individual Directors –**

Considering the Performance Evaluation Guidelines which were formulated by the Nomination and Remuneration Committee (NRC), the Board and NRC approved the framework for evaluating the performance, on an annual basis, of the Board, its Committees and each director including the Chairman of the Board of Directors.

Pursuant to the provisions of the Act, LODR and the Performance Evaluation Guidelines of the Company, the Board of Directors / Independent Directors has undertaken an evaluation of its own performance, the performance of its Committees and of all the individual Directors including Independent Directors and the Chairman of the Board of Directors based on various parameters relating to attendance, roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees. The results of such evaluation are presented to the Board of Directors.

**XI. Policy on dealing with Related Party Transactions** –

In line with the requirements of the LODR, the Company has formulated a Policy on Related Party Transactions ("Policy") which is also available on Company's website at https://new.siemens.com/in/en/company/investor-relations/corporate-governance.html. The Policy is reviewed by the Board of Directors of the Company at regular intervals. The objective of the Policy is to ensure proper approval, disclosure and reporting of transactions as

# Corporate Governance Report

[As per Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")]

applicable, between the Company and any of its related parties. The Audit Committee of the Company has granted omnibus approval for the Related Party Transactions (RPTs) which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. The Audit Committee also reviews all RPTs on quarterly basis in line with the omnibus approval granted by them.

**XII. Code of Conduct for Prohibition of Insider Trading**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading (Code) duly approved by the Board of Directors of the Company.

The Company Secretary, is the Compliance Officer for the purpose of this Code.

**XIII. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The details of complaints received and disposed off during the Financial Year 2019 – 20 are mentioned in the Directors Report.

**XIV. a. General Body Meetings**

| Financial Year | Meeting and Venue | Day, Date and Time | Special Resolutions passed |
|---|---|---|---|
| 2018 - 19 | **62nd Annual General Meeting (AGM)**<br>Yashwantrao chavan Pratishthan Auditorium,<br>Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg,<br>Nariman Point, Mumbai - 400 021 | Tuesday, 11th February, 2020; 3.00 p.m.<br>. | (i) Re- appointment of Mr. Deepak S. Parekh as an Independent Director for second term from 30th January, 2020 to 29th January, 2023.<br>(ii) Re-appointment of Mr. Yezdi H. Malegam as an Independent Director for second term from 30th January, 2020 to 29th January, 2021. |
| 2017 - 18 | **61st AGM**<br>Yashwantrao chavan Pratishthan Auditorium,<br>Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg,<br>Nariman Point, Mumbai - 400 021 | Wednesday, 6th February, 2019; 3.00 p.m. | (i) Continuation of directorship of Mr. Deepak S. Parekh, Mr. Yezdi H. Malegam and Mr. Darius C. Shroff as Independent Directors on the Board of Directors of Siemens Limited.<br>(ii) Alteration of Object clause of the Memorandum of Association of the Company.<br>(iii) Adoption of new Articles of Association of the Company. |
| 2016 – 17 | **60th AGM**<br>Yashwantrao Chavan Pratishthan Auditorium,<br>Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg,<br>Nariman Point, Mumbai - 400 021 | Tuesday, 6th February, 2018; 3.00 p.m. | No special resolution was passed. |

**b.** During the Financial Year 2019 – 20 there were no Special resolution(s) passed through Postal Ballot.

Resolution(s), if required, shall be passed by Postal Ballot during the Financial Year 2020 – 21, as per the prescribed procedure.

**XV. Disclosures**

a. Transactions with related parties as per requirements of IND AS 24, are disclosed in notes annexed to audited financial statements.

b. The Company has not entered into any 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, 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. The Company has put in place the Whistle Blower Policy as per LODR and affirms that no person has been denied access to the Chairman of the Audit Committee and also the Chairman of the Board of Directors in exceptional circumstances.

e. The Company has complied and disclosed all the mandatory corporate governance requirements under regulation 17 to 27 and sub-regulation (2) of Regulation 46 under LODR, and details of compliance with the discretionary requirements are given under point XVIII mentioned below.

f. Disclosures have also been received from the senior management relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, there were no such transactions during the Financial Year 2019 - 20 having potential conflict with the interests of the Company at large.

g. The Company manages commodity and foreign exchange risk as per its adopted policies. The Company uses forward contracts and options to manage foreign exchange risk and futures to manage commodity risk. The Company does not undertake any derivative transaction for pure trading in foreign exchange markets or for speculative purposes. The Company uses Commodity Future Contract to hedge against fluctuation in commodity prices. As per the policy of the Company, the net commodity exposure for the current and subsequent quarter must be hedged in the range of 75% - 100% for Product business and 95%-100% for Project Business.

The exposure of the Company in a particular commodity and percentage of such exposure hedged through Commodity derivatives as at 30th September, 2020 is as under:

| Commodity Name | Exposure towards the particular commodity for first quarter of FY 2020 – 21 (amount in ₹ Million)* | Exposure in Quantity terms towards the particular commodity for the first quarter of FY 2020 - 21 (Qty in tonnes)* | % of such exposure hedged through commodity derivatives* | | | | |
|---|---|---|---|---|---|---|---|
| | | | Domestic market | | International market | | Total |
| | | | OTC | Exchange | OTC | Exchange | |
| Copper | 1,792 | 3,413 | - | 87 | - | - | 87 |
| Aluminium | 139 | 970 | - | 82 | - | - | 82 |
| Silver | 133 | 2 | - | 75 | - | - | 75 |
| **Total** | **2,064** | **4,385** | | | | | |

*The Company also has outstanding future contracts for exposure beyond the first quarter of Financial Year 2020 – 21, the hedging ratios for which are different from those mentioned above. The Company shall hedge the exposure beyond the first quarter of Financial Year 2020 – 21 in accordance with the policy of the Company. Quantity is rounded off to nearest whole number.

h. Certificate from Practising Company Secretary on eligibility of the Board of Directors to serve as Directors is enclosed to this report.

# Corporate Governance Report

[As per Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")]

i. The Board has accepted the recommendations of its Committees, as applicable.

j. The total payments made during the year for services, other than towards audit fees, to the statutory auditors and to network firms/network entities of which the statutory auditor is a part, amounted to ₹ 4 million.

Further, as informed by KPMG Assurance and Consulting Services LLP [formerly known as KPMG (Registered)] an aggregate amount of ₹ 44 million was paid to such entity, of which ₹ 35 million was for services provided by KPMG entities outside India. The statutory auditors have confirmed that neither KPMG Assurance and Consulting Services LLP nor the KPMG entities outside India are part of the network firm/network entity of which the statutory auditor is a part.

**XVI. Means of Communication**

All important information relating to the Company, its financial performance, shareholding pattern, business information, quarterly results, press releases, policies, investor related information other information as per LODR, presentation to the press/analyst meet are regularly posted on Company's website. The quarterly, half-yearly and annual financial results of the Company are published in newspapers such as Business Standard and Navshakti. These results are also available on the websites of the Company, BSE Limited and National Stock Exchange of India Ltd. The Company also holds press conference/analysts meet from time to time.

**XVII. General Shareholder Information**

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

**XVIII. Compliance with Discretionary requirements:**

a. The Board: The Company does not maintain a separate office for the Non–executive Chairman. The independent directors have requisite qualification and experience to act as a Director on the Board.

b. Shareholders' Rights: The quarterly financial results are published in the newspapers of wide circulation and not sent to individual shareholders on a half-yearly basis. Financial Results are also available on the website of the Company, BSE Limited and National Stock Exchange of India Ltd.

c. Audit qualification: The Auditor's have expressed an unmodified opinion on the Financial Statements.

d. Separate posts of Chairman and CEO: The Board of Directors of Siemens Limited has a Non-executive Chairman (Independent Director), i.e. Mr. Deepak S. Parekh and Mr. Sunil Mathur is the Managing Director and Chief Executive Officer of the Company.

e. Reporting of Internal Auditor – The Company has outsourced the Internal Audit function to Controlling and Finance-Audit (CFA), the Global audit department of Siemens AG a part of which is housed in Siemens Technology and Services Private Limited, India. CFA acts as the Internal Auditor of the Company pursuant to Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The Internal audit plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

On behalf of the Board of Directors
For **Siemens Limited**

**Deepak S. Parekh**
**Chairman**
DIN - 00009078

Mumbai
Wednesday, 25th November 2020

**Declaration by the Managing Director under Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Business Conduct Guidelines (Code of Conduct)**

In accordance with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 30th September, 2020.

For **Siemens Limited**

**Sunil Mathur**
Managing Director and Chief Executive Officer
DIN - 002261944

Mumbai
Wednesday, 25th November 2020

**Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the Board of Directors of Siemens Limited

Dear Sirs,

a) We have reviewed the financial statements and the cash flow of Siemens Ltd. ('the Company') for the year ended 30th September 2020 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 and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware 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 in the notes to the Financial Statements and;

   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 system over financial reporting.

Yours truly

**Dr. Daniel Spindler**
Executive Director and Chief Financial Officer
DIN –08533833

**Mr. Sunil Mathur**
Managing Director and Chief Executive Officer
DIN - 002261944

Mumbai
Wednesday, 25th November 2020

# Corporate Governance Report

[As per Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")]

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
**Siemens Limited**,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Siemens Limited** having CIN **L28920MH1957PLC010839** and having registered office at **Birla Aurora, Level 21, Plot No. 1080, Dr. Annie Besant Road, Worli, Mumbai – 400 030** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on September 30, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of Appointment in Company* |
|---|---|---|---|
| 1. | Mr. Deepak Shantilal Parekh | 00009078 | 07/11/2003 |
| 2. | Mr. Mehernosh Behram Kapadia | 00046612 | 02/05/2018 |
| 3. | Mr. Yezdi Hirji Malegam | 00092017 | 01/04/1998 |
| 4. | Ms. Anjali Bansal | 00207746 | 01/04/2019 |
| 5. | Mr. Josef Kaeser | 00867264 | 01/10/2006 |
| 6. | Mr. Sunil Dass Mathur | 02261944 | 22/07/2008 |
| 7. | Mr. Johannes Apitzsch | 05259354 | 23/11/2013 |
| 8. | Ms. Mariel Von Schumann | 06625674 | 02/08/2013 |
| 9. | Mr. Cedrik Francis Wolfgang Neike | 07810035 | 10/05/2017 |
| 10. | Dr. Daniel Gerold Spindler | 08533833 | 01/09/2019 |
| 11. | Mr. Tim Holt | 08742663 | 01/06/2020 |

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh Parekh & Associates**
Practising Company Secretaries

**P. N. Parikh**
Partner
FCS No: 327 CP No: 1228
UDIN: F000327B001301110

Mumbai
Date: 25th November 2020

**Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the Members of
**Siemens Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 4 March 2019 and addendum to the engagement letter dated 20 November 2020.
2. We have examined the compliance of conditions of Corporate Governance by Siemens Limited ("the Company") for the year ended 30 September 2020, as stipulated in regulations 17-27, clause (b) to (i) of sub-regulation (2) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

**Management's Responsibility**

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

**Auditors' Responsibility**

4. 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.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 30 September 2020.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of Chartered Accountants of India (the "ICAI"), is so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. 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 Regulations.
9. We 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.

**Restriction on use**

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

**Farhad Bamji**
Partner Membership No: 105234
UDIN:20105234AAAACI2505

Mumbai
25 November 2020

# General Shareholder Information

[As required by Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)]

**I. 63rd Annual General Meeting**

Members are requested to refer the notice of the Annual General Meeting (AGM) for details about the day, date, time, venue of the AGM as also the details regarding the dates of closure of Register of Members and share transfer books and dividend payment date.

**II. Financial Year / Calendar**

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

For the Financial Year 2020-21, Financial Results will be announced as per the following tentative schedule:

| | |
|---|---|
| 1st quarter ending 31st December, 2020 | Second week of February, 2021 |
| 2nd quarter ending 31st March, 2021 | Second week of May, 2021 |
| 3rd quarter ending 30th June, 2021 | Second week of August, 2021 |
| Year ending 30th September, 2021 | Fourth week of November, 2021 |

**III. 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:

| BSE Ltd. (BSE) | National Stock Exchange of India Ltd. (NSE) |
|---|---|
| Phiroze Jeejeebhoy Towers<br>Dalal Street, Mumbai - 400 001 | Exchange Plaza, Plot No. C/1<br>G Block, Bandra-Kurla Complex,<br>Bandra (E), Mumbai - 400 051 |

The Company has paid the listing fees for the Financial Year 2020-21 to the aforesaid Stock Exchanges.

The Company forms part of major indices of NSE and BSE. The Company's shares are also available for trading in the Futures & Options segment.

**IV. 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 |

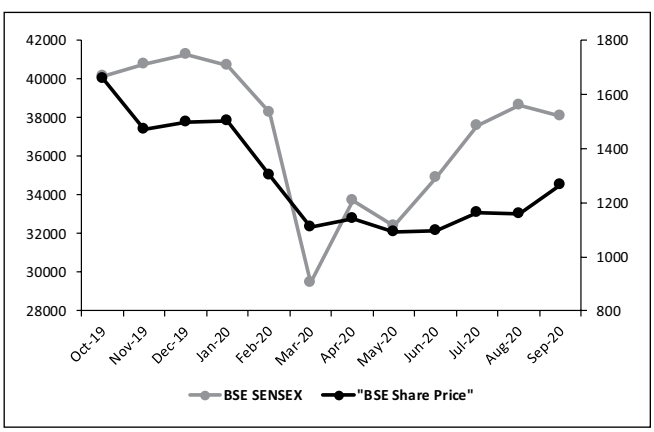
## V. Market Price Data

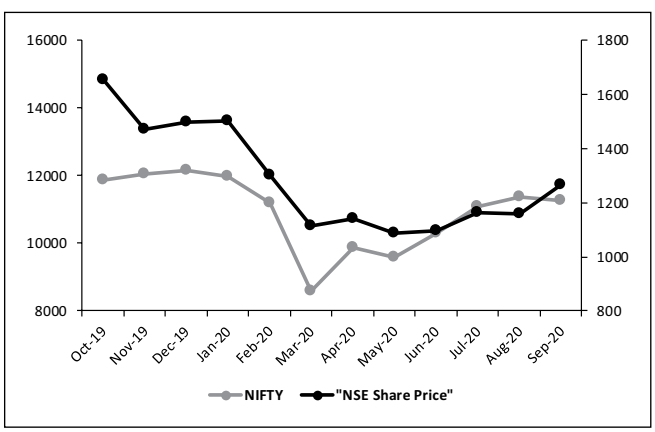
(1) The market price and volume of the Company's Equity Shares traded on BSE and NSE during each month of the last Financial Year from 1st October 2019 to 30th September 2020 are as follows:

Face Value of ₹ 2 each

| | NSE | | | BSE | | |
|---|---|---|---|---|---|---|
| | High | Low | Volume | High | Low | Volume |
| | ₹ | ₹ | Nos. | ₹ | ₹ | Nos. |
| October 2019 | 1,717.45 | 1,493.20 | 12,546,148 | 1,716.55 | 1,481.05 | 504,998 |
| November 2019 | 1,708.95 | 1,448.00 | 23,837,172 | 1,707.85 | 1,448.25 | 1,501,579 |
| December 2019 | 1,558.00 | 1,424.65 | 8,758,540 | 1,557.60 | 1,453.20 | 497,018 |
| January 2020 | 1,639.00 | 1,459.55 | 10,526,978 | 1,640.00 | 1,460.45 | 580,388 |
| February 2020 | 1,522.00 | 1,286.45 | 10,595,148 | 1,521.25 | 1,286.95 | 473,804 |
| March 2020 | 1,369.00 | 947.90 | 10,517,678 | 1,362.75 | 947.00 | 486,590 |
| April 2020 | 1,253.45 | 1,044.00 | 9,117,443 | 1,268.00 | 1,043.85 | 282,182 |
| May 2020 | 1,122.75 | 990.00 | 13,601,410 | 1,133.00 | 990.30 | 85,986,301 |
| June 2020 | 1,174.75 | 1,019.15 | 12,791,094 | 1,250.00 | 1,020.00 | 170,620,333 |
| July 2020 | 1,198.45 | 1,082.45 | 19,254,600 | 1,199.00 | 1,083.85 | 1,023,546 |
| August 2020 | 1,266.00 | 1,120.80 | 20,121,276 | 1,266.00 | 1,121.00 | 1,040,904 |
| September 2020 | 1,311.80 | 1,142.65 | 15,251,321 | 1,311.20 | 1,143.15 | 1,029,364 |

(2) The Company's closing share price movement during the Financial Year 2019-20 on BSE and NSE vis-à-vis respective indices:



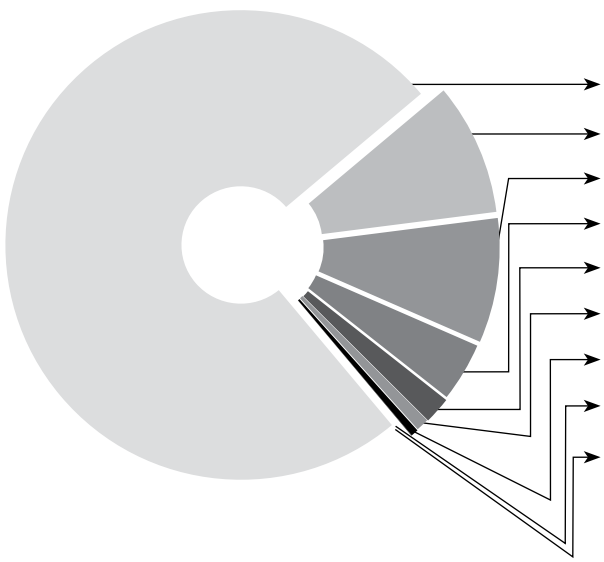
# General Shareholder Information

[As required by Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)]

## VI. Distribution of Shareholding as on 30th September 2020

| NUMBER OF EQUITY SHARES HELD (Face Value ₹ 2 each) | Member | | Shares | |
|---|---|---|---|---|
| | Number | % of total | Number | % of total |
| 1-500 | 118,971 | 91.66 | 6,362,708 | 1.79 |
| 501-1000 | 4,270 | 3.29 | 3,256,551 | 0.91 |
| 1001-2000 | 2,930 | 2.26 | 4,353,533 | 1.22 |
| 2001-3000 | 1,331 | 1.03 | 3,370,140 | 0.95 |
| 3001-4000 | 766 | 0.59 | 2,719,259 | 0.76 |
| 4001-5000 | 377 | 0.29 | 1,729,058 | 0.49 |
| 5001-10000 | 638 | 0.49 | 4,460,054 | 1.25 |
| 10001 & above | 506 | 0.39 | 329,868,952 | 92.63 |
| **Total** | **129,789** | **100.00** | **356,120,255** | **100.00** |

## VII. Members' Profile as on 30th September 2020 –



| Category | % of Total Capital |
|---|---|
| Promoters and Promotor Group | 75.00 |
| Public | 9.09 |
| Insurance companies | 8.56 |
| Foreign Institutional / Portfolio Investors | 4.07 |
| Mutual Fund / UTI | 1.85 |
| Bodies Corporate | 0.88 |
| Non Resident Indians | 0.51 |
| Banks & Indian Financial Institutions | 0.03 |
| Directors and their relatives | 0.00 |
| **Total** | **100.00** |

| No. of members as on 30th September | 2020 | 2019 |
|---|---|---|
| | **129,789** | **114,526** |

**VIII. Top Ten Members of the Company as on 30th September 2020**

| Sr. No. | Name of the Member[1] | Category | Number of Shares of ₹ 2 each | % of total Capital |
|---|---|---|---|---|
| 1 | Siemens International Holding B.V[2] | Foreign Promoter | 169,882,943 | 47.70 |
| 2 | Siemens Gas and Power Holding B.V. | Foreign Promoter | 85,468,862 | 24.00 |
| 3 | Life Insurance Corporation of India | Insurance Company | 24,923,663 | 7.00 |
| 4 | Siemens Metals Technologies Vermogensverwaltungs Gmbh[2] | Foreign Promoter | 11,738,108 | 3.30 |
| 5 | Bharat Bijlee Limited | Body Corporate | 2,138,160 | 0.60 |
| 6 | DSP Mutual Fund | Mutual Fund | 2,012,713 | 0.57 |
| 7 | Tata AIA Life Insurance Company Limited | Insurance Company | 1,495,644 | 0.42 |
| 8 | Vanguard Total International Stock Index Fund | Foreign Portfolio Investors (Corporate) | 1,418,358 | 0.40 |
| 9 | General Insurance Corporation of India | Insurance Company | 1,244,063 | 0.35 |
| 10 | Vanguard Emerging Markets Stock Index Fund | Foreign Portfolio Investors (Corporate) | 1,152,758 | 0.32 |
| | **Total** | | **301,452,272** | **84.66** |

**Notes:-**

(1) Clubbing of records are Permanent Account Number (PAN) wise.

(2) Indirect wholly owned subsidiaries of Siemens Aktiengesellschaft, Germany.

**IX. Dematerialisation of Shares & Liquidity**

The details of Equity Shares dematerialised and those held in physical form as on 30th September 2020 are given hereunder:

| Particulars of Equity Shares | Equity Shares of ₹ 2 each | | Members | |
|---|---|---|---|---|
| | Number | % of total | Number | % of total |
| Dematerialized form | | | | |
| NSDL | 346,631,654 | 97.34 | 80,540 | 62.05 |
| CDSL | 7,337,072 | 2.06 | 45,609 | 35.14 |
| **Sub-total** | **353,968,726** | **99.40** | **126,149** | **97.20** |
| Physical Form | 2,151,529 | 0.60 | 3,640 | 2.80 |
| **Total** | **356,120,255** | **100.00** | **129,789** | **100.00** |

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

The Company has not issued any such securities.

**XI. Commodity Price Risk / Foreign Exchange Currency Risk and Commodity Hedging activities**

The disclosure on Commodity Price Risk / Foreign Exchange Currency Risk and Commodity Hedging activities undertaken by the Company is reported under 'Corporate Governance Report' forming part of the Directors Report as Annexure IV.

# General Shareholder Information

[As required by Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)]

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

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 Consultants Private Limited (TSRDCPL).

For the convenience of Members based in the following cities, transfer documents and letters will be accepted at the following offices of TSRDCPL:

| Location | Address |
|---|---|
| Mumbai | 6, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Near. Famous Studio, Mahalaxmi, Mumbai – 400 011<br>Time: 10 a.m. to 3.30 p.m. (Monday to Friday)<br>Phone: +91 (22) 6656 8484 Extn :- 411/ 412/ 413<br>Fax: +91 (22) 6656 8494<br>Email: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com |
| Kolkata | Tata Centre 1st Floor, 43, Jawaharlal Nehru Road, Kolkata – 700 071<br>Time: 10 a.m. to 3.30 p.m. (Monday to Friday)<br>Phone: +91 (33) 2288 3087 Fax: +91 (33) 2288 3062<br>Email: tsrdlcal@tsrdarashaw.com |
| Ahmedabad | Shah Consultancy Services Private Limited<br>Agents : TSR Darashaw Consultants Private Limited<br>3, Sumatinath Complex, 2nd Dhal, Pritam Nagar, Akhada Road, Ellisbridge, Ahmedabad – 380 006<br>Time: 10 a.m. to 3.30 p.m. (Monday to Friday)<br>Phone: +91 (79) 2657 6038<br>Email: shahconsultancy8154@gmail.com |
| Bengaluru | 503 Barton Centre, 5th Floor, 84, M G Road, Bengaluru – 560 001<br>Time: 10 a.m. to 3.30 p.m. (Monday to Friday)<br>Phone: +91 (80) 2532 0321 Fax: +91 (80) 2558 0019<br>Email: tsrdlbang@tsrdarashaw.com |
| New Delhi | Plot no. 2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi – 110 002<br>Time: 10 a.m. to 3.30 p.m. (Monday to Friday)<br>Phone: +91 (11) 2327 1805 Fax: +91 (11) 2327 1802<br>Email: tsrdldel@tsrdarashaw.com |
| Jamshedpur | Bungalow No. 1, "E" Road, Northern Town, Bistupur, Jamshedpur – 831 001<br>Time: 10 a.m. to 3.30 p.m. (Monday to Friday)<br>Phone: +91 (657) 242 6616 Fax: +91 (657) 242 6937<br>Email: tsrdljsr@tsrdarashaw.com |

## XIII. Share Transfer System

The Securities and Exchange Board of India (SEBI) has mandated transfer of securities only in dematerialized form with effect from 1st April 2019 baring certain instances. SEBI has fixed 31st March, 2021 as the cut off date for re-lodgement of deficient transfer deeds and shares re-lodged for transfer shall henceforth be issued only in demat mode.

## XIV. Plant Locations

| Location | Address | |
|---|---|---|
| Maharashtra | 1. | E-76, Waluj, MIDC Area, Aurangabad – 431 136 |
| | 2. | Plot No – A 1/2, Five Star MIDC Industrial Area, Shendra, Aurangabad – 431 201 |
| | 3. | Plot No. C-1, Additional Industrial Area, MIDC, Ambad, Nashik - 422 010 |
| | 4. | Thane - Belapur Road, Airoli Node, Navi Mumbai - 400 708 |
| Goa | 1. | L-6, Verna Industrial Estate, Verna - Salcete, Goa – 403 722 |
| | 2. | N73 & N74, Verna Industrial Estate, Verna - Salcete, Goa – 403 722 |
| Gujarat | | R.S. No: 144, Opp. Makarpura Rly. Station, Maneja, Vadodara – 390 013 |
| Telangana | | Plot No. 89 & 90, IDA, Gandhinagar, Post Balanagar, Hyderabad – 500 037 |
| Karnataka | | 97/2, Devanahalli Road, Off Old Madras Road, Virgo Nagar, Bengaluru - 560 049 |
| West Bengal | | Nimpura Industrial Growth Centre, PO: Rakha Jungle, Paschim, Midnapur, Kharagpur – 721 301 |
| Puducherry | 1. | Unit -I, R.S No 16/8, Kurumbapet Village, Villianur Commune, Puducherry – 605 009 |
| | 2. | Unit -II, R.S No 23/2A, Uruvaiyaru Road, Abishegapakkam, Puducherry - 605 007 |
| Haryana | | Plot No. 37, Ground Floor, Sector-18, Huda, Gurgaon – 122 015 |
| Tamilnadu | | 309/2, A Block 100, Chettipedu Village, Thandalam Post, Sriperumbudur Taluk, Kancheepuram - 602 105 |

## XV. Address for correspondence

| Sr. No. | Particulars | Details |
|---|---|---|
| 1. | Registered and Corporate Office: | Siemens Limited<br>Birla Aurora, Level 21, Plot No. 1080, Dr. Annie Besant Road,<br>Worli, Mumbai – 400 030, India<br>Phone: +91 (22) 6251 7000 Fax: +91 (22) 2436 2403 |
| 2. | Website: | www.siemens.co.in |
| 3. | Investor Relations Team: | Contact Person: Mr. Vinayak Deshpande<br>Email: Corporate-Secretariat.in@siemens.com<br>Phone: +91 (22) 6251 7000 Fax: +91 (22) 2436 2403<br>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)<br>The Investor relations team of the legal department is located at the Registered Office. |
| 4. | Designated email address for investor services: (for eg. Investor complaints / queries / correspondence) | Corporate-Secretariat.in@siemens.com |

# General Shareholder Information

[As required by Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)]

**XVI. Credit ratings**

The Company does not have any debt instruments, fixed deposit program or any scheme for mobilization of funds and accordingly it has not obtained any credit ratings during the financial year for these purposes.

**XVII. 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**

B S R & CO. LLP

**Secretarial Auditors**

Parikh Parekh & Associates

**Cost Auditors**

R. Nanabhoy & Co.

**XVIII. Unclaimed Shares**

Pursuant to Schedule V to LODR the details of equity shares held in 'Unclaimed Suspense Account' of the Company are as follows-

| Sr. No. | Particulars | Details |
|---|---|---|
| 1. | Aggregate number of Members lying in the unclaimed suspense account at the beginning of the Financial Year 2019 – 20 | 217 |
| 2. | Aggregate number of the outstanding equity shares lying in the unclaimed Suspense account at the beginning of the Financial Year 2019 – 20 | 41,115 |
| 3. | Number of Members who approached issuer for transfer of shares from unclaimed suspense account during the Financial Year 2019 – 20 | 5 |
| 4. | Number of Members to whom shares were transferred from unclaimed suspense account during the Financial Year 2019 – 20<br>(*) Excluding transfer of shares to Investor Education and Protection Fund Authority pursuant to The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto (IEPF Rules) under Companies Act, 2013. | 2(*) |
| 5. | Number of shares transferred from unclaimed suspense account during the Financial Year 2019 – 20(*) Including transfer of shares to Investor Education & Protection Fund Authority pursuant to the IEPF Rules under Companies Act, 2013. | 7,195(*) |
| 6. | Aggregate number of Members in the unclaimed suspense Account lying at the end of Financial Year 2019 – 20 | 189 |
| 7. | Aggregate number of outstanding equity shares in the unclaimed suspense Account lying at the end of Financial Year 2019 – 20 | 33,920 |

All corporate benefits on such shares viz. Bonus shares, split of shares etc. shall be credited to the unclaimed suspense account, as applicable for a period of seven years and thereafter be transferred in accordance with the provisions of Section 124(5) and Section 124(6) of the Companies Act, 2013 read with IEPF Rules.

The voting rights on such shares shall remain frozen until the rightful owner claims the Equity shares.

**XIX. Note to the Investors / Members**

**a. Transfer of shares in Demat mode only:**

Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate risks associated with physical shares and for ease in portfolio management.

For further information / clarification / assistance in this regard, please refer https://new.siemens.com/in/en/company/investor-relations.html or else contact TSRDCPL.

**b.** **Updation of KYC details:** It is requested to update Permanent Account Number (PAN), Address and Bank account details with TSRDCPL / Company at the earliest, if not done so far.

**c.** **Electronic fund transfer details for remittance -** It is in Members interest to claim any un-encashed dividends and for future, opt for payment through Electronic remittance in case of shares in physical form and ensure that correct and updated particulars of bank account are available with Depository Participant (DP) in case of shares held in dematerialized form, so that dividends paid by the Company shall be credited to the investor's bank account on time.

**d.** **Nomination:** It has been observed by the Company that many of its Members have not opted for nomination to the shares held by them and in case of demise of a Member without nomination; the lengthy and costly process of Transmission of shares has to be followed. Thus, Members who have not yet provided their nomination are requested to do so at an early date by filling and submitting the nomination forms (to the Company / TSRDCPL – for physical shares; to DP – for dematerialized shares). The forms are also available on the website of the Company at https://sie.ag/2Lccpm8.

**e.** Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into one folio.

**g.** Deal only through SEBI registered intermediaries and 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.** Regarding change of address, contact details, bank details, nomination, registration of power of attorney, change in e-mail address, etc., Members holding shares in physical form should notify the RTA and those who are holding shares in demat mode, should send their instructions directly to their DP. This will help the Company and TSRDCPL to provide efficient and better services.

**k.** Loss of Shares: In case of loss/misplacement of shares, Members should immediately lodge a complaint/FIR with the police and then inform the RTA who will guide on the procedure of obtaining the duplicate share certificates.

**l.** Non-Resident Members : Non-Resident Members 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; and
- 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 Registered Office or RTA office at Mumbai.

On behalf of the Board of Directors
For **Siemens Limited**

**Deepak S. Parekh**
**Chairman**
DIN - 00009078

Mumbai
Wednesday, 25th November 2020

# Corporate Social Responsibility Report 2019-20

Whatever we do, it must add lasting value and deliver benefits – for shareholders, for employees, for customers and for our partners in business and society. This was especially true during the COVID-19 pandemic.

## Our response to the COVID-19 pandemic

Our strategy on responding to the COVID-19 pandemic was to keep close to our values and competencies aimed to rapidly support the critical infrastructure mainly focusing on strengthening the public health system and subsequently supporting the most vulnerable members of the society. In order to maximize the impact of our response we have focused our interventions on different thematic areas.

**Rapidly support during COVID-19 leveraging our competence and capabilities**

### Healthcare

**Support to HC infra and frontline workers**

- Set up **Test lab** & **CT scanner**
- Provided 75,000 COVID-19 **testing kits**
- 50 **ventilators, ambulance, CR X-Ray system**
- Distributed 500,000 **surgical masks &** 100,000 **gloves**

### Essentials

**Support to migrant and daily wage workers**

- Supported ~25,000 **migrant workers**
- Distributed **dry ration** and **hygiene kits**

### Skilling

**Access to education and new livelihood opportunities**

- Train 1,000 women on **WASH activities**
- Upskilled 700 women as **HC para-professionals**
- 20 women SHGs supported with **food processing units**
- Introduced **tech for education** in Anganwadis

## Support the healthcare infrastructure and frontline workers

All these interventions, especially the equipment provided have been critical to support the healthcare system to fight against the high influx of COVID-19 patients and support to frontline workers by keeping them safe and allowing them to do their jobs in a safe way.

- Set up of a COVID-19 Testing Lab
- Set up a state-of-art Computed Tomography scanner for treatment of COVID-19 patients
- Provided 75,000 units of COVID-19 testing kits (PCR tests & Antibody tests)
- Provided 50 ventilators to several government hospitals across India
- Provided 500,000 surgical masks & 100,000 gloves to frontline health workers

## Support to migrant and daily wage workers

The lockdown had made it difficult for a large part of society to get access to daily essentials as prices have gone up and supply shortages. We supported 25,000 people with dry rations and hygiene kits. The socio-economic profile of the areas where distribution have been done, are people exposed to poverty and unhygienic living conditions. The beneficiaries are mostly residing in the densely populated urban slums. These are the population at risk in India, who are among the hardest hit by the crisis due to the lockdown.

## Support with access to education and creating new livelihood opportunities

## Livelihood Project in collaboration with Oxfam

In collaboration with Oxfam we have identified alternative livelihood and income opportunities to support 1000 women from most marginalized communities in Mumbai and Delhi to be trained on WASH (Water, Sanitation, Hygiene and Health) related activities among which they have learned to make face masks, sanitizers and soaps. We will be setting up one community WASH shop in each location that will help the 20 Women Self Help Groups that we have provided seed capital for starting new WASH related livelihood activities.

## Skills training in Healthcare with Smile Foundation

In collaboration with Smile Foundation we have introduced a reskilling and upskilling program on healthcare for 700 underprivileged youth women from urban areas as Healthcare Para-Professionals providing employment opportunities as a certified General Duty Assistant or Bed Side Assistant.

## Digital Anganwadi

We introduced innovation in early childhood education in 33 Government Anganwadis in Goa. This was achieved using latest education technology products such as an interactive whiteboard and tablets to teach children through interactive books, educational videos, engaging games, fun worksheets and entertaining cartoons. The primary beneficiaries are migrant and vulnerable communities most affected by the pandemic and economic distress.

The end goal is to create an integrated 'Model Anganwadi' that provides access to quality early childhood care and education complemented with development of skills. These Anganwadi's act as a resource center to cater to the educational needs of people in the surrounding areas especially the migrant workers children post COVID-19 situation.

**1. Brief outline of Company's Corporate Social Responsibility Policy, overview of proposed projects or programs**

At Siemens, we deliver on the promise by combining our innovation with our know-how and by acting as a reliable and responsible partner.

## Our Mission

Our mission is to make real what matters in the way we electrify, automate and digitalize the world around us. Making real what matters drives us and what we create is for society. Our company-wide Corporate Citizenship framework forms a part of the Sustainability & Citizenship priority area. The Company considers it as its economic, environmental and social responsibility to foster sustainable local development and add value to the local economy in which it operates.

# Corporate Social Responsibility Report 2019-20

The Company has undertaken several sustainability initiatives in this direction. These initiatives, generally known as Corporate Social Responsibility (CSR), are referred to as Corporate Citizenship at Siemens. The Corporate Citizenship strategy is in line with the Company's goal and focuses on: Education & Science, Social and Environment. The strategy aims to address the challenges and needs that communities face by leveraging the Company's competencies and solutions.

It is oriented towards the National Development agenda, UN Sustainable Development Goals and UN Global Compact principles.

## Sustainable Development Goals (SDGs)

Siemens supports the SDGs and regards them as a key framework for sustainable development globally. Together with local communities, industries, government, institutions, Siemens is working towards shaping the local development along the lines of 'The 2030 Agenda for Sustainable Development'. Siemens addresses all the SDGs listed below directly or indirectly.

## Our Framework

We have a clearly defined framework around our focus areas Education, Social and Environment that guide everything we do while leveraging our core competencies and employee volunteers. We partner with a broad number of external stakeholders when it comes to implementing our projects on the ground and creating the sustainable impact on the communities.

This year beyond strengthening our core projects, our focus was to provide rapid support during the challenging times of the COVID-19 pandemic. Even in the challenging times Siemens employees stepped up by doing a financial donation to PM CARES fund that was matched by the Company.

## EDUCATION – Science and Technology

**Promotion of science, technical education and skill Development**

Siemens follows a step approach towards promotion of science and technology. Our objective is to create a sustainable workforce pipeline from the community to academia to industry. By promoting science, technical education and skill development we prepare an industry ready workforce through different levels of interventions:

- **The STEM program in government schools generates interest and curiosity for science, technology, engineering and mathematics through pedagogical changes**
- **The Dual VET program at government Industrial Training Institutes is based on the German Apprenticeship model which is project-based learning interlocked with theory, workshops augmented with soft skills training for holistic development**
- **The Siemens Scholarship Program targets meritorious engineering students, with special focus on girls, from disadvantaged families**
- **Research and University Collaboration**

### Siemens Scholarship Program

Siemens Scholarship program nurtures meritorious engineering students from economically disadvantaged families, with an annual income of less than ₹ 200,000/-, to become industry ready. It is an endeavor to support and promote technical education. Launched in 2013, it is a merit-cum-means scholarship to engineering students across 4 years studying in government colleges.

Based on the German model of Dual Education, it is a well-rounded holistic development Program. Siemens provides hands-on exposure through internships, projects, advanced skilling platforms including mechatronics and functional trainings, soft skills and mentorship apart from financial support in the form of tuition fees and education allowances.

The program develops employability skills, exposes the students to soft skills and to the present requirements of the industry.

Siemens Scholars who have graduated from this program have turned role models in their communities, motivating many towards taking up engineering as a career.

### Highlights

- Program running in its 8th year with 735 scholars from 77 government engineering colleges across 23 states
- 50% of scholarships offered to girls
- 3 batches of scholars (2017, 2018, 2019) placed in leading companies across sectors e.g. banking, finance, engineering, IT services, infrastructure, automotive and consumer goods. Currently the placement for 2020 scholars is ongoing.
- To minimize the COVID-19 impact all internships have been converted to virtual Internships
- Other developmental programs such as soft skills, functional skills and motivational sessions into virtual sessions with continuous engagement of employee volunteers.
- Around 300 students attended training with Siemens Mechatronics Certification from Siemens Berlin after successful completion of the course.

### Scholarships - Dual Education for Management Students

Siemens launched a scholarship program to support Dual Education amongst less privileged meritorious management students to make them industry ready. Under this initiative, Siemens supported 21 students from Mumbai with scholarships awards and internships that are pursuing a "Post Graduate Programme in Business Administration (PGPBA)" at an Indo-German Training Centre (IGTC) in Mumbai.

The program develops employability skills and exposes the students to the present requirements of the industry through internships at Siemens and other companies.

### Dual Vocational Education & Training (VET) in Government Industrial Training Institutes (ITIs)

A huge gap exists between the capacity of skill development including the trained instructor base for promoting vocational skills and the need of the industry for an employable work force.

- The German Dual VET is based on learning interlocked with theory and workshop, augmented with soft skills

# Corporate Social Responsibility Report 2019-20

like communication skills, presentation techniques, public speaking skills, cost planning, project management, team work, decision-making ability, handling responsibility, conflict resolving & business games and creative technique to develop future-oriented capable workforce geared to business, professional and personal development.

As compared to the traditional model of 2 years Craftsmen Training Scheme and 1 year Apprenticeship, the German Dual VET within the traditional model proposes 1 month of in-plant training in the first year and in the second year, in addition with 12 months of paid apprenticeship in the third year for overall, holistic hands-on practical experience with theoretical knowledge.

## Highlights

- The Dual VET project in cooperation with Tata STRIVE was implemented in 87 ITIs across 4 States, Delhi, Maharashtra, Gujarat and West Bengal.
- 250 Government ITI Instructors attended serval workshops and courses on new Dual VET teaching methodology benefiting around 4,400 trainees annually.
- More than 930 MSME have committed partnering with the project to provide in-plant training and give industry exposure to the ITI trainees.
- 50 plus Online Industry Expert sessions conducted for ITI Instructors from the Dual VET project.

To further to strengthen the Educational pillar a Joint Declaration of Intent with the Ministry of Skill Development and Entrepreneurship, Government of India (MSDE), the Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany (BMZ) was signed, under the "Skills for Sustainable Growth" umbrella.

From Left to right Joe Kaeser, Sunil Mathur, Dr. K. P. Krishnan and Norbert Barthle.

The objective is to create framework conditions for high-quality training in India based on the German Dual VET model. The new project will be rolled-out starting mid-2021 under "Indo-German Initiative for Technical Education".

### STEM (Science, Technology, Engineering and Mathematics) in schools

The project promotes curiosity-based learning and generates interest in Science, Technology, Engineering and Mathematics. Series of STEM trainings were conducted for the science and mathematics teachers from the government schools with a focus on pedagogy as well as sessions on usage of STEM kits as effective learning aids.

## Highlights

- Scaled to 8 locations in Mumbai, Thane, Navi Mumbai, Pune, Aurangabad, Palghar, Goa and Kolkata
- Intensive teachers training on pedagogy and STEM Kits benefiting 20,000+ students across 113 schools.
- Science fair conducted in multiple schools to nurture the scientific temper.

### Research and University Collaboration

### Smart Manufacturing Program 'SAMRATH' Smart Advanced Manufacturing and Rapid Transformation Hubs of Department of Heavy Industry (DHI) with Central Manufacturing Technology Institute (CMTI) in Bengaluru

Siemens and CMTI will jointly work to develop Industrial Internet of Things (IIoT) / Industry 4.0 enabled 'Digital Twin based availability-based prediction for Motor, Spindle, Feed Drive system and Automated Guided Vehicle for Machine Tools'.

The program aims to build capacities at CMTI for Indian manufacturing industries encompassing Machinery OEMs,

Sub-System developers, Users, Component manufacturers, Solution developers, startups and so on to explore, experience, experiment, evaluate and adopt Smart Manufacturing / I 4.0 technologies with expert assistance from CMTI.

Micro Small and Medium Enterprises (MSMEs) in particular, will be benefitted from the CEFC (Common Engg Facilities Center) services to gear up for full scale I 4.0 based production and enhancing their global competitiveness. The setup will also provide research scholars affiliated with CMTI to undertake research projects in the field.

### Digital Transformation Lab at Indian Institute of Science (IISc)

Siemens is supporting long-term research & development through the concept of a Digital Transformation Lab at the IISc in Bengaluru. The new Lab has been fitted with a premium digital industry software suite. The lab will support the skilling of graduate and research students of the institution. Furthermore, the team from Siemens corporate technology will be involved to mentor the students in the field of digitalization.

## SOCIAL – Enhancing Living Conditions

### Enhancing living conditions through provision of water, healthcare, sanitation, education, energy, livelihood

### Project Asha

Project Asha aims at improving living conditions using inclusive and sustainable technology through integrated rural development.

The focus is on 57 villages of Mokhada, Palghar and 15 villages in Aurangabad Division in Maharashtra through interventions in education, healthcare, sanitation, water conservation, energy, livelihood and governance.

This year the main efforts have concentrated around livelihood. Livelihood has evolved since the project's inception, from single crop to multi cropping and now to food processing units. It has created an eco-system in the villages of Mokhada and Aurangabad. Due to the pandemic, some of the initiatives have had much more impact and have been adopted in a quicker way by the local communities.

Earlier villagers had to travel to the nearest town almost 25kms for flour making and wait in long queues for almost a day for their turn due to limited availability of flour mills. This year we introduced food processing units such as rice mill, flour mill & oil crushers. Self Help Groups (SHGs) were formed from the marginal and most vulnerable families and these groups are now managing the processing units. Due to the pandemic the processing units have been a big success and have been adopted in a quicker way by the local communities as people now have these facilities in the villages itself to make their rice or ragi flour or masala.

All SHGs have reported good earnings and this has also led to decrease in migration. 10 SHGs are supported with food processing units and sewing machines benefitting 176 families in Mokhada and 112 families supported through food processing units under 10 SHGs in Aurangabad.

The Project is implemented by 3 NGOs – Action Aid Association in Aurangabad Division and AROEHAN and BAIF with CTARA-IITB as technology partner at Mokhada.

To support the Project Asha communities a CR X-ray machine and printer have been provided to a dedicated COVID hospital in Palghar. This X-ray machine will later be transferred to Mokhada Rural Hospital.

**Mokhada Block, Palghar District**

The project focused on watershed development ensuring availability of drinking water and water for irrigation. Earlier the community relied on Paddy and Ragi crops, which was for mere consumption purpose. With the availability of water, vegetable cultivation in Kharif season has been introduced.

Farmers who were hesitant to try effective techniques in the traditional cropping pattern like paddy, millets among others are now experimenting floriculture and fruit orchards. Jasmine and sunflower plantations which was unheard of in the hilly terrain are now become cash crops leading to rise in income.

# Corporate Social Responsibility Report 2019-20

**Endeavors:**

- Besides watershed intervention, various livelihood activities and engagement with SHGs have been initiated in 25 new villages
- Continuous support to farmers for capacity building on improved farming techniques, consultation and agricultural support enabling farmers to get cash from crops for the first time and considerable decline in migration rates
- Health care and other diagnostics equipment installed for upgrading the efficiency and addressing the gaps of the four Primary Health Centres, which cover 83,000 people
- Siemens Sonography machines installed in Rural Hospitals (RH) leading to significant decline in the Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR)

**Achievements:**

- 984 acres of arable land brought under irrigation
- More than 103,5 million litres of rainwater harvested by creating 426 watershed structures benefiting people across 57 villages
- Clean drinking water made available to villages and Ashram schools. A total of 21 water filters have been installed leading to a reduction in water borne diseases by 80%
- An Ambulance had been commissioned and delivered to Mokhada Rural Hospital.

**Aurangabad Division**

Siemens has established a long-term commitment to 15 villages in Aurangabad and Jalna districts to support areas affected severely by drought since 2013 in Badnapur taluka, Aurangabad division along with Action Aid Association. The project aims to enhance living conditions of these villages through integrated development using sustainable and inclusive technology which is both scalable and replicable.

For the program to be inclusive, Goatry and Poultry has been introduced amongst the 91 landless families.

**Key endeavors and achievements:**

- Watershed development with a total of 78 water structures build and desilting of available water sources has made ~125.5 million litres of water available for drinking and agricultural purpose
- Availability of water has brought more than 524 acres of land under cultivation
- 30 farmers have been supported through Farmers support Centre created to supported with farming equipment's which help with agricultural activities
- Enhanced livelihood leading to 45% rise in income with significant decline in migration of 35%
- Capacity building of farmers with improved and effective farming techniques has increased crop production due to the use of drought resilient crops and diversification of crops into floriculture, vegetable crops, orchards. Including demo plots of chillies, tomato and drumstick.
- Sericulture, poultry and goat rearing have provided options for livelihood diversification and increased income levels
- Awareness campaigns on education have led to 100% enrolment rates in schools with significant reduction in dropout rates
- Trainings conducted for the panchayats to increase knowledge and awareness on governance, public distribution system, watershed program to facilitate access to basic entitlements during drought
- Water filters installed at 5 villages thereby providing clean drinking water to all
- Relief activities initiated to cater for the impact of the COVID-19 pandemic such as PPE distribution to ASHA workers, COVID awareness sessions, Cash for Work Programme as well as other livelihood support activities.

## Disaster Relief by providing urgently needed humanitarian aid after natural disasters

### Disaster Relief – Cyclone Amphan Relief at South 24 Parganas

Siemens has always helped communities affected by natural calamities. We provided immediate relief through Caritas India as part of our Catastrophe (CAT) Fund. We supported with 1230 temporary shelter kits benefitting around 6150 people in South 24 Parganas, West Bengal who amongst the corona crisis are suffering from the impact of Cyclone Amphan, which caused widespread damage.

## ENVIRONMENT – Resource Efficiency

### Combating Climate Change by increasing resource efficiency and reducing greenhouse emissions

### Energy Efficiency Program at Medical Institution

To address Climate Change action in the Sustainable Development Goals, Siemens partnered with Tata Medical Center (TMC), Kolkata to reduce the hospital's energy consumption by implementing facility improvement measures including an energy optimization program, automation of the air handling units and a central monitoring systems. In the first 6 months the hospital has optimized it energy consumption and reduced its electricity bill by ₹ 2.5 million. More savings will be visible in the coming months.

### Improving efficiency of Ozar-Sakora Gram Panchayat piped water supply

In partnership with Maharashtra Jeevan Pradhikaran and IIT Bombay, we started the work at Ozar-Sakora in 2019 with the electrification and automation of the existing piped water supply system. Scope of work included electrification of the pump houses, automation of the water treatment plant & distribution and implementation of Siemens' SIWA leak solution to detect leakages in the water pipeline on real time basis. The project will ensure equitable distribution of water to all the end beneficiary approximately 50,000 people by detecting 90% of the leakages as well as reducing on the Operation & Maintenance cost of the system and simplify the administration of the scheme.

#### Highlights

- Modernization of the existing system with Instrumentation and Automation
- Setup of a water control and monitoring system
- Saving millions of litres of water – by leveraging the new water leakage detection software to ensure real time leak detection

### Social Forestry

Social Forestry activity is being conducted in Mokhada and Aurangabad. Fruit bearing saplings are planted such as papaya, mango, cashew, drumstick and lemon are planted. The varieties are chosen such that mortality rate will be less in respective climatic conditions and would generate income for farmers in the long run thereby preserving the green cover and improve soil moisture. This year an additional 13,350 fruit bearing plants have been planted in Mokhada.

More details on the CSR Policy and projects are available on the Company's website as per the link given below:

https://sie.ag/3pfQDMG

# Corporate Social Responsibility Report 2019-20

**2. Composition of CSR Committee:**

a) Mr. Deepak S. Parekh – Chairman

b) Mr. Sunil Mathur - Member

c) Dr. Daniel Spindler – Member

d) Ms. Mariel von Schumann – Member

**3. Average net profits of the Company for last three financial years: ₹ 139,044 lakhs**

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 2,788 lakhs**

**5. Details of CSR spent during FY 2019-20:**

a) Total amount spent for the financial year: ₹ 2,790 lakhs

b) Amount unspent, if any: Nil

c) Way the amount was spent during the financial year is detailed below:

₹ in lakhs

| Sr. No. | CSR project or activity identified | Sector in which the Project is covered | Project or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken | Amount Outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Over-heads | Cumulative Expenditure upto the reporting period (as on 30.09.2020) | Amount spent: Direct or through Implementing agency |
|---|---|---|---|---|---|---|---|
| 1 | Project Asha | Eradication of hunger, poverty Rural Development project Ensuring environmental sustainability | 57 Villages of Mokhada, Palghar District in Maharashtra 15 villages of Aurangabad Division in Maharashtra | 327.23 75.00 | 327.23 75.00 | 1738.14 439.37 | Direct 7.10 Implementing Agency 320.13 Implementing Agency 75.00 |
| 2 | Siemens Scholarship Program | Promotion of education | Pan India | 357.58 | 357.58 | 2,268.54 | Direct 35.58 Implementing Agency 322.00 |
| 3 | Dual VET at Government ITIs | Promotion of education | Delhi, Maharashtra, Gujarat and West Bengal | 0.73 | 0.73 | 181.00 | Direct 0.73 |
| 4 | Dual Education for Management Students | Promotion of education | Mumbai, Bengaluru and Chennai | 43.29 | 43.29 | 157.88 | Implementing Agency 43.29 |
| 5 | STEM in Schools | Promotion of education | Mumbai, Thane, Navi Mumbai, Pune, Aurangabad, Palghar, Goa and Kolkata | 20.00 | 20.00 | 241.00 | Implementing Agency 20.00 |
| 6 | Energy Efficiency Program at Government Institutions | Ensuring environmental sustainability | Government General Hospital, Chennai Tata Medical Centre, Kolkata | 0.00 | 0.00 | 1,130.38 | Direct 0.00 |
| 7 | Disaster Relief | Eradicating poverty, promoting healthcare and sanitation | Flood affected communities of West Bengal | 0.00 | 0.00 | 153.24 | Implementing Agency 00.00 |
| 8 | University Collaboration – Ozar | Promotion of education, Contribution to research and development projects in STEM | Mumbai | 135.12 | 135.12 | 481.96 | Direct 135.12 |
| 9 | University Collaboration - CMTI | Promotion of education, Contribution to research and development projects in STEM | Bengaluru | 86.42 | 86.42 | 86.42 | Direct 86.42 |
| 10 | University Collaboration - IISc | Promotion of education, Contribution to research and development projects in STEM | Bengaluru | 180.00 | 180.00 | 180.00 | Direct 180.00 |

₹ in lakhs

| Sr. No. | CSR project or activity identified | Sector in which the Project is covered | Project or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken | Amount Outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Over-heads | Cumulative Expenditure upto the reporting period (as on 30.09.2020) | Amount spent: Direct or through Implementing agency |
|---|---|---|---|---|---|---|---|
| 11 | **COVID-19 Response** | Disaster management, Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care | | 1,431.88 | 1,431.88 | 1,431.88 | Direct 1,202.58 Implementing Agency 229.30 |
| 12 | **Sub total** | | | **2,657.25** | **2,657.25** | **8,489.81** | |
| | Administrative overheads (restricted to 5% of total CSR expenditure) | | | 132.86 | 132.86 | | |
| | **Total** | | | **2,790.11** | **2,790.11** | | |
| | **2% CSR spend required under the Act in FY20** | | | | **2,788.10** | | |
| | **Actual CSR spend in FY20** | | | | **2,790.11** | | |

**Details of implementing agencies:**

The implementing partners of the Company are: AROEHAN, Smile Foundation, ActionAid Association, BAIF, Oxfam India, Caritas India, Tata STRIVE and Indo German Training Centre. The Company has partnered with several State Directorates of Skill Development & Entrepreneurship, Government ITIs (Industrial Training Institutes), Central Manufacturing Technology Institute, Indian Institute of Science for skills and technology. The Company also partnered with IIT Bombay and Maharashtra Jeevan Pradhikaran for improving efficiency of Ozar-Sakora piped water supply scheme. The Company partnered with Indian Council of Medical Research, National Cancer Institute - Jhajjar, several State Governments and Government hospitals for COVID-19 response.

5. **Reasons for not spending the amount specified in 5 (b) above: Not Applicable**

6. **The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.**

On behalf of the Board of Directors

For **Siemens Limited**

**Deepak Parekh**
Chairman of CSR Committee
DIN: 00009078

**Sunil Mathur**
Managing Director and Chief Executive Officer
DIN: 02261944

Mumbai
Wednesday, 25th November 2020

Annexure VII to the Directors' Report

# Statement of Disclosure of Remuneration

Pursuant to Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. **Ratio of the remuneration of each Whole-time Director to the median remuneration of the employees of the Company for the Financial Year 2019-20, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2019-20:**

| Sr. No. | Name of Director / Key Managerial Personnel | Designation | Ratio of remuneration of each Director to median remuneration of employees | Percentage increase in Remuneration# |
|---|---|---|---|---|
| 1. | Mr. Sunil Mathur | Managing Director and Chief Executive Officer | 75:1 | 6% |
| 2. | Dr. Daniel Spindler | Executive Director and Chief Financial Officer | 34:1 | Not applicable |
| 3. | Mr. Ketan Thaker | Company Secretary | Not applicable | 17.5% |

# with effect from 1st January 2020

Notes:

(a) The Independent Directors / Non-executive Directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the Members. The Non-executive Directors of the Company (except Ms. von Schumann) have opted not to accept any sitting fees and commission. The details of remuneration of Non-executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for remuneration of Non-executive Directors is therefore not considered for the above purpose.

(b) Percentage increase in managerial remuneration indicates annual target total compensation increase, as approved by the Nomination and Remuneration Committee of the Company during the Financial Year 2019-20.

ii. The percentage increase in the median remuneration of employees for the Financial Year was 8%.

iii. The Company had 9,289 permanent employees on the rolls of the Company as on 30th September 2020.

iv. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 8% whereas the increase in the managerial remuneration was 6%. The average increase every year is an outcome of Company's market competitiveness as against its peer group companies. In keeping with the Company's reward philosophy and benchmarking results, the increase this year reflect the market practice.

v. It is hereby affirmed that the remuneration paid during the Financial Year 2019-20 is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors
For **Siemens Limited**

**Deepak S. Parekh**
Chairman
DIN: 00009078

Mumbai
Wednesday, 25th November 2020

## Annexure VIII to the Directors' Report

# Form No. AOC-2

Pursuant to clause (h) of sub–section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

**Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto:**

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Nil
2. **Details of material contracts or arrangements or transactions at arm's length basis:** Nil

On behalf of the Board of Directors
For **Siemens Limited**

**Deepak S. Parekh**
Chairman
DIN: 00009078

Mumbai
Wednesday, 25th November 2020

Annexure IX to the Directors' Report

# Particulars of Loans, Guarantees or Investments

Pursuant to Section 186(4) read with Section 134(3)(g) of the Act

**Particulars of Loans, Guarantees or Investments**

(₹ in million)

| Sr. No. | Nature of transaction (loans given / investments made / guarantees given / security provided) | Purpose for which loan / guarantees / security is proposed to be utilised by the recipient | As at 30.09.2020 | As at 30.09.2019 | Maximum outstanding during the year |
|---|---|---|---|---|---|
| 1. | **Loans and Advances:** | | | | |
| | Siemens Financial Services Private Limited | Working capital and general corporate purpose | 6,700 | 7,610 | 9,150 |
| | Siemens Factoring Private Limited | | 1,000 | 820 | 1,000 |
| | Siemens Technology and Services Private Limited | | 0 | 0 | 437 |
| | Siemens Industry Software (India) Private Limited | | 0 | 0 | 350 |
| 2. | **Investment:** | | | | |
| | Siemens Rail Automation Private Limited | Equity investment | 550 | 550 | Not Applicable |

On behalf of the Board of Directors
For **Siemens Limited**

**Deepak S. Parekh**
Chairman
DIN: 00009078

Mumbai
Wednesday, 25th November 2020

# Annexure X to the Directors' Report

# Form No. MR-3

Secretarial Audit Report

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER, 2020**

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

**SIEMENS LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Siemens Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 30th September, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended 30th September, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely

- The Air (Prevention & Control of Pollution) Act, 1981.
- Batteries (Management and Handling) Rules, 2001.
- Environment (Protection) Act, 1986.

# Form No. MR-3

Secretarial Audit Report

- Explosives Act, 1884.
- The Factories Act, 1948.
- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.
- The Industries (Development and Regulation) Act, 1951
- The Water (Prevention and Control of Pollution) Act, 1974

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda except in respect of meetings at shorter notice were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In respect of meeting at short notice, fact of convening Meeting at short notice was duly mentioned in notice convening Meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

(a) The Company has entered into definitive agreements for the acquisition of 99.22% (approx.) of the paid up Equity share capital of C&S Electric Limited from its Promoters, subject to receipt of requisite regulatory approvals and fulfillment of conditions precedent as agreed between the parties.

(b) The Board of Directors approved the sale and transfer of the Company's Mechanical Drives Business, to Flender Drives Private Limited, a subsidiary of Flender GmbH, which in turn is a subsidiary of Siemens AG, as a going concern on a slump sale basis, with effect from 1st January, 2021 subject to receipt of requisite statutory and regulatory approvals, as applicable and fulfillment of condition precedents as agreed between the parties, for a cash consideration of INR 4,400 million (Indian Rupees Four Thousand Four Hundred million), subject to adjustment for the change in net current assets and capital expenditure, subsequent to 30th June, 2020 upto the date of actual transfer of the MD Business.

**For Parikh Parekh & Associates**
Company Secretaries

**P. N. Parikh**
Partner
FCS No: 327 CP No: 1228
UDIN: F000327B001301066

Mumbai
Date: 25th November 2020

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

**'Annexure A'**

To,

The Members

**SIEMENS LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh Parekh & Associates**
Company Secretaries

**P. N. Parikh**
Partner
FCS No: 327 CP No: 1228
UDIN: F000327B001301066

Mumbai
Date: 25th November 2020

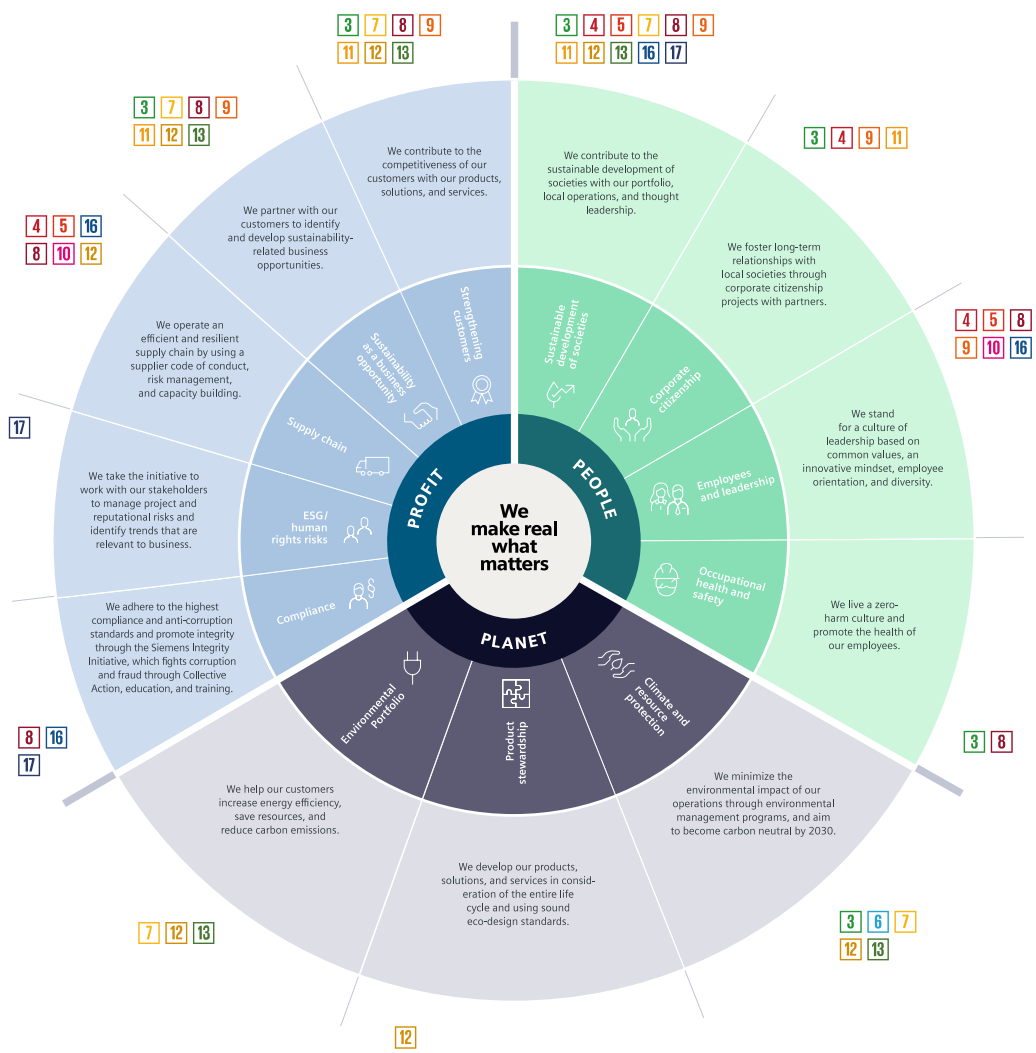
# Business Responsibility Report - Abstract

We define our purpose as our aspiration to provide innovations that improve quality of life and create value for people all over the world. We make real what matters. Serving society while doing successful and sustainable business is at the heart of Siemens' strategy. It's our Company's ultimate purpose. And every Siemens business will serve this purpose, for all our stakeholders – for investors, employees, customers, partners, and societies alike. The 17 Sustainable Development Goals (SDGs) set out in the United Nation's (UN) 2030 Agenda outline humanity's consensus on what constitutes progress. They're also our yardstick for measuring Siemens' impact on the world.

Sustainability at Siemens is a key enabler of our strategy program. We are guided by responsible business practices in our interactions with external and internal stakeholders. We are convinced that sustainability is a business opportunity, especially in the sense of energy and resource efficiency, and a key element for our aim to be the employer of choice. Responsible business practices are an essential part of corporate world.

The Siemens Business Responsibility Reporting (BRR) is the practice of setting standards, measuring, disclosing, and being accountable for organizational performance while working towards the goal of responsible and sustainable development. Siemens Limited is committed to acting responsibly to achieve economic, environmental and social progress and has policies against each principle which help achieve progress in business responsibility.

12 Siemens principles outline our societal impact in relation to SDGs



Our understanding of sustainability is fully based on our Company values – responsible, excellent and innovative. We define sustainable development as the means to achieve profitable and long-term growth. At Siemens we have a clear commitment to think and act in the interest of future generations, balancing People, Planet and Profit.

**Ethics, Transparency and Accountability**

Siemens holds the highest standards of integrity and behavior, ensuring compliance and adherence to the law and internal regulations through the Siemens Compliance System. Siemens has zero tolerance for corruption and violations of the principles of fair competition. Siemens has adopted the Business Conduct Guidelines (BCG), which details the minimum acceptable ethical and responsible business practices for employees, channel partners, suppliers, vendors, NGOs and contractors. The Company is committed to transparency and best practices which are also extended to suppliers through the Code of Conduct for suppliers.

This code warrants compliance with laws prohibiting child labour, taking responsibility for the health and safety of their employees and ensuring that suppliers act in accordance with applicable statutory and international standards regarding environmental protection. Similarly, all channel partners are covered through Code of Conduct for Channel Partners.

The communication of the code of conduct is done on a regular basis. TELL US, the whistleblower hotline, further demonstrates our commitment to compliance.

**Sustainable Products and Services**

Siemens' technical expertise, comprehensive portfolio and long-standing experience are helping to pioneer a sustainable future across the globe. Advanced algorithms, high-powered computing, better connectivity and cloud storage all facilitate the emergence of smart systems. Knowing how to leverage the respective opportunities, however, requires a unique set of skills.

Siemens has the engineering, domain and digital know-how to generate performance improvements across the entire value chain, from design to production and operations to maintenance. Siemens through efforts such as strict Code of Conduct, External Sustainability Audits (ESA) for Suppliers and an efficient Vendor Monitoring system, ensures sustainability throughout the value chain. 80% of materials sourced from third party suppliers were procured within the boundary of India out of which 34% were sourced from Micro, Small and Medium Enterprises (MSMEs).

Among the highlights are three of our solution that has led to reduction of use of resources during production and during operation:

Process bus technology, Modernization and upgrades of existing power plants as a lever for Decarbonization, Electrical solutions for High Horse Power E-Loco.

**Wellbeing of Employees**

Siemens being a responsible company is committed to wellbeing of its employees. Siemens Health Management provides occupational health services at its centres at all offices & sites across India, along with emergency medical services.

Siemens supports collective bargaining. Through continual dialogue with associations the Company strives to maintain cordial relationships with employees and work towards their welfare. Siemens has a governance structure in place to address complaints related to child labour, forced labour, involuntary labour and discrimination or harassment of any kind. There is a separate committee to address complaints regarding sexual harassment. The chairperson of this committee is a senior woman employee.

**Responsiveness to all Stakeholders**

Siemens has mapped investors, employees, customers, suppliers, business partners and civil society organizations as stakeholders. The Company engages with permanent employees through engagement surveys and periodic worker settlement reviews. The external stakeholders are engaged through defined activities such as customer events, supplier and channel partner meet and Small and Medium Enterprises (SME) training.

# Business Responsibility Report - Abstract

The marginalized and disadvantaged communities whose welfare Siemens works towards include, tribal communities, less privileged youth, students from low-socio economic background, women who are underserved from healthcare facilities and future workers in the unorganized sector. Siemens's CSR portfolio effectively addresses these issues through its various projects.

**Protection of Human Rights**

Siemens respects human rights. The BCG are in line with the UN Human Rights Declaration, European Human Rights Convention as well as ILO Principles. All suppliers, vendors, channel partners and other business partners associated with the Company have to commit to the Siemens Code of Conduct which incorporates principles of Human Rights.

Process Bus technology enables the replacement of parallel wiring with copper cables between the control room and switchyard with fiber optic connections for data exchange based on Ethernet.

**Protection of Environment**

Siemens' commitment towards clean technology and energy efficiency is not limited to the design of new products but extends to the manufacturing plants as well. The initiatives this year were mainly centered over Energy Conservation, Water Conservation and Waste Management. In addition to the initiatives which continued from the last year, further 28 new initiatives were implemented in the financial year 2020 for Energy Conservation that culminated in a total savings of 1,285 MWh of electricity and reduction of 1,053 tonnes of CO2.

**Public Policy Engagement**

Siemens influences affirmative sustainability actions and enables technology through sharing of best practices. Through membership with trade and industry associations, the Company has advocated on standardization in technical regulation, e-mobility and infrastructure (chargers), renewable energy, energy storage, distributed energy systems, smart grids and digitalization, business ethics and skill development. The Company continuously makes efforts to further contribute on specific sustainable business issues.

**Inclusive Growth and Equitable Development**

Siemens CSR policy is governed by the Corporate Citizenship Strategy which focuses on integrating community development issues with business strategies to leverage the Company's core competencies while addressing community needs. The policy has seven focus areas under three main pillars – Education, Environment and Social under which various initiatives are undertaken by the Company.

**Customer Satisfaction**

As per well-established practice, Siemens measures customer satisfaction every year across all sectors based on uniform and harmonized Net Promoter Score (NPS) methodology. However, the survey was cancelled this year due to the COVID-19 pandemic. The survey is planned to resume in FY 2020-21.

In light of the green initiative full text of the Business Responsibility Report 2019-20 can be accessed at https://new.siemens.com/in/en/company/investor-relations/annual-reports.html.

Omnivise Fleet Management enables easier interfacing with core business systems and makes it possible to centrally monitor, diagnose and manage assets, not just on machine or plant level, but across an entire fleet.

# INDEPENDENT AUDITORS' REPORT
## Siemens Limited

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of Siemens Limited ("the Company"), which comprise the standalone balance sheet as at 30 September 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 30 September 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| The key audit matters | How the matter was addressed in our audit |
|---|---|
| **Revenue recognition on construction contracts** | |
| A significant portion of the Company's business is from construction contracts, where revenue is recognized under the percentage-of-completion method, based on the percentage of costs incurred to date compared to the total estimated contract costs. (Refer note 32 and 41 to the standalone financial statements).<br><br>We identified revenue recognition on construction contracts as a key audit matter, since: -<br><br>• There is an inherent risk and presumed risk of fraud around the accuracy of revenues recognised considering the customized and complex nature of these contracts and significant inputs of IT systems.<br><br>• Application of Ind AS 115 Revenue from Contracts with customers is complex and involves a number of significant judgements and estimates. These relate to identifying performance obligations, transaction price, estimating the balance cost-to-complete the contract and determining the percentage of completion of the relevant performance obligation. | As part of our audit, we obtained an understanding of the Company's systems, processes, policies and controls for construction contracts.<br><br>Obtained an understanding of business processes specific to construction contracts, from its initiation through presentation in the standalone financial statements and tested the operating effectiveness of key controls over these processes.<br><br>As part of our substantive audit procedures, we evaluated Company's estimates and assumptions based on risk-based selection of sample contracts. Our audit procedures included, among others, test of the contracts including terms and conditions, termination rights, penalties for delay and breach of contract as well as liquidated damages.<br><br>Evaluated revenues recognized for the selected projects, analyzed billable revenues and cost of sales to be recognized in the statement of profit and loss to the extent of progress towards completion.<br><br>Performed inquiries with respect to the development of the budgeted project costs, deviations between planned and actual costs, the estimated costs to complete, and Company's assessments on probabilities related to contract risks.<br><br>Performed a retrospective analysis of costs incurred with planned costs to identify significant variations and if these are considered in estimating the planned cost and balance costs to complete. |

**Key Audit Matters *(Continued)***

| The key audit matters | How the matter was addressed in our audit |
|---|---|
| • These contracts may involve onerous obligations which require critical assessment of provision for foreseeable losses to be made by the Company.<br>• At year-end, a significant amount of work-in-progress (contract assets) related to these contracts is recognised on the balance sheet. | We have involved our Information Technology (IT) specialists to assess the design and operating effectiveness of key IT controls over:<br>• IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls over computation of revenue recognised.<br>• Tested the IT controls for mathematical accuracy of cost and revenue reports generated by the system.<br>• Tested the access and application controls on allocation of resources and budgeting systems. |
| **Litigations and claims** | |
| The Company operates in various States within India, exposing it to a variety of different Central and State laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigations and claims. Consequently, provisions and contingent liability disclosures may arise from direct and indirect tax proceedings, legal proceedings, including regulatory and other government/ department proceedings, as well as investigations by authorities and commercial claims. (Refer note 38 (b) and 40 for details of Company's contingent liabilities as at 30 September 2020).<br>The Company applies significant judgment in estimating the likelihood of the future outcome in each case when considering how much to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the highly complex nature and magnitude of the legal matters involved and resolution of litigation and claims proceedings may span over multiple years and may involve protracted negotiation or litigation.<br>Given the inherent complexity and magnitude of potential exposures across the Company and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter. | Our procedures included the following substantive procedures: -<br>• Obtained an understanding of key litigations and claims during the year.<br>• Analysed status of litigations and claims based on correspondence between the Company and the various tax/ legal authorities and legal opinions obtained by the Company.<br>• Tested completeness of litigations and claims recorded by examining the Company's legal expenses, circulating legal confirmations and minutes of board meetings.<br>• With respect to tax matters, involved internal tax specialists to assess the Company's assumptions in estimating the possible outcome of the disputed cases by considering legal precedence and other judicial rulings.<br>• Assessed and tested the presentation and disclosures relating to these litigations. |

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's and Board of Directors' Responsibility for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements *(Continued)***

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 30 September 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 30 September 2020 from being appointed as a director in terms of section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at 30 September 2020 on its financial position in its standalone financial statements - refer Note 38(b) to the standalone financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- refer Note 40 and 49 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 30 September 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

**Farhad Bamji**
Partner
Membership No. 105234
ICAI UDIN: 20105234AAAACG7815

Place of Signature: Mumbai
Date: 25 November 2020

# Annexure A to the Independent Auditors' report on the standalone financial statements of Siemens Limited for the year ended 30 September 2020.

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 30 September 2020, we report the following:

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 program of physical verification of its fixed assets by which its fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets. However, as represented by the management, the Company has not carried out the activity of physical verification of fixed assets planned for the current year due to COVID-19 pandemic. Accordingly, we are not able to comment upon discrepancies noted, if any.

(c) According to the information and explanations given to us, the title deeds of immovable properties of land and buildings as disclosed in Note 3 and 4 to the Standalone Financial Statements, are held in the name of the Company.

ii. The inventory, except for goods-in-transit and with third party, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties, these have been substantially confirmed by them.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186 of the Companies Act, 2013 in respect of loans given, investments made, guarantees and securities given.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the records maintained by the Company pursuant for maintenance of cost records under Section 148 (1) of the Act, for maintenance of cost records in respect of products manufactured by the Company, and are of opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees State Insurance, Income tax, Goods and Service tax, duty of Customs, Cess and other statutory dues, as applicable have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, duty of Customs, Cess and other material statutory dues were in arrears as at 30 September 2020, for a period of more than six months from the date they became payable.

According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Value added tax, Service tax, Goods and Service tax, duty of Customs, duty of Excise which have not been deposited with the appropriate authorities on account of any disputes, except for the following:

| Name of the Statute | Nature of dues | Amount (₹ in millions) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Central Excise Act, 1944 & Service Tax | Duty, Penalty | 10 | 2003-11 | Asst. Comm / Dy. Comm / Comm / Comm(Appeals) |
| | | 285 | 1988-00 and 2003-13 | Tribunal |
| State & Central Sales Tax Acts | Tax, Interest & Penalty | 398 | 1967-69, 1970-71, 1972-73, 1987-90, 1995-97, 1998-01 and 2005-18 | Assistant/Additional Commissioner |
| | | 988 | 1992-93,1995-97 and 1999-18 | Dy. Comm / Comm / Joint / Spl. Comm |
| | | 2,529 | 1972-78,1991-92, 1993-94 and 1995-16 | Tribunal |
| | | 2,150 | 1984-85,1989-91,2001 -07, 2009-13 and 2016-17 | High Court |
| Goods and Service Tax Act, 2017 | Tax & Interest | 42 | 2018-20 | Dy. Comm / Comm / Joint / Spl. Comm |
| Custom Act,1962 | Duty | 120 | 1998-99 | High Court |
| | | 197 | 2003-08 | High Court |
| | | 7 | 2003-08 | Tribunal |
| Income Tax Act,1961 | Income Tax | 275 | 2005-06, 2008-09, 2010-11 and 2012-13 | CIT (Appeal) |
| | | 2,293 | 2008-15 | Tribunal |

viii. According to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3 (viii) of the Order is not applicable to the Company.

ix. According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us and based on our examination of the records, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

**For B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

**Farhad Bamji**
Partner
Membership No. 105234
ICAI UDIN: 20105234AAAACG7815

Place of Signature: Mumbai
Date: 25 November 2020

# Annexure B to the Independent Auditors' report on the standalone financial statements of Siemens Limited for the year ended 30 September 2020.

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Siemens Limited ("the Company") as of 30 September 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 30 September 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

**Meaning of Internal Financial controls with Reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised

acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

**Farhad Bamji**
Partner
Membership No. 105234
ICAI UDIN: 20105234AAAACG7815

Place of Signature: Mumbai
Date: 25 November 2020

# Balance Sheet
# as at 30 September 2020
# (Currency: Indian rupees millions)

| | Notes | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | **9,783** | 11,888 |
| Capital work-in-progress | | **880** | 583 |
| Right-of-Use assets | 42 | **1,860** | - |
| Investment property | 4 | **1** | 1 |
| Intangible assets | 5 | **7** | 15 |
| Financial assets | | | |
| - Investments | 6 | **550** | 550 |
| - Trade receivables | 7 | **824** | 673 |
| - Loans | 8 | **5,060** | 1,228 |
| - Other financial assets | 9 | **446** | 525 |
| Deferred tax assets (net) | 10 | **2,481** | 2,410 |
| Income tax assets (net) | 11 | **6,608** | 6,623 |
| Other non-current assets | 12 | **3,025** | 3,519 |
| | | **31,525** | 28,015 |
| **Current assets** | | | |
| Inventories | 13 | **11,064** | 10,950 |
| Financial assets | | | |
| - Trade receivables | 14 | **31,239** | 38,089 |
| - Cash and cash equivalents | 15 | **18,311** | 7,101 |
| - Other bank balances | 16 | **37,206** | 41,812 |
| - Loans | 17 | **2,722** | 7,285 |
| - Other financial assets | 18 | **2,748** | 2,897 |
| Contract assets | 19 | **13,107** | 13,568 |
| Other current assets | 20 | **2,809** | 2,387 |
| | | **119,206** | 124,089 |
| Asset classified as held for sale | 53 | **5,925** | - |
| **TOTAL** | | **156,656** | 152,104 |

# Balance Sheet
# as at 30 September 2020 *(Continued)*
# (Currency: Indian rupees millions)

| | Notes | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 21 | **712** | 712 |
| Other equity | | **94,028** | 89,724 |
| | | **94,740** | 90,436 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| - Trade payables | | | |
| Total outstanding dues of creditors other than micro and small enterprises | | **157** | 17 |
| - Lease Liabilities | | **1,196** | - |
| - Other financial liabilities | 24 | **416** | 322 |
| Long term provisions | 25 | **3,270** | 2,636 |
| Other non-current liabilities | 26 | **31** | 135 |
| | | **5,070** | 3,110 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| - Trade payables | | | |
| Total outstanding dues of micro and small enterprises | 47 | **1,393** | 2,116 |
| Total outstanding dues of creditors other than micro and small enterprises | | **26,340** | 30,774 |
| - Lease Liabilities | | **861** | - |
| - Other financial liabilities | 27 | **2,584** | 3,277 |
| Contract liabilities | 28 | **13,653** | 11,710 |
| Current tax liabilities (net) | 29 | **130** | 468 |
| Other current liabilities | 30 | **1,217** | 1,113 |
| Short term provisions | 31 | **8,681** | 9,100 |
| | | **54,859** | 58,558 |
| Liabilities classified as held for sale | 53 | **1,987** | - |
| **TOTAL** | | **156,656** | 152,104 |
| **Significant accounting policies** | 1 | | |

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

As per our report of even date

**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number:- 101248W/W-100022

**Farhad Bamji**
Partner
Membership No: 105234

Mumbai
Date: 25 November 2020

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

**Deepak S. Parekh**
*Chairman*
DIN: 00009078

**Sunil Mathur**
*Managing Director and Chief Executive Officer*
DIN: 02261944

**Daniel Spindler**
*Executive Director and Chief Financial Officer*
DIN: 08533833

**Yezdi H. Malegam**
*Director and Chairman of Audit Committee*
DIN: 00092017

**Ketan Thaker**
*Company Secretary*
ACS No. 16250

Mumbai / Jamnagar
Date: 25 November 2020

# Statement of Profit and Loss for the year ended 30 September 2020 (Currency: Indian rupees millions)

| | Notes | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 32 | **98,694** | 130,005 |
| Other income | 33 | **3,099** | 3,940 |
| **Total income** | | **101,793** | 133,945 |
| **Expenses** | | | |
| Raw materials consumed | | **17,762** | 25,193 |
| Purchase of traded goods | | **21,637** | 31,326 |
| Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods | | **1,054** | (498) |
| Project bought outs and other direct costs | 34 | **22,754** | 31,540 |
| Employee benefits expense (refer note 55) | 35 | **15,404** | 15,475 |
| Finance costs | 36 | **292** | 112 |
| Depreciation and amortisation expense (refer note 55) | 3, 4, 5 & 42 | **2,504** | 1,980 |
| Other expenses (refer note 55) | 37 | **10,180** | 11,854 |
| **Total expenses** | | **91,587** | 116,982 |
| **Profit before tax** | | **10,206** | 16,963 |
| **Tax expense** | | | |
| Current tax | 10 | **(2,668)** | (5,345) |
| Deferred tax credit / (expense) | 10 | **36** | (387) |
| **Total tax expense** | | **(2,632)** | (5,732) |
| **Profit for the year ended from continuing operations** | | **7,574** | 11,231 |
| ***Discontinued operations:*** | | | |
| Loss before tax from discontinued operations | 53 | **(13)** | (547) |
| Tax credit / (expense) on discontinued operations | 53 | **4** | 185 |
| **Loss after tax from discontinued operations** | | **(9)** | (362) |
| **Profit / (loss) for the year ended** | | **7,565** | 10,869 |

# Statement of Profit and Loss
# for the year ended 30 September 2020 *(Continued)*
# (Currency: Indian rupees millions)

| | Notes | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **Other comprehensive income** | | | |
| ***Items that will not be reclassified to profit or loss*** | | | |
| Re-measurement gains / (losses) on defined benefit plans | | **(371)** | (667) |
| Income tax effect | | **93** | 168 |
| ***Items that will be reclassified to profit or loss*** | | | |
| Fair value changes on derivative designated as cash flow hedge reserve, net | | **149** | 23 |
| Income tax effect | | **(38)** | (6) |
| **Total other comprehensive income for the year, net of tax** | | **(167)** | (482) |
| **Total comprehensive income for the year (Comprising profit and other comprehensive income for the year)** | | **7,398** | 10,387 |
| **Basic and diluted earnings per share (in ₹) (refer note 46)** | | | |
| (Equity shares of face value of ₹ 2 each) | | | |
| (i) Earnings per share from continuing operations | | **21.27** | 31.54 |
| (ii) Earnings per share from discontinued operations | | **(0.03)** | (1.02) |
| (iii) Earnings per share from total operations | | **21.24** | 30.52 |
| **Significant accounting policies** | 1 | | |

**The accompanying notes are an integral part of the financials statements.**

As per our report of even date

**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number:- 101248W/W-100022

**Farhad Bamji**
Partner
Membership No: 105234

Mumbai
Date: 25 November 2020

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

**Deepak S. Parekh**
*Chairman*
DIN: 00009078

**Sunil Mathur**
*Managing Director and Chief Executive Officer*
DIN: 02261944

**Daniel Spindler**
*Executive Director and Chief Financial Officer*
DIN: 08533833

**Yezdi H. Malegam**
*Director and Chairman of Audit Committee*
DIN: 00092017

**Ketan Thaker**
*Company Secretary*
ACS No. 16250

Mumbai / Jamnagar
Date: 25 November 2020

# Cash Flow Statement
# for the year ended 30 September 2020
# (Currency: Indian rupees millions)

| | Notes | Sept 2020 | Sept 2019 |
|---|---|---|---|
| ***Cash flow from operating activities*** | | | |
| Profit before tax from continuing operations | | **10,206** | 16,963 |
| Loss before tax from discontinued operations | | **(13)** | (547) |
| **Adjustments for:** | | | |
| Finance costs | 36 | **292** | 112 |
| Bad debts | 37 | **148** | 75 |
| Provision for doubtful debts / advances, net | 37 | **324** | 384 |
| Depreciation and amortisation expense | 3, 4, 5 & 42 | **2,504** | 1,980 |
| (Profit) / loss on sale of assets, net | 33 | **(2)** | (505) |
| Liabilities written back | 32 | **(135)** | (86) |
| Unrealised exchange loss / (gain), net | | **724** | (1,197) |
| Interest income | 33 | **(2,915)** | (3,375) |
| **Operating profit before working capital changes** | | **11,133** | 13,805 |
| | | | |
| **Working capital adjustments** | | | |
| (Increase) / decrease in inventories | | **(114)** | 438 |
| (Increase) / decrease in trade and other receivables | | **994** | (701) |
| Increase / (decrease) in trade payables and other liabilities | | **(2,150)** | 4,648 |
| Increase / (decrease) in provisions | | **(156)** | 57 |
| **Net change in working capital** | | **(1,426)** | 4,442 |
| | | | |
| **Cash generated from operations** | | **9,707** | 18,246 |
| Direct taxes paid, net | | **(2,942)** | (6,130) |
| **Net cash generated from operating activities** | | **6,765** | 12,116 |
| | | | |
| ***Cash flow from investing activities*** | | | |
| Purchase of property, plant and equipments and investment property | | **(172)** | (1,002) |
| Proceeds from sale of property, plant and equipments and investment property | | **74** | 861 |
| Interest received | | **3,057** | 3,333 |
| Inter corporate deposits given | | **(7,752)** | (9,427) |
| Refund of inter corporate deposits given | | **8,482** | 9,662 |
| Deposits (with original maturity more than 3 months) with banks matured / (placed) | | **4,600** | (13,751) |
| **Net cash generated / (used) from investing activities** | | **8,289** | (10,324) |

# Cash Flow Statement
# for the year ended 30 September 2020 *(Continued)*
# (Currency: Indian rupees millions)

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| ***Cash flow from financing activities*** | | |
| Interest paid | **(128)** | (107) |
| Payment of Principal of lease liabilities | **(540)** | - |
| Payment of interest of lease liabilities | **(174)** | - |
| Dividend paid (including tax thereon) | **(3,005)** | (3,005) |
| **Net cash used in financing activities** | **(3,847)** | (3,112) |
| | | |
| **Net increase / (decrease) in cash and cash equivalents** | **11,207** | (1,320) |
| **Cash and cash equivalents at beginning of the year** | **7,101** | 8,432 |
| **Effect of exchange gain / (loss) on cash and cash equivalents** | **3** | (11) |
| **Cash and cash equivalents at the end of the year (refer note 15)** | **18,311** | 7,101 |

The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 - Statement of Cash Flows.

**Significant accounting policies** 1

**The accompanying notes are an integral part of the financials statements.**

As per our report of even date

**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number:- 101248W/W-100022

**Farhad Bamji**
Partner
Membership No: 105234

Mumbai
Date: 25 November 2020

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

**Deepak S. Parekh**
*Chairman*
DIN: 00009078

**Sunil Mathur**
*Managing Director and Chief Executive Officer*
DIN: 02261944

**Daniel Spindler**
*Executive Director and Chief Financial Officer*
DIN: 08533833

**Yezdi H. Malegam**
*Director and Chairman of Audit Committee*
DIN: 00092017

**Ketan Thaker**
*Company Secretary*
ACS No. 16250

Mumbai / Jamnagar
Date: 25 November 2020

# Statement of Changes in Equity as at 30 September 2020 (Currency: Indian rupees millions)

**A Equity share capital**

| | Amount |
|---|---|
| As at 30 September 2018 | 712 |
| Changes in equity share capital | - |
| As at 30 September 2019 | 712 |
| Changes in equity share capital | - |
| **As at 30 September 2020** | **712** |

**B Other equity**

| | Reserves and Surplus | | | | | | Other comprehensive income | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities premium | Amalgamation reserve | Capital redemption reserve | General reserve | Retained earnings | Cash flow hedging reserve | | |
| **Balance as at 30 September 2018** | **538** | **1,567** | **56** | * | **31,503** | **48,665** | **7** | **82,342** | ** |
| Profit for the year | - | - | - | - | - | 10,869 | (7) | **10,869** | |
| Other comprehensive income (net of tax) | - | - | - | - | - | (499) | 17 | **(482)** | |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **-** | **10,370** | **10** | **10,387** | |
| Dividend paid | - | - | - | - | - | (2,493) | - | **(2,493)** | |
| Tax on dividend paid | - | - | - | - | - | (512) | - | **(512)** | |
| **Balance as at 30 September 2019** | **538** | **1,567** | **56** | * | **31,503** | **56,030** | **17** | **89,724** | ** |
| Impact of IND AS 116 (refer note 42) | - | - | - | - | - | (72) | - | **(72)** | |
| **Restated balance as at 1 October 2019** | **538** | **1,567** | **56** | * | **31,503** | **55,958** | **17** | **89,651** | ** |
| Profit for the year | **-** | **-** | **-** | **-** | **-** | 7,565 | (17) | **7,548** | |
| Other comprehensive income (net of tax) | **-** | **-** | **-** | **-** | **-** | (278) | 111 | **(167)** | |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **-** | **7,287** | **94** | **7,381** | |
| Dividend paid | **-** | **-** | **-** | **-** | **-** | (2,493) | - | **(2,493)** | |
| Tax on dividend paid | **-** | **-** | **-** | **-** | **-** | (512) | - | **(512)** | |
| **Balance as at 30 September 2020** | **538** | **1,567** | **56** | * | **31,503** | **60,240** | **111** | **94,028** | ** |

* denotes figures less than a million

** Transferred to exchange loss / (gains) in Statement of Profit & Loss

**Significant accounting policies** 1

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

As per our report of even date

**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number:- 101248W/W-100022

**Farhad Bamji**
Partner
Membership No: 105234

Mumbai
Date: 25 November 2020

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

**Deepak S. Parekh**
*Chairman*
DIN: 00009078

**Sunil Mathur**
*Managing Director and Chief Executive Officer*
DIN: 02261944

**Daniel Spindler**
*Executive Director and Chief Financial Officer*
DIN: 08533833

**Yezdi H. Malegam**
*Director and Chairman of Audit Committee*
DIN: 00092017

**Ketan Thaker**
*Company Secretary*
ACS No. 16250

Mumbai / Jamnagar
Date: 25 November 2020

# Notes to the financial statements for the year ended 30 September 2019 (Currency: Indian rupees millions)

***Corporate information***

Siemens Limited ("The Company") is a public company domiciled in India with its registered office at Birla Aurora, Level 21, Plot No. 1080 Dr. Annie Besant Road, Worli Mumbai – 400030. The Company is listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

The Company offers products, integrated solutions for industrial applications for manufacturing industries, drives for process industries, intelligent infrastructure and buildings, efficient and clean power generation from fossil fuels and oil & gas applications, transmission and distribution of electrical energy for passenger and freight transportation, including rail vehicles, rail automation and rail electrification systems.

***1. Significant accounting policies***

***1.1 Basis of preparation of financial statements***

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Companies Act.

The financial statements have been prepared and presented under the historical cost convention, except for derivative instruments, defined benefit plans and certain other financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The accounting policies adopted in the preparation of financial statements are consistent for all the periods presented except for the following:

The Company has adopted Ind AS 116 'Leases' with effect from 1 October 2019 using modified retrospective approach. The impact on account of application of Ind AS 116 has been adjusted from retained earnings as at 1 October 2019. The comparative financial information for lease and related items for the corresponding year ended 30 September 2019 included in these financial statements, are based on previously issued financial statements prepared in accordance with Ind AS by the Company. Accordingly, the comparative information for lease and related items for the corresponding year ended 30 September 2019 may not be comparable to the lease and related items for the year ended 30 September 2020.

The financial statements are presented in INR, which is the functional currency and all values are rounded to the nearest million (INR 1,000,000), except when otherwise indicated.

The financial statements were authorised for issue in accordance with a resolution of Board of directors on 25 November 2020.

***1.2 Current versus non-current classification***

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle. Based on the nature of business and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

***1.3 Property, plant and equipment***

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing assets beyond its previously assessed standard of performance.

***1.3 Property, plant and equipment (Continued)***

Depreciation on property, plant and equipment is provided on a straight-line basis over the useful lives of assets estimated by the management, taking into account the nature of the asset on technical evaluation of the useful life, which may not necessarily be in alignment with the indicative useful lives prescribed by Schedule II to the Companies Act, 2013. The following useful lives are considered:

| Assets | Estimated useful lives |
|---|---|
| **Land** | |
| - Freehold | - |
| **Buildings** | |
| - Factory buildings | 30 years |
| - Other buildings | 50 years |
| - Roads | 10 years |
| - Leasehold improvements | Over the lease period |
| **Plant and equipment** | 3 – 20 years |
| **Furniture and fixtures** | 5 years |
| **Office equipment** | |
| - Computers | 3 years |
| - Hardware, mainframes and servers | 5 years |
| - Other office equipment | 3 - 5 years |
| **Vehicles** | 4 years |

If significant parts of property, plant and equipment have different useful lives, then they are accounted as separate items (major components) of property, plant and equipment.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their carrying value and estimated net realizable value and are disclosed separately in the financial statements. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and loss account.

Capital work-in-progress includes the cost of property, plant and equipment that are not ready for intended use at the balance sheet date.

***1.4 Intangible assets***

Intangible assets comprises of software and technical know-how. Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment losses, if any. These intangible assets are amortised on a 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:

| Assets | Estimated useful lives |
|---|---|
| Software | 3 - 5 years |
| Technical know-how | 5 - 10 years |

***1.5 Investment property***

Investments in land or buildings (including property under construction) which are held to earn rentals and/or for capital appreciation are classified as investment property. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price and borrowing costs, if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use.

***1.5 Investment property (Continued)***

Depreciation on investment property is provided on a straight-line basis over the useful lives of assets estimated by the management. Such classes of investment properties and their estimated useful lives are as under:

| Assets | Estimated useful lives |
|---|---|
| **Land** | |
| - Freehold land | - |
| **Factory Buildings** | 30 years |

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. On disposal of an investment property, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

**1.6 Revenue recognition**

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue are stated exclusive of goods and service tax and net of trade and quantity discount.

Revenue from sale of products is recognised on transfer of control of the products to the customers, which is usually on dispatch of goods.

When the outcome of a construction contract can be estimated reliably, revenue from construction contracts are recognized under the percentage-of-completion method, based on the percentage of costs incurred to date compared to the total estimated contract costs. An expected loss on the construction contract is recognized as an expense immediately. Contract revenue earned in excess of billing has been reflected as "Contract assets" and billing in excess of contract revenue has been reflected under "Contract liabilities" in the balance sheet.

Revenue from services represents service income other than from services which are incidental to sale of products and projects. Revenue from services is recognised as per the terms of the contract with the customer using the proportionate completion method. Revenue from services rendered over a period of time, such as annual maintenance contracts, are recognized on straight line basis over the period of the performance obligation.

Commission income is recognised as and when the terms of the contract are fulfilled alongwith the proof of shipment is received from the supplier.

Export incentives receivable are accrued for, when the right to receive the credit is established and there is no significant uncertainty regarding the realisability of the incentive.

Rental income arising from operating leases is accounted on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit and Loss due to its operating nature.

***1.7 Inventories***

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

Raw materials, work-in-progress, finished goods and traded goods are carried at the lower of cost and net realisable value. Cost is determined on the basis of the weighted average method.

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.

***1.8 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 are recognised in the period in which the employee renders the related service.

**(b) Post-employment and other long-term benefits**

**(i) Defined Contribution Plans:** The Company's approved superannuation scheme and employee state insurance scheme are defined contribution plans. The Company's contribution 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.

***1.8 Employee benefits (Continued)***

**(ii) Defined Benefit Plans and other Long Term Benefits:** The Company's gratuity, pension, medical benefit and and retirement gift schemes are defined benefit plans. Leave wages, retention bonus, 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. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Provident fund has been considered as a defined benefit plan since any additional obligations on account of investment risk and interest rate risk are required to be met by the Company.

Incase of defined benefit plans, remeasurement comprising of actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (wherever applicable) is recognized in Other Comprehensive Income (OCI) and is reflected in retained earnings and is not eligible to be reclassified to profit or loss. In case of other long term benefits, all remeasurements including actuarial gain or loss are charged to Statement of Profit and Loss.

The Company recognises following items in the net defined benefit obligation as an expense in Statement of Profit and Loss:

- Service cost including current service cost, past service cost and gains and losses on curtailments and settlements; and
- Net interest expense or income.

Provision for leave wages, pension, medical benefit, retention bonus, 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.

The contribution to gratuity trust is expected to be made within next 12 months. Accordingly, the provision for gratuity is classified as current.

***1.9 Share-based payments***

Share-based payment consists of share awards of the Holding Company to the employees of the Company. These awards are predominantly designed as cash-settled transactions. The fair value of the amount payable is remeasured at the end of each reporting period upto the settlement date, with the changes in the fair value recognised as employee benefits expenses with a corresponding increase in liabilities.

***1.10 Financial instruments***

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

On initial recognition, financial assets are recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in the below categories:

(a) Financial assets at amortised cost

(b) Financial assets including derivatives at fair value through profit or loss (FVTPL)

(c) Financial assets at fair value through other comprehensive income (FVTOCI)

(d) Equity instruments

*1.10 Financial instruments (Continued)*

**(a) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business where the objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables, loans and other financial assets.

**(b) Financial Assets including derivatives at fair value through profit or loss (FVTPL)**

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the Statement of Profit and Loss.

**(c) Financial Assets at fair value through other comprehensive income (FVTOCI)**

Derivative instruments included in FVTOCI category are measured initially as well as at each reporting date at fair value. Movement in fair value is recognised in OCI.

**(d) Equity instruments**

Equity investment in subsidiary is measured at cost.

**Derecognition**

A financial asset is primarily derecognised when:

(a) the right to receive cash flows from the asset has expired, or

(b) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the Company has transferred substantially all the risks and rewards of the asset, or b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

**Impairment of financial assets**

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on the following financial assets and credit risk exposure:

(a) Financial assets that are measured at amortised cost e.g. deposits

(b) Trade receivables, contract assets or any another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows the simplified approach for recognition of impairment loss allowance on trade receivables (net of billing in excess) and contract assets. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

***1.10 Financial instruments (Continued)***

ECL is the difference between net of all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on trade receivables (net of billing in excess) and Contract assets.

The Company does not have any purchased or originated credit-impaired financial assets, i.e., financial assets which are credit impaired on purchase/origination.

ECL impairment loss allowance (or reversal) recognized during the period is recognized in the Statement of Profit and Loss. This amount is reflected under the head 'Other expenses' in the Statement of Profit and Loss.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss (FVTPL), payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

On initial recognition, financial liabilities are recognised at fair value. In case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition or issue of the financial liabilities.

The Company's financial liabilities include trade and other payables and derivative financial instruments.

**Subsequent measurement**

Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. All other financial liabilities such as deposits are measured at amortised cost using EIR method.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amount that approximates the fair value is used due to the short maturity of these instruments.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

***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 / date when fair value was determined.

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

**Derivative instruments and hedge accounting**

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 like forward contracts and options. The Company enters into forward exchange contracts and options, where the counterparty is a bank. The hedging strategy is used for mitigating the currency fluctuation risk and the Company does not use the forward exchange and options contracts for trading or speculative purpose.

The forward exchange and options contracts are re-measured at fair value at each reporting date with the resultant gains/ losses thereon being recorded in Statement of Profit and Loss, except that are designated as hedges.

Commodity risk is mitigated by entering into future contracts to hedge against fluctuation in commodity prices.

The Company designates some of the 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 as hedges for future cash flows are recognised directly in OCI and reflected in the cash flow hedge reserve, net of applicable deferred income taxes. 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 period during which the forecasted transaction materialises.

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 cash flow hedge reserve 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 Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result from general approximation of value and the same may differ from the actual realised value.

### *1.13 Taxation*

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effect of temporary differences between accounting income and taxable income for the year) computed in accordance with the relevant provisions of the Income Tax Act, 1961. Current tax and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in OCI or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

***1.13 Taxation (Continued)***

The current tax payable is based on taxable profit for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying units intend to settle the asset and liability on a net basis.

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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 generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against those deductible temporary differences and can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

***1.14 Earnings per share***

Basic earnings per share are 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

***1.15 Provisions and contingencies***

Provisions are recognized when the Company recognises it has a present obligation (legal or constructive) as a result of past events and 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. If the effect is material, provisions are recognised at present value by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognized as a provision. 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 and present obligation that arises from past events which is not recognised since it is not probable that there will be an outflow of resources. When there is a possible and 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.

Provisions for warranty related cost are recognised when the product is sold or service is provided to the customer. Initial recognition is based on past experience.

Contingent assets are not recognized in the financial statements.

***1.16 Cash and Cash equivalents***

Cash and cash equivalents include cash, cheques in hand, cash at bank and deposits with banks having maturity of three months or less. Bank deposits with original maturity of up to three months are classified as 'Cash and cash equivalents' and with original maturity of more than three months are classified as 'Other bank balances'.

***1.17 Government grants and subsidies***

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grants or subsidies relate to revenue, they are recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs for which they are intended to compensate. Where the grants or subsidies relate to an asset, the same are presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset

### *1.18 Non-current assets held for sale and discontinued operations*

Non-current assets (including disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

Non-current assets classified as held for sale and the assets and liabilities of a disposal group classified as held for sale are presented separately from the other assets and liabilities in the Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations and is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the Statement of Profit and Loss.

### *2. Significant accounting judgments, estimates and assumptions*

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### *2.1 Project revenue and costs*

The percentage-of-completion (POC) method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Company re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

### *2.2 Taxes*

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### *2.3 Property, plant and equipment and intangible assets*

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### *2.4 Impairment of non-financial 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. 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.

### *2.5 Employee benefits*

The Company's obligation for employee benefits is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Refer note 45 for details of the key assumptions used in determining the accounting of these plans

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the Actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries

### *2.6 Impairment of financial assets*

The Company assesses impairment on financial assets based on Expected Credit Loss (ECL) model. The provision matrix is based on its historically observed default rates over the expected life of the financial assets and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward looking estimates are analysed.

### *2.7 Provisions*

Significant estimates are involved in the determination of provisions related to liquidated damages, onerous contracts, warranty costs, asset retirement obligations, legal and regulatory proceedings (Legal Proceedings). The Company records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. The provision for warranty, liquidated damages and onerous contracts is based on the best estimate required to settle the present obligation at the end of reporting period.

Legal Proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. Internal and external counsels are generally part of the determination process.

All the estimates are revised periodically.

### *Change in Accounting Policy*

**Ind AS 116 - Leases**

The new standard replaces existing lease recognition standards Ind AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss.

The Company has adopted Ind AS 116 Leases effective 1 October 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised in retained earnings on the date of initial application 1 October 2019. Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings, vehicles and technical equipment's. The Company assesses whether a contract is (or contains) a lease, at inception of a contract. A contract is (or contains), a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset.

(ii) the Company has substantially all the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

***Ind AS 116 - Leases (Continued)***

***Where the Company is the lessee:***

At the date of commencement of the lease, the Company recognises a Right-of-Use asset ("ROU") and a corresponding Lease Liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The Lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and Lease payments have been classified as financing cash flows.

***Where the Company is the lessor***

Assets subject to operating leases are included in property, plant and equipment and investment property. 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 recognized immediately in the Statement of Profit and Loss.

***Standard issued that are not yet effective***

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020 has notified the following amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after 1 April 2020:

**Ind AS 116 – Leases (Practical expedient for rent concession due to COVID-19)**

MCA has issued a practical expedient for lessees which allows a lessee not to assess whether rent concessions that occur as a direct consequence of COVID-19 pandemic as lease modifications even if it meets the conditions specified for lease modification. Instead, account for the same as if they were not lease modification. The amendment does not affect lessors.

Though the amendment is applicable for annual periods beginning on or after 1 April 2020, incase the lessee has not yet approved the financial statements for issue before the issuance of the amendment, then the same may be applied for annual periods beginning on or after 1 April 2019. Additional disclosure relating to application of the practical expedient must be made. The Company does not expect this amendment to have any impact on its financial statements.

# Notes to the financial statements *(Continued)* as at 30 September 2020 (Currency: Indian rupees millions)

## 3 Property, plant and equipment

| | Freehold Land | Leasehold Land | Buildings (Refer note i & ii) | Plant and equipment (Refer note ii & iii) | Furniture and fixtures (Refer note ii) | Office equipments (Refer note ii) | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | |
| At 1 October 2018 | 560 | 325 | 5,580 | 10,753 | 301 | 792 | 3 | **18,314** |
| Additions | - | - | 180 | 1,560 | 19 | 174 | - | **1,933** |
| Deductions / adjustments | - | (199) | (3) | (419) | (5) | (25) | (2) | **(653)** |
| **At 30 September 2019** | **560** | **126** | **5,757** | **11,894** | **315** | **941** | **1** | **19,594** |
| **Accumulated depreciation / impairment** | | | | | | | | |
| At 1 October 2018 | - | 14 | 678 | 4,496 | 180 | 506 | 1 | **5,875** |
| Charge for the year | - | 6 | 264 | 1,669 | 48 | 139 | 2 | **2,128** |
| Deductions / adjustments | - | (11) | (1) | (253) | (5) | (25) | (2) | **(297)** |
| **At 30 September 2019** | **-** | **9** | **941** | **5,912** | **223** | **620** | **1** | **7,706** |
| **Net block** | | | | | | | | |
| **At 30 September 2019** | **560** | **117** | **4,816** | **5,982** | **92** | **321** | * | **11,888** |

| | Freehold Land | Leasehold Land | Buildings (Refer note i & ii) | Plant and equipments (Refer note ii & iii) | Furniture and fixtures (Refer note ii) | Office equipments (Refer note ii) | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | |
| At 1 October 2019 | 560 | 126 | 5,757 | 11,894 | 315 | 941 | 1 | **19,594** |
| Additions | - | - | 26 | 916 | 13 | 448 | 1 | **1,404** |
| Deductions / adjustments** | (56) | (126) | * | (21) | * | (157) | * | **(360)** |
| Transferred to discontinued operations | (31) | - | (464) | (1,584) | (17) | (34) | - | **(2,130)** |
| **At 30 September 2020** | **473** | **-** | **5,319** | **11,205** | **311** | **1,198** | **2** | **18,508** |
| **Accumulated depreciation / impairment** | | | | | | | | |
| At 1 October 2019 | - | 9 | 941 | 5,912 | 223 | 620 | 1 | **7,706** |
| Charge for the year | - | - | 246 | 1,320 | 45 | 165 | * | **1,776** |
| Charge for the period - discontinued operations (refer note 53) | - | - | 16 | 177 | 1 | 6 | * | **200** |
| Deductions / adjustments** | - | (9) | * | (13) | * | (94) | * | **(116)** |
| Transferred to discontinued operations | - | - | (81) | (724) | (15) | (21) | - | **(841)** |
| **At 30 September 2020** | **-** | **-** | **1,122** | **6,672** | **254** | **676** | **1** | **8,725** |
| **Net block** | | | | | | | | |
| **At 30 September 2020** | **473** | **-** | **4,197** | **4,533** | **57** | **522** | **1** | **9,783** |

* denotes figures less than a million

** includes transfer to Right of Use assets - Freehold Land ₹ 51 and Leasehold Land ₹ 117

**Notes:-**

i) Buildings includes gross block of ₹ 734 (2019: ₹ 734) representing 365 shares of ₹ 50 each and 11 shares of ₹ 100 each (2019: 365 shares of ₹ 50 each and 11 shares of ₹ 100 each) in various co-operative housing societies respectively.

ii) **Assets include assets given on operating lease**

| Particulars | Buildings | Plant and equipments | Furniture and fixtures | Office equipments |
|---|---|---|---|---|
| Gross carrying value as at 30 September 2019 | 417 | 62 | 20 | 16 |
| Written Down Value as at 30 September 2019 | 356 | 35 | 2 | 10 |
| Depreciation charge for the year | 65 | 42 | 5 | 26 |
| Gross carrying value as at 30 September 2020 | **657** | **66** | **20** | **17** |
| Written Down Value as at 30 September 2020 | **543** | **31** | * | **9** |
| Depreciation charge for the year | **22** | **6** | * | **5** |

iii) Plant and equipments includes gross block of ₹ 7 (2019: ₹ 7) and Net block of ₹ Nil (2019: ₹ Nil) which represents cost incurred by the Company on certain assets ownership of which vests with the West Bengal State Electricity Board.

* denotes figures less than a million

**4 Investment Property**

| | Land and Buildings | Total |
|---|---|---|
| **Gross carrying value** | | |
| At 1 October 2018 | 1,154 | **1,154** |
| Additions | - | **-** |
| Deductions / adjustments | (1,152) | **(1,152)** |
| **At 30 September 2019** | **2** | **2** |
| | | |
| **Accumulated depreciation** | | |
| At 1 October 2018 | 112 | **112** |
| Charge for the year | 27 | **27** |
| Deductions / adjustments | (138) | **(138)** |
| **At 30 September 2019** | **1** | **1** |
| | | |
| **Net block** | | |
| **At 30 September 2019** | **1** | **1** |

| | Land and Buildings | Total |
|---|---|---|
| **Gross carrying value** | | |
| At 1 October 2019 | 2 | **2** |
| Additions | - | **-** |
| Deductions / adjustments | - | **-** |
| **At 30 September 2020** | **2** | **2** |
| | | |
| **Accumulated depreciation** | | |
| At 1 October 2019 | 1 | **1** |
| Charge for the year | * | ***** |
| Deductions / adjustments | - | **-** |
| **At 30 September 2020** | **1** | **1** |
| | | |
| **Net block** | | |
| **At 30 September 2020** | **1** | **1** |

**Notes:**

| **i)** | **Information regarding income and expenditure on investment properties** | **Sept 2020** | Sept 2019 |
|---|---|---|---|
| | Rental income derived from investment properties | **-** | 151 |
| | Direct operating expenses (including repairs and maintenance) generating rental income | **(1)** | (23) |
| | Profit/(Loss) arising from investment properties before depreciation and indirect expenses | **(1)** | 128 |
| | Less: Depreciation | ***** | (27) |
| | Profit/(Loss) arising from investment properties before indirect expenses | **(1)** | 101 |

* denotes figures less than a million

**4 Investment Property *(Continued)***

**ii) Fair value disclosure**

Description of valuation techniques used and key inputs to valuation on investment properties:

| Particulars | Valuation technique | Fair Value | |
|---|---|---|---|
| | | **Sept 2020** | Sept 2019 |
| Land and building | Stamp duty reckoner rate/ Valuation Report | **482** | 482 |

The valuation of investment properties is in accordance with the Ready Reckoner rates prescribed for the purpose of levying stamp duty. The Company has referred to the publications and government website for Ready Reckoner rates. Further, the fair value of certain investment property has been determined with the help of Independent valuer.

**5 Intangible assets**

| | Intangible assets | | |
|---|---|---|---|
| | **Technical know-how** | **Software** | **Total** |
| **Gross carrying value** | | | |
| At 1 October 2018 | 66 | 40 | **106** |
| Additions | - | - | **-** |
| Deductions / adjustments | - | - | **-** |
| **At 30 September 2019** | **66** | **40** | **106** |
| | | | |
| **Accumulated depreciation / impairment** | | | |
| At 1 October 2018 | 49 | 24 | **73** |
| Charge for the year | 12 | 6 | **18** |
| Deductions / adjustments | - | - | **-** |
| **At 30 September 2019** | **61** | **30** | **91** |
| **Net block** | | | |
| **At 30 September 2019** | **5** | **10** | **15** |

| | Intangible assets | | |
|---|---|---|---|
| | **Technical know-how** | **Software** | **Total** |
| **Gross carrying value** | | | |
| At 1 October 2019 | 66 | 40 | **106** |
| Additions | - | 11 | **11** |
| Deductions / adjustments | - | (6) | **(6)** |
| Transferred to discontinued operations | (23) | (15) | **(38)** |
| **At 30 September 2020** | **43** | **30** | **73** |
| | | | |
| **Accumulated depreciation / impairment** | | | |
| At 1 October 2019 | 61 | 30 | **91** |
| Charge for the year | 4 | 4 | **8** |
| Charge for the year - discontinued operations | - | 2 | **2** |
| Deductions / adjustments | - | (6) | **(6)** |
| Transferred to discontinued operations | (22) | (7) | **(29)** |
| **At 30 September 2020** | **43** | **23** | **66** |
| **Net block** | | | |
| **At 30 September 2020** | ***** | **7** | **7** |

* denotes figures less than a million

| | | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **6** | **Investments - Non - current** | | |
| | **Investment in subsidiary company (unquoted) (investment valued at cost unless otherwise stated)** | | |
| | 64,898 (2019 : 64,898) Equity Shares of ₹ 10 each fully paid-up in Siemens Rail Automation Pvt. Ltd. | **550** | 550 |
| | Aggregate amount of unquoted investments | **550** | 550 |
| **7** | **Trade receivables - Non - current (unsecured)** | | |
| | Long-term trade receivables | | |
| | - considered good | **824** | 673 |
| | - considered doubtful | **6** | 13 |
| | | **830** | 686 |
| | Impairment Allowance | **(6)** | (13) |
| | | **824** | 673 |
| **8** | **Loans - Non - current (unsecured, considered good)** | | |
| | Loan to employees | **10** | 18 |
| | Loan to related parties (refer note 44 and below) | **5,050** | 1,210 |
| | | **5,060** | 1,228 |
| | Loans to related parties are given for the purpose of meeting the working capital requirements and for general corporate purposes. | | |
| **9** | **Other financial assets - Non - current** | | |
| | **i) Financial assets at amortised cost** | | |
| | Security deposits | **410** | 370 |
| | Export incentive | **-** | 100 |
| | **ii) Financial assets at fair value through Profit or Loss** | | |
| | Derivative contracts | **36** | 55 |
| | | **446** | 525 |
| **10** | **Income tax disclosure** | | |
| | **(a) Income tax expense** | | |
| | **Current tax:** | | |
| | Current Income tax charge from continuing operations | **2,668** | 5,358 |
| | Adjustments in respect of prior years - True up | **-** | (13) |
| | **Deferred tax** | | |
| | In respect of current year origination and reversal of temporary differences | **(36)** | (368) |
| | In respect of prior years - True up | **-** | 14 |
| | Changes in statutory tax rate | **-** | 741 |
| | **Total tax expense recognised in Statement of Profit and Loss** | **2,632** | 5,732 |
| | **(b) Income Tax on Other Comprehensive Income** | | |
| | Remeasurements of defined benefit plans | **(93)** | (168) |
| | Fair value changes on derivative designated as cash flow hedge reserve | **38** | 6 |
| | **Total tax expense recognised in Other Comprehensive Income** | **(55)** | (162) |

**10 Income tax disclosure (Continued)**

**(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 30 September 2020 and 30 September 2019**

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| Profit before tax from continuing operations | **10,206** | 16,963 |
| Loss before tax from discontinued operations | **(13)** | (547) |
| Other Comprehensive items | **(222)** | (644) |
| **Total** | **9,971** | 15,773 |
| **Tax at statutory average income tax rate of % 25.17% (2019 : 29.79%) (A) [Refer note (f)]** | **2,510** | 4,698 |
| Tax effect of expenses that are not deductible for tax purposes | **63** | 51 |
| Tax effect of Capital gain & tax paid at lower rate | **-** | (105) |
| Tax effect of change in statutory rate | **-** | 741 |
| **Total (B)** | **63** | 687 |
| **At the effective income tax rate of 25.81% (2019 : 34.15%) (A+B)** | **2,573** | 5,385 |
| Income tax reported in statement of profit and loss from continuing operations | **2,632** | 5,732 |
| Income tax attributable to discontinued operations | **(4)** | (185) |
| Income tax expense of Other Comprehensive Income | **(55)** | (162) |
| **Total** | **2,573** | 5,385 |

**(d) Movement of Deferred tax**

| | **Balance Sheet** | | **Profit & Loss** | |
|---|---|---|---|---|
| | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| **Deferred tax assets** | | | | |
| Arising on account of temporary differences in : | | | | |
| Provision for doubtful debts and advances | **631** | 567 | **64** | (179) |
| Provision for loss allowance | **235** | 273 | **(38)** | (144) |
| Provisions made disallowed and allowed only on payment basis | **1,065** | 1,099 | **(34)** | (441) |
| Provision for Inventory allowance | **882** | 624 | **258** | 74 |
| Other temporary differences | **140** | 338 | **(222)** | (172) |
| **Less - Deferred tax liability** | | | | |
| Arising on account of temporary differences in : | | | | |
| Accelerated Depreciation for tax purposes | **(516)** | (621) | **105** | 487 |
| **Deferred tax assets (net)** | **2,437** | 2,280 | **133** | (375) |
| Deferred tax recognised directly in Other Comprehensive income | **44** | 130 | **(86)** | 120 |
| **Total Deferred tax as shown in Balance sheet and Profit and Loss** | **2,481** | 2,410 | **47** | (255) |

**(d) (i) Breakup of Deferred tax**

| | **Balance Sheet** | |
|---|---|---|
| | **Sept 2020** | Sept 2019 |
| **Deferred tax assets (net)** | | |
| Continuing operations | **2,106** | 2,410 |
| Discontinued operations | **375** | - |
| **Total Deferred tax as shown in Balance sheet** | **2,481** | 2,410 |

**10 Income tax disclosure (Continued)**

| | | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **(e)** | **Reconciliation of deferred tax assets, net** | | |
| | Opening balance | **2,410** | 2,665 |
| | Tax income/(expense) during the year recognised in profit or loss from continuing operations | **36** | (387) |
| | Tax income/(expense) during the year recognised in profit or loss from discontinued operations | **97** | 12 |
| | Tax income/(expense) during the year recognised in Other comprehensive income | **(86)** | 120 |
| | Tax income/(expense) during the year recognised in Retained Earnings | **24** | - |
| | **Deferred tax assets (net)** | **2,481** | 2,410 |

**(f)** During the previous year, the Company has opted for lower corporate tax rate available under section 115BAA of the Income-tax Act,1961 ('the Act') as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for Income-tax at relevant tax rates applicable for the year ended 30 September 2019 which are as below:

- 1 October 2018 to 31 March 2019 : 34.94%
- 1 April 2019 to 30 September 2019 : 25.17%
- Average current tax rate : 29.79%

Further, the Company has also re-measured its deferred tax assets and the relevant impact has been provided through Profit & Loss Account for the year ended 30 September 2019.

| | | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **11** | **Income tax assets (net)** | | |
| | Advance payments of income tax [net of provision for tax ₹ 54,060 (2019: ₹ 50,848) including payments made under protest of ₹ 6,011 (2019: ₹ 4,973)] | **6,608** | 6,623 |
| | | **6,608** | 6,623 |
| **12** | **Other non-current assets** | | |
| | Capital advances | **59** | 175 |
| | Balances with statutory / government authorities [includes payments made under protest of ₹ 1,700 (2019: ₹ 1,611)] | **2,966** | 3,076 |
| | Prepaid lease | ***** | 90 |
| | Others | **-** | 178 |
| | | **3,025** | 3,519 |
| **13** | **Inventories (valued at lower of cost and net realisable value)** | | |
| | Raw materials [includes Goods in Transit ₹ 260 (2019 : ₹ 759)] | **3,376** | 4,316 |
| | Work-in-progress | **3,594** | 3,341 |
| | Finished goods | **1,364** | 551 |
| | Traded goods [includes Goods in Transit ₹ 1,294 (2019 : ₹ 1,500)] | **2,730** | 2,742 |
| | | **11,064** | 10,950 |
| **14** | **Trade receivables - Current (unsecured)** | | |
| | Trade receivables | **31,414** | 37,053 |
| | Receivables from related parties (Refer note 44) | **1,435** | 2,759 |
| | | **32,849** | 39,812 |
| | Of which | | |
| | - considered good | **31,239** | 38,089 |
| | - considered doubtful | **427** | 637 |
| | - which have significant increase in credit risk | **33** | - |
| | - credit impaired | **1,150** | 1,086 |
| | | **32,849** | 39,812 |
| | Impairment allowance | **(1,610)** | (1,723) |
| | | **31,239** | 38,089 |

* denotes figures less than a million

**14. Trade receivables - Current (unsecured) (Continued)**

i) Trade receivable does not consist any amounts due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

ii) For details of related party receivables, refer note 44.

iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days of credit period.

| | | **Sept 2020** | Sept 2019 |
|---|---|---|---|
| **15** | **Cash and cash equivalents (Refer note below)** | | |
| | ***Balances with banks*** | | |
| | - On current accounts | **1,327** | 1,865 |
| | - Bank deposits with original maturity of less than 3 months | **16,503** | 4,920 |
| | Cash on hand | ***** | 1 |
| | Cheques / drafts on hand | **481** | 315 |
| | | **18,311** | 7,101 |

* denotes figures less than a million

**Changes in liabilities arising from financing activities:**

The changes in liabilities arising from financing activities is on account of cash flow changes only and there are no non-cash changes.

| | | | |
|---|---|---|---|
| **16** | **Other bank balances** | | |
| | Bank deposits with remaining maturity of less than 12 months | **37,121** | 41,721 |
| | Unpaid dividend account (Refer note below) | **85** | 91 |
| | | **37,206** | 41,812 |

The balance in unpaid dividend is used only for payment of dividend.

| | | | |
|---|---|---|---|
| **17** | **Loans - Current (unsecured, considered good)** | | |
| | Inter corporate deposits to related parties (Refer note below and note 44) | **2,650** | 7,220 |
| | Loan to employees | **72** | 65 |
| | | **2,722** | 7,285 |

Inter corporate deposit to related parties are given for the purpose of meeting the working capital requirements.

Particulars in respect of loans and advances in the nature of loans as required by Regulation 34(3) read with Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186 of the Companies Act, 2013

| **Name of the Company** | **Sept 2020** | Sept 2019 |
|---|---|---|
| i) Loans and advances in the nature of loans to subsidiary | | |
| Inter corporate deposit to subsidiary **: Siemens Rail Automation Pvt. Ltd.** | | |
| - Balance as at year end | **-** | - |
| - Maximum amount outstanding at any time during the year | **-** | 15 |

Siemens Rail Automation Pvt. Ltd. has utilised the inter corporate deposit for meeting the working capital requirements. It was repaid by October 2018.

| | | | Sept 2020 | Sept 2019 |
|---|---|---|---|---|
| **18** | **Other financial assets - Current** | | | |
| | **i)** | **Financial assets at amortised cost** | | |
| | | Security deposits | | |
| | | - considered good | **260** | 310 |
| | | - considered doubtful | **32** | 36 |
| | | | **292** | 346 |
| | | Impairment allowance | **(32)** | (36) |
| | | | **260** | 310 |
| | | Interest accrued on inter corporate deposits | **60** | 48 |
| | | Interest accrued on bank deposits | **329** | 483 |
| | | Export incentive / Government grant | **863** | 872 |
| | | Others | **617** | 522 |
| | **ii)** | **Financial assets at fair value through Profit or Loss** | | |
| | | Derivative contracts | **469** | 638 |
| | **iii)** | **Financial assets at fair value through Other Comprehensive Income** | | |
| | | Derivative contracts | **150** | 24 |
| | | | **2,748** | 2,897 |
| **19** | **Contract assets** | | | |
| | | - considered good | **13,107** | 13,568 |
| | | - considered doubtful | **190** | 166 |
| | | | **13,297** | 13,734 |
| | | Impairment allowance | **(190)** | (166) |
| | | | **13,107** | 13,568 |
| **20** | **Other current assets** | | | |
| | | Advance to suppliers | **529** | 642 |
| | | Prepaid expenses | **53** | 112 |
| | | Balances with statutory / government authorities, net | **2,049** | 1,632 |
| | | Others | **178** | 1 |
| | | | **2,809** | 2,387 |

| | | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **21** | **Share capital** | | |
| | **Authorised** | | |
| | 1,000,000,000 Equity shares of ₹ 2 each (2019: 1,000,000,000 Equity shares of ₹ 2 each) | **2,000** | 2,000 |
| | | **2,000** | 2,000 |
| | **Issued** | | |
| | 356,983,950 Equity shares of ₹ 2 each (2019: 356,983,950 Equity shares of ₹ 2 each) | **714** | 714 |
| | **Subscribed and fully paid-up** | | |
| | 356,120,255 Equity shares of ₹ 2 each fully paid-up (2019: 356,120,255 Equity shares of ₹ 2 each fully paid-up) | **712** | 712 |
| | | **712** | 712 |

**a) Shares held by Ultimate holding company, subsidiary and associates of Ultimate holding company:**

Nil (2019: 255,351,805) Equity shares of ₹ 2 each, fully paid-up, are held by the Ultimate Holding Company, Siemens Aktiengesellschaft, Germany;

169,882,943 (2019: Nil) Equity shares of ₹ 2 each, fully paid-up, are held by the Subsidiary of Ultimate Holding Company, Siemens International Holding B.V., Netherlands;

85,468,862 (2019: Nil) Equity shares of ₹ 2 each, fully paid-up, are held by the Associate of Ultimate Holding Company, Siemens Gas and Power Holding B.V., Netherlands;

11,738,108 (2019: 11,738,108) Equity shares of ₹ 2 each, fully paid-up, are held b.y Siemens Metals Technologies Vermögensverwaltungs GmbH (formerly known as Siemens VAI Metals Technologies GmbH), a 100% Subsidiary of Ultimate Holding Company.

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

| | **2020** | | 2019 | |
|---|---|---|---|---|
| | **Number** | **Amount** | Number | Amount |
| Shares outstanding at the beginning of the year | **356,120,255** | **712** | 356,120,255 | 712 |
| Shares issued / subscribed during the year | **-** | **-** | - | - |
| Shares outstanding at the end of the year | **356,120,255** | **712** | 356,120,255 | 712 |

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

| | **2020** | | 2019 | |
|---|---|---|---|---|
| **Name of shareholder** | **No. of shares held** | **% of Holding** | No. of shares held | % of Holding |
| Siemens Aktiengesellschaft, Germany | **-** | **-** | 255,351,805 | 71.70% |
| Siemens International Holding B.V., Netherlands (w.e.f. 23.06.2020) | **169,882,943** | **47.70%** | - | - |
| Siemens Gas and Power Holding B.V., Netherlands (w.e.f. 19.05.2020) | **85,468,862** | **24.00%** | - | - |
| Life Insurance Corporation of India | **24,921,663** | **7.00%** | 16,778,060 | 4.71% |

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.

**21 Share capital *(Continued)***

**d) 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.

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.

**22 Other equity**

**Nature and purpose of reserve**

a) Capital reserve was created on account of merger of group companies in earlier years.

b) Amalgamation reserve pertains to amalgamation of Siemens VDO Automotive Limited in 2006.

c) Capital redemption reserve pertains to entity accounted as business combination under common control.

d) Securities premium account represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.

e) General reserve is created out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up shares. As General reserve is created by transfer on one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be subsequently reclassified to statement of profit and loss.

f) Cash flow hedge reserve represents mark-to-market valuation of effective hedges as required by Ind AS 109.

g) Retained earnings are the profits that the Company has earned till date, less any transfers to General reserve and payment of dividend.

The above reserves will be utilised in accordance with the provision of the Companies Act, 2013.

| | | **Sept 2020** | Sept 2019 |
|---|---|---|---|
| **23** | **Dividend distribution made and proposed** | | |
| | **Cash dividend on equity shares declared and paid:** | | |
| | Final dividend for the year ended 2019: ₹ 7 per share (2018: ₹ 7 per share) | **2,493** | 2,493 |
| | Dividend distribution tax on final dividend | **512** | 512 |
| | | **3,005** | 3,005 |
| | **Proposed dividend on equity shares:** | | |
| | Final cash dividend for the year ended 2020: ₹ 7 per share (2019: ₹ 7 per share) | **2,493** | 2,493 |
| | Dividend distribution tax on proposed dividend | **-** | 512 |
| | | **2,493** | 3,005 |

| | | | |
|---|---|---|---|
| **24** | **Other financial liabilities - Non - current** | | |
| | **i) Financial liabilities at fair value through Profit or Loss** | | |
| | Derivative contracts | **29** | 84 |
| | Liabilities related to share based payments (Refer note 48) | **387** | 238 |
| | | **416** | 322 |

| | | | Sept 2020 | Sept 2019 |
|---|---|---|---|---|
| **25** | **Long-term provisions** | | | |
| | ***a)*** | ***Provision for employee benefits*** | | |
| | | - Pension (Refer note 45) | **226** | 240 |
| | | - Leave wages | **836** | 808 |
| | | - Medical benefits (Refer note 45) | **1,689** | 1,072 |
| | | - Silver jubilee and star awards | **400** | 390 |
| | | - Retirement gift (Refer note 45) | **107** | 98 |
| | | - Retention Bonus | **-** | 3 |
| | | | **3,258** | 2,611 |
| | ***b)*** | ***Others*** | | |
| | | - Other matters (Refer note 40) | **12** | 25 |
| | | | **12** | 25 |
| | | | **3,270** | 2,636 |
| **26** | **Other non-current liabilities** | | | |
| | Others | | **31** | 135 |
| | | | **31** | 135 |
| **27** | **Other financial liabilities - Current** | | | |
| | **i)** | **Financial liabilities at amortised cost** | | |
| | | Security deposits | **101** | 72 |
| | | Unclaimed dividend | **86** | 91 |
| | | Liability for capital goods | **58** | 142 |
| | | Others | **1,813** | 2,198 |
| | **ii)** | **Financial liabilities at fair value through Profit or Loss** | | |
| | | Derivative contracts | **315** | 567 |
| | | Liabilities related to share based payments (Refer note 48) | **196** | 207 |
| | **iii)** | **Financial liabilities at fair value through Other Comprehensive Income** | | |
| | | Derivative contracts | **15** | - |
| | | | **2,584** | 3,277 |
| **28** | **Contract liabilities** | | | |
| | Advances from customers | | **8,048** | 8,232 |
| | Billing in excess / Advance billings | | **5,605** | 3,478 |
| | | | **13,653** | 11,710 |

| | | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **29** | **Current Tax liabilities** | | |
| | Provision for tax [net of advance tax ₹ 11,719 (2019: ₹ 12,320)] | **130** | 468 |
| **30** | **Other current liabilities** | | |
| | Accrued salaries and benefits | **426** | 332 |
| | Interest accrued and due | **149** | 159 |
| | Other liabilities | | |
| | - Withholding and other taxes payable | **345** | 286 |
| | - Others | **297** | 336 |
| | | **1,217** | 1,113 |
| **31** | **Short-term provisions** | | |
| | **a) Provision for employee benefits** | | |
| | - Pension (Refer note 45) | **33** | 35 |
| | - Leave wages | **27** | 54 |
| | - Medical benefits (Refer note 45) | **65** | 62 |
| | - Gratuity (Refer note 45) | **337** | 769 |
| | - Silver jubilee and star awards | **38** | 47 |
| | - Retention Bonus | **8** | 8 |
| | - Retirement gift (Refer note 45) | **1** | 2 |
| | | **509** | 977 |
| | **b) Others** | | |
| | - Warranty (Refer notes 40) | **3,434** | 3,215 |
| | - Loss order (Refer note 40) | **1,067** | 1,085 |
| | - Liquidated damages (Refer note 40) | **743** | 957 |
| | - Other matters (Refer note 40) | **2,928** | 2,866 |
| | | **8,172** | 8,123 |
| | | **8,681** | 9,100 |
| **32** | **Revenue from operations (gross)** | | |
| | ***Revenue from contracts with customers*** | | |
| | Sale of products | **48,818** | 69,718 |
| | Revenue from projects | **30,022** | 42,093 |
| | Sale of services | **16,736** | 14,487 |
| | Commission income | **232** | 189 |
| | | **95,808** | 126,487 |

## 32 Revenue from operations (gross) (Continued)

| | Sept 2020 | Sept 2019 |
|---|---|---|
| ***Other operating revenue*** | | |
| Export incentives | **761** | 1,057 |
| Recoveries from group companies | **1,504** | 1,632 |
| Rental income | **323** | 484 |
| Liabilities written back | **135** | 86 |
| Others | **163** | 259 |
| | **2,886** | 3,518 |
| | **98,694** | 130,005 |

## 33 Other income

| | | |
|---|---|---|
| Interest income | **2,915** | 3,375 |
| Profit on sale of assets, net | **2** | 505 |
| Others | **182** | 60 |
| | **3,099** | 3,940 |

## 34 Project bought outs and other direct costs

| | | |
|---|---|---|
| Spares and stores consumed | **124** | 227 |
| Project bought outs | **19,320** | 26,865 |
| Other direct costs | **3,310** | 4,448 |
| | **22,754** | 31,540 |

## 35 Employee benefits expense*

| | | |
|---|---|---|
| Salaries, wages and bonus, net | **13,207** | 13,539 |
| Contribution to provident and other funds | **1,241** | 1,105 |
| Share based payments to employees | **371** | 110 |
| Staff welfare expenses | **585** | 721 |
| | **15,404** | 15,475 |

* Pursuant to rationalisation of operations in Digital Industries and Portfolio Companies segments of the Company, Employee benefits expense for year ended 30 September 2019 include a charge of ₹ 753 million.

## 36 Finance costs

| | | |
|---|---|---|
| Interest - Others | **118** | 112 |
| Interest on lease liabilities | **174** | - |
| | **292** | 112 |

| | | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **37** | **Other expenses** | | |
| | Exchange loss / (gains), net * | **231** | (829) |
| | Travel and conveyance | **776** | 1,450 |
| | Software license fees and other information technology related costs | **1,790** | 1,362 |
| | Rates and taxes | **523** | 463 |
| | Communications | **373** | 350 |
| | Packing and forwarding | **966** | 1,644 |
| | Power and fuel | **380** | 517 |
| | Insurance | **378** | 358 |
| | Rent | **275** | 864 |
| | Repairs | | |
| | - on building | **103** | 219 |
| | - on machinery | **517** | 813 |
| | - others | **248** | 249 |
| | Legal and professional [includes auditors' remuneration (Refer note 39)] | **1,417** | 1,690 |
| | Advertising and publicity | **148** | 381 |
| | Office supplies, printing and stationery | **206** | 190 |
| | Research and development expenditure | **62** | 49 |
| | Bank guarantee commission / bank charges | **305** | 274 |
| | Commission to directors | **12** | 19 |
| | Directors' fees | **4** | 3 |
| | Bad debts [net of reversal of provision for doubtful debts of ₹ 194 (2019: ₹ 244)] | **148** | 75 |
| | CSR expenditure (Refer note 56) | **279** | 240 |
| | Provision for doubtful debts and advances, net | **324** | 384 |
| | License fees | **555** | 575 |
| | Miscellaneous expenses | **160** | 514 |
| | | **10,180** | 11,854 |

* Includes amount transferred from cash flow hedge reserve to exchange gains amounting to ₹ (17) (2019: (7))

| | | Sept 2019 | Sept 2018 |
|---|---|---|---|
| **38** | **Commitments and contingent liabilities** | | |
| **(a)** | **Commitments** | | |
| | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | **973** | 868 |
| | Of the above ₹ 516 pertains to discontinued operations | | |
| | For commitments relating to lease arrangements (Refer note 42) | | |
| **(b)** | **Contingent liabilities (to the extent not provided for)** | | |
| | Income tax (excluding interest) | **4,821** | 5,081 |
| | Excise, service tax and sales tax liabilities, under dispute | **6,563** | 7,559 |
| | Customs liabilities, under dispute | **120** | 120 |
| | Claims against the Company not acknowledged as debts | **899** | 365 |
| | Of the above ₹ 100 pertains to discontinued operations | | |

i) In respect of above contingent liabilities, the future cash outflows are determinable only on receipt of judgements pending at various forums / authorities. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

ii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**39 Auditors' remuneration (for audit services exclusive of GST)**

| | Sept 2020 | Sept 2019 |
|---|---|---|
| **As auditor** | | |
| - Audit fees | **21** | 23 |
| - Tax audit fees | **6** | - |
| **In other capacity** | | |
| - Other audit related services | **2** | 12 |
| - Reimbursement of expenses | **1** | 2 |
| | **30** | 37 |

**40 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 up to 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.

***Provision for 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.

**40 Disclosure relating to Provisions *(Continued)***

The movements in the above provisions are summarised below:

| | Warranty | | Liquidated damages | | Loss orders | | Other matters | |
|---|---|---|---|---|---|---|---|---|
| | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| Balance as at 1 October | **3,215** | 2,787 | **957** | 1,057 | **1,085** | 1,198 | **2,891** | 3,098 |
| Provisions : | | | | | | | | |
| - Created | **1,415** | 1,330 | **446** | 487 | **974** | 1,114 | **692** | 890 |
| - Utilised | **(279)** | (314) | **(190)** | (279) | **(736)** | (972) | **(222)** | (505) |
| - Reversed | **(787)** | (588) | **(463)** | (308) | **(104)** | (255) | **(343)** | (592) |
| - Transferred to discontinued operations | **(130)** | - | **(7)** | - | **(152)** | - | **(78)** | - |
| Balance as at 30 September | **3,434** | 3,215 | **743** | 957 | **1,067** | 1,085 | **2,940** | 2,891 |
| - Current | **3,434** | 3,215 | **743** | 957 | **1,067** | 1,085 | **2,928** | 2,866 |
| - Non-current | **-** | - | **-** | - | **-** | - | **12** | 25 |

**41 Disclosure pursuant to Indian Accounting Standard - 115 'Revenue from contracts with customer' :**

**(i)** Out of the total revenue recognised under Ind AS 115 during the period, ₹ 40,563 (2019: ₹ 50,635) is recognised over a period of time and ₹ 55,245 (2019: ₹ 75,852) is recognised at a point in time.

**(ii) Reconciliation between revenue recognized and contract price:**

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| Contract Price | **95,925** | 127,039 |
| Less: Reductions towards variable consideration components * | **117** | 552 |
| **Revenue** | **95,808** | 126,487 |

* Reduction towards variable consideration components include discounts, liquidated damages, etc.

**(iii) Remaining performance obligations: The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows -**

| **Particulars** | **Unexecuted Order Value** | **Expected conversion in revenue** | |
|---|---|---|---|
| | | **Up to 1 year** | **More than 1 year** |
| Transaction price allocated to the remaining performance obligation: | | | |
| 2020 | 123,606 | 84,160 | 39,446 |
| 2019 | 104,776 | 68,859 | 35,917 |

**(iv)** Revenue recognised during the year from opening balance of contract liabilities amounts to ₹ 8,952 (2019: ₹ 9,580).

**(v)** There is no revenue recognised during the year from the performance obligation that is satisfied in previous year (arising out of contract modifications).

**(vi)** Information regarding geographical disaggregation of revenue has been included in segment information [Refer note 43(ii)].

**42 Disclosure pursuant to Ind AS 116 "Leases"**

**a)** The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 October 2019. Right-of-Use assets of ₹ 1,976 and Lease liabilities of ₹ 2,029 have been recognised as on 1 October 2019. Right-of-Use assets includes, reduction in respect of certain Right-of-Use assets where Ind AS 116 has been applied since the lease commencement date and the difference between Right-of-Use assets and Lease liability amounting to ₹ 72 (net of deferred tax asset ₹ 24) has been reduced from retained earnings.

**b) Reconciliation between operating lease commitments disclosed as on 30 Septemer 2019 applying Ind AS 17 and Lease liabilities recognised as per Ind AS 116 as at 1 October 2019 in the financial statements:**

Lease income from non cancellable lease arrangement credited to the statement of profit and loss and the future lease income in respect of non cancellable operating lease are summarised below:

| **Particulars** | **Amount** |
|---|---|
| Lease commitments as at 30 September 2019 (Operating lease as per Ind AS 17) | 2,602 |
| Less : Discounting impact | (337) |
| Less : Commitments relating to short term leases | (52) |
| Less : Commitments relating to leases of low-value assets | (184) |
| **Lease liabilities as on 1 October 2019** | **2,029** |

**c)** The weighted average incremental borrowing rate applied on initial application to lease liabilities is 6.75%.

**As Lessee**

**i) Carrying value of Right of use assets at the end of the reporting period by class:**

| | **On account of transition to Ind AS 116** | **Addition during the year** | **Deletion / adjustments during the year** | **Depreciation for the year** | **Transferred to discontinued operations** | **Balance at 30 September 2020** |
|---|---|---|---|---|---|---|
| Land & Building | 1,701 | 905 | 344 | 603 | * | 1,659 |
| Vehicles | 254 | 63 | 19 | 108 | (5) | 185 |
| Plant and equipment | 21 | 6 | - | 11 | - | 16 |
| **Total** | **1,976** | **974** | **363** | **722** | **(5)** | **1,860** |

**ii) Maturity analysis of Lease Liabilities**

| **Maturity analysis – contractual undiscounted cash flows** | **Sept 2020** |
|---|---|
| Less than one year | 864 |
| One to five years | 1,470 |
| More than five years | 15 |
| **Total undiscounted Lease liabilities at 30 September 2020** | **2,349** |
| Current | 864 |
| Non-Current | 1,485 |

**iii) Amounts recognised in Profit or Loss**

| | **Sept 2020** |
|---|---|
| Interest expense on lease liabilities | 174 |
| Expenses relating to short-term leases | 102 |
| Expenses relating to leases of low-value assets | 177 |
| Income from sub-lease of properties | 150 |

**iv)** During the year ended 30 September 2020, total cash outflow in respect of leases amounted to ₹ 714.

* denotes figures less than a million

**43 (i) Information about business segments**

| | Revenue | | | | | | Results | |
|---|---|---|---|---|---|---|---|---|
| | External revenue | | Inter segmental revenue | | Total | | | |
| | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 |
| Energy | **40,371** | 51,592 | **158** | 144 | **40,529** | 51,736 | **4,014** | 6,949 |
| Smart Infrastructure | **26,163** | 35,141 | **1,472** | 2,246 | **27,635** | 37,387 | **1,013** | 3,545 |
| Mobility | **8,440** | 11,192 | **3** | 11 | **8,443** | 11,203 | **953** | 1,126 |
| Digital Industries | **18,913** | 26,298 | **502** | 576 | **19,415** | 26,874 | **1,156** | 1,648 |
| Portfolio Companies * | **3,842** | 4,591 | **1** | 4 | **3,843** | 4,595 | **200** | (373) |
| Others | **965** | 1,191 | **1** | - | **966** | 1,191 | **63** | 240 |
| Eliminations | **-** | - | **(2,137)** | (2,981) | **(2,137)** | (2,981) | **-** | - |
| **Continuing operations** | **98,694** | 130,005 | **-** | - | **98,694** | 130,005 | **7,399** | 13,135 |
| **Discontinued operations (refer note 53)** | **6,713** | 6,833 | | | **6,713** | 6,833 | **(12)** | (551) |
| Interest expenses | | | | | | | **292** | 112 |
| Interest income | | | | | | | **2,915** | 3,375 |
| Other Income | | | | | | | **184** | 565 |
| **Profit before tax from continuing operation** | | | | | | | **10,206** | 16,963 |
| **Loss before tax from discontinued operation (refer note 53)** | | | | | | | **(13)** | (547) |
| Income tax | | | | | | | **(2,668)** | (5,345) |
| Deferred tax | | | | | | | **36** | (387) |
| **Profit after tax from continuing operation** | | | | | | | **7,574** | 11,231 |
| **Loss after tax from discontinued operation (refer note 53)** | | | | | | | **(9)** | (362) |
| **Total** | **105,407** | 136,838 | **-** | - | **105,407** | 136,838 | **7,565** | 10,869 |

* Portfolio Companies segment relates to Large Drive Applications.

**43 (i) Information about business segments *(Continued)***

| | Assets | | Liabilities | | Capital Expenditure | | Non-cash expenditure | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Depreciation & amortisation / Impairment (Refer note 3, 4, 5 and 42) | | Others | |
| | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 |
| Energy | **36,272** | 38,630 | **26,966** | 25,943 | **327** | 356 | **925** | 651 | **314** | (460) |
| Smart Infrastructure | **18,683** | 18,941 | **13,148** | 14,582 | **531** | 1,066 | **839** | 731 | **293** | (264) |
| Mobility | **8,827** | 7,553 | **5,746** | 6,326 | **42** | 130 | **165** | 113 | **78** | 100 |
| Digital Industries | **7,075** | 7,924 | **6,594** | 5,583 | **88** | 51 | **274** | 249 | **296** | 30 |
| Portfolio Companies * | **2,325** | 8,110 | **1,841** | 4,457 | **4** | 20 | **75** | 112 | **62** | (48) |
| Others | **2,225** | 1,239 | **1,151** | 916 | **321** | 71 | **226** | 123 | **5** | (1) |
| | **75,407** | 82,397 | **55,446** | 57,807 | **1,313** | 1,694 | **2,504** | 1,979 | **1,048** | (643) |
| Unallocated corporate items | **75,324** | 69,707 | **4,483** | 3,861 | **244** | 192 | **-** | - | **-** | - |
| Discontinued operation (refer note 53) | **5,925** | - | **1,987** | - | **398** | 295 | **205** | 194 | **295** | (107) |
| **Total** | **156,656** | 152,104 | **61,916** | 61,668 | **1,955** | 2,181 | **2,709** | 2,173 | **1,343** | (750) |

**43 (ii) Information about geographical areas**

| | Revenue based on location of customers | | Non-Current assets | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| Within India | **75,640** | 106,669 | **22,164** | 22,629 |
| Outside India | **23,054** | 23,336 | **-** | - |
| **Total** | **98,694** | 130,005 | **22,164** | 22,629 |

* Portfolio Companies segment relates to Large Drive Applications.

**43 (iii) Other disclosures :**

- The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and profit from operations as the performance indicator for all of the operating segments. The Chief Executive Officer, Chief Financial Officer and Division CEO & CFO's are the CODM of the Company.
- Inter-segment prices are normally negotiated amongst the segments with reference to the costs, market price and business risks/ Transfer prices between operating segments are on arm's length basis in a manner similar to the transactions with third parties.
- No operating segments have been aggregated to form the above reportable operating segments.
- Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.
- Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.
- Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.
- Profits / losses on inter segment transfers are eliminated at the Company level.

**(iv) Segment information :**

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

- **Energy : -** Provides fully integrated products, solutions and services across the energy value chain of oil and gas production, power generation and transmission for various customers such as utilities, independent power producers and engineering, procurement and construction (EPC) companies.
- **Smart Infrastructure :** - Supplier of products, systems, solutions and services for transmission and distribution of electrical energy for power utilities, industrial companies and infrastructure segments . Portfolio covers systems for low & medium voltage distribution, solutions for smart grids and energy automation, low voltage power supply systems. Provides intelligent and connected infrastructure for grids and buildings.
- **Mobility :** - Supplier of solutions for passenger and freight transportation – including rail vehicles, rail automation systems, rail electrification systems, road traffic technology and IT solutions.
- **Digital Industries :** - Contains portfolio of leading edge automation, drives and software technologies covering the complete life cycle from product design and production execution to services for discrete and process Industries.
- **Portfolio Companies :** - Supplier of products, process solutions & services across life cycles for Wind and industry sectors.
- **Others :** - Services provided to other group companies and lease rentals have been classified as "Others".

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

**Allocation of common costs :**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**Unallocated corporate items :**

Unallocated items include general corporate items which are not allocated to any business segment.

## 44 Related party transactions

### 44.1 Parties where control exists

| | |
|---|---|
| Siemens AG, Germany | Ultimate Holding Company |
| Siemens International Holding B.V., Netherlands | Subsidiary of Ultimate Holding Company (w.e.f. 23.06.2020) |
| **Parties with significant influence** | |
| Siemens Gas and Power Holding B.V., Netherlands | Associate of Ultimate Holding Company (w.e.f. 28.09.2020) |

### 44.2 Subsidiary

| | |
|---|---|
| Siemens Rail Automation Pvt. Ltd., India | Subsidiary |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Siemens Spa | Algeria |
| | Siemens Energy S.A. (upto 27.09.2020) | Angola |
| | Siemens S.A. (upto 27.09.2020) | Argentina |
| | Siemens Ltd. | Australia |
| | J.R.B. Engineering Pty Ltd | Australia |
| | Siemens Energy Pty. Ltd. (upto 27.09.2020) | Australia |
| | Flender Pty. Ltd. | Australia |
| | Siemens Mobility Pty Ltd | Australia |
| | Siemens Aktiengesellschaft Österreich | Austria |
| | Siemens Mobility Austria GmbH, Plant Rail Systems | Austria |
| | Siemens Energy Austria GmbH (upto 27.09.2020) | Austria |
| | Siemens Energy Austria GmbH, Transformers (upto 27.09.2020) | Austria |
| | ETM professional control GmbH | Austria |
| | Siemens Metals Technologies Vermögensverwaltungs GmbH | Austria |
| | Trench Austria GmbH (upto 27.09.2020) | Austria |
| | Siemens W.L.L. | Bahrain |
| | Siemens Bangladesh Ltd. | Bangladesh |
| | Siemens Healthcare Ltd. | Bangladesh |
| | Siemens S.A./N.V. | Belgium |
| | Flender S.R.L. | Belgium |
| | Siemens Healthcare NV | Belgium |
| | Siemens Energy S.A./N.V. (upto 27.09.2020) | Belgium |
| | Siemens Mobility S.A. / N.V | Belgium |
| | Siemens Ltda. (upto 27.09.2020) | Brazil |
| | Siemens Infraestrutura e Indústria Ltda. | Brazil |
| | Siemens Pte Ltd, Brunei Branch | Brunei Darussalam |
| | Siemens EOOD | Bulgaria |
| | Siemens Canada Ltd. - Process Instruments Business Unit | Canada |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Siemens Canada Ltd. | Canada |
| | Siemens Canada Ltd. - RuggedCom | Canada |
| | Flender Corporation Canada Branch | Canada |
| | Siemens Energy Canada Ltd. (upto 27.09.2020) | Canada |
| | Siemens Energy Canada Ltd. - Dist Gen (PRW) (upto 27.09.2020) | Canada |
| | Trench Ltd. (upto 27.09.2020) | Canada |
| | Siemens S.A. | Chile |
| | Flender SpA | Chile |
| | Siemens Medium Voltage Switching Technologies (Wuxi) Ltd. | China |
| | Siemens International Trading Ltd., Shanghai | China |
| | Beijing Siemens Cerberus Electronics Ltd. | China |
| | Siemens High Voltage Switchgear Co., Ltd., Shanghai (upto 27.09.2020) | China |
| | Siemens Circuit Protection Systems Ltd., Shanghai | China |
| | Siemens Electrical Apparatus Ltd., Suzhou | China |
| | Siemens Switchgear Ltd., Shanghai | China |
| | Siemens Ltd., China | China |
| | Siemens Electrical Drives Ltd. | China |
| | Siemens High Voltage Circuit Breaker Co., Ltd., Hangzhou (upto 27.09.2020) | China |
| | Siemens Factory Automation Engineering Ltd. | China |
| | Siemens Shanghai Medical Equipment Ltd. | China |
| | Siemens Numerical Control Ltd., Nanjing | China |
| | Siemens Industrial Automation Products Ltd., Chengdu | China |
| | Siemens Healthineers Diagnostics (Shanghai) Co., Ltd. | China |
| | Siemens Energy Co., Ltd. (upto 27.09.2020) | China |
| | Siemens Electrical Drives (Shanghai) Ltd. | China |
| | Trench High Voltage Products Ltd., Shenyang (upto 27.09.2020) | China |
| | Siemens Wiring Accessories Shandong Ltd. | China |
| | Siemens Power Automation Ltd. | China |
| | Siemens Transformer (Guangzhou) Co., Ltd. (upto 27.09.2020) | China |
| | Flender Ltd., China | China |
| | Siemens Shenzhen Magnetic Resonance Ltd. | China |
| | Siemens Surge Arresters Ltd. (upto 27.09.2020) | China |
| | Siemens Standard Motors Ltd. | China |
| | Siemens S.A. | Colombia |
| | Siemens S.A. | Costa Rica |
| | Koncar-Energetski Transformatori, d.o.o. (upto 27.09.2020) | Croatia |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Siemens Energy d.o.o. (upto 27.09.2020) | Croatia |
| | Siemens Electric Machines s.r.o. | Czech Republic |
| | Siemens, s.r.o. | Czech Republic |
| | OEZ s.r.o., dARE of 593h Letohrad | Czech Republic |
| | OEZ s.r.o. | Czech Republic |
| | Siemens Energy, s.r.o., odstepny zavod Industrial Turbomachinery (upto 27.09.2020) | Czech Republic |
| | Siemens A/S | Denmark |
| | Siemens Energy S.R.L. (upto 27.09.2020) | Dominican Republic |
| | Siemens S.A. | Ecuador |
| | Siemens Technologies S.A.E. | Egypt |
| | Siemens S.A. | El Salvador |
| | Siemens Osakeyhtiö | Finland |
| | Siemens SAS | France |
| | Siemens SAS, Division production Process Automation, Usine de Haguenau | France |
| | Dresser-Rand SAS (upto 27.09.2020) | France |
| | Trench France SAS (upto 27.09.2020) | France |
| | Siemens Energy S.A.S. (upto 27.09.2020) | France |
| | Siemens Mobility SAS | France |
| | Flender-Graffenstaden SAS | France |
| | Siemens Industry Software SAS | France |
| | SYKATEC Systeme, Komponenten, Anwendungstechnologie GmbH | Germany |
| | Weiss Spindeltechnologie GmbH | Germany |
| | Siemens Beteiligungen Inland GmbH | Germany |
| | Siemens Financial Services GmbH | Germany |
| | HSP Hochspannungsgeräte GmbH (upto 27.09.2020) | Germany |
| | Siemens Compressor Systems GmbH (upto 27.09.2020) | Germany |
| | Flender Industriegetriebe GmbH | Germany |
| | Siemens Traction Gears GmbH | Germany |
| | Siemens Mobility GmbH | Germany |
| | Siemens Mobility GmbH, dARE | Germany |
| | KACO new energy GmbH | Germany |
| | Siemens Healthcare Diagnostics Holding GmbH | Germany |
| | Siemens Gas and Power GmbH & Co. KG (upto 27.09.2020) | Germany |
| | SGP KG dARE 7 (upto 27.09.2020) | Germany |
| | SGP KG dARE 8 (upto 27.09.2020) | Germany |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | SGP KG dARE 9 (upto 27.09.2020) | Germany |
| | SGP KG, Werk Mülheim (upto 27.09.2020) | Germany |
| | SGP KG, Werk Görlitz (upto 27.09.2020) | Germany |
| | SGP KG, Werk Erfurt (upto 27.09.2020) | Germany |
| | SGP KG, Werk Duisburg (upto 27.09.2020) | Germany |
| | SGP KG, Werk Berlin (upto 27.09.2020) | Germany |
| | SGP KG, Werk Nürnberg (upto 27.09.2020) | Germany |
| | Flender GmbH, BL Wind Energy Generation | Germany |
| | Trench Germany GmbH (upto 27.09.2020) | Germany |
| | Siemens Bank GmbH | Germany |
| | Siemens Industry Software GmbH | Germany |
| | Next47 GmbH | Germany |
| | evosoft GmbH | Germany |
| | Siemens Healthcare GmbH | Germany |
| | Flender GmbH | Germany |
| | NEO New Oncology GmbH | Germany |
| | Siemens Oil & Gas Equipment Ltd. (upto 27.09.2020) | Ghana |
| | Siemens A.E., Electrotechnical Projects and Products | Greece |
| | Eviop-Tempo A.E. Electrical Equipment Manufacturers | Greece |
| | Siemens S.A. | Guatemala |
| | Siemens Ltd. | Hong Kong |
| | Siemens Energy Ltd. (upto 27.09.2020) | Hong Kong |
| | Siemens Zrt. | Hungary |
| | Siemens Energy Kft., Generation Plant Budapest (upto 27.09.2020) | Hungary |
| | Siemens Technology and Services Pvt. Ltd. | India |
| | Mentor Graphics (Sales and Services) Pvt. Ltd. | India |
| | Mentor Graphics (India) Pvt. Ltd. | India |
| | Siemens Industry Software Computational Dynamics India Pvt. Ltd. | India |
| | PETNET Radiopharmaceutical Solutions Pvt. Ltd. | India |
| | Siemens Healthcare Pvt. Ltd. | India |
| | Siemens Gamesa Renewable Energy Engineering Centre Pvt. Ltd. | India |
| | Bytemark Technology Solutions India Pvt. Ltd. | India |
| | Siemens Financial Services Pvt. Ltd. | India |
| | Fast Track Diagnostics Asia Pvt. Ltd. | India |
| | Dresser-Rand India Pvt. Ltd. (upto 27.09.2020) | India |
| | Siemens Logistics India Pvt. Ltd. | India |
| | Siemens Healthineers India LLP | India |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Siemens Factoring Pvt. Ltd. | India |
| | Siemens Industry Software (India) Pvt. Ltd. | India |
| | P.T. Siemens Indonesia | Indonesia |
| | PT Siemens Mobility Indonesia | Indonesia |
| | Siemens Sherkate Sahami (Khass) (upto 27.09.2020) | Iran |
| | Mentor Graphics (Ireland) Ltd. | Ireland |
| | Siemens Israel Ltd. (upto 27.09.2020) | Israel |
| | Siemens Ltd. | Israel |
| | Siemens S.p.A. | Italy |
| | Flender Italia S.r.l. | Italy |
| | Siemens Transformers S.r.l. (upto 27.09.2020) | Italy |
| | Siemens Energy S.r.l. (upto 27.09.2020) | Italy |
| | Trench Italia S.r.l. (upto 27.09.2020) | Italy |
| | Siemens Energy SARL (upto 27.09.2020) | Ivory Coast |
| | Siemens K.K. | Japan |
| | Siemens TOO | Kazakhstan |
| | Siemens Ltd. Seoul | Korea |
| | Siemens Energy Ltd. (upto 27.09.2020) | Korea |
| | Siemens Electrical & Electronic Services K.S.C.C. | Kuwait |
| | Siemens Industrial Business Co. For Electrical, Electronic and Mechanical Contracting WLL | Kuwait |
| | Siemens Malaysia Sdn. Bhd. | Malaysia |
| | Siemens Energy Sdn. Bhd. (upto 27.09.2020) | Malaysia |
| | Siemens Servicios S.A. de C.V. | Mexico |
| | Siemens, S.A. de C.V. | Mexico |
| | Siemens Energy, S. de R.L. de C.V. (upto 27.09.2020) | Mexico |
| | Siemens S.A. | Morocco |
| | Siemens Nederland N.V. | Netherlands |
| | Siemens Industry Software B.V. | Netherlands |
| | Siemens Energy B.V. - dependent ARE 456b (upto 27.09.2020) | Netherlands |
| | Flender B.V. | Netherlands |
| | Siemens Energy B.V. (upto 27.09.2020) | Netherlands |
| | Siemens (N.Z.) Ltd. | New Zealand |
| | Siemens Energy Ltd. (upto 27.09.2020) | Nigeria |
| | Siemens Energy AS (upto 27.09.2020) | Norway |
| | Siemens AS | Norway |
| | Siemens Energy L.L.C. (upto 27.09.2020) | Oman |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Siemens Pakistan Engineering Co. Ltd. | Pakistan |
| | Siemens Energy S.A.C. (upto 27.09.2020) | Peru |
| | Siemens S.A.C. | Peru |
| | Siemens, Inc. | Philippines |
| | Siemens Power Operations, Inc. (upto 27.09.2020) | Philippines |
| | Siemens Sp. z o.o. | Poland |
| | Siemens Energy Sp. z o.o. (upto 27.09.2020) | Poland |
| | Siemens S.A. | Portugal |
| | Siemens Energy Unipessoal Lda. (upto 27.09.2020) | Portugal |
| | Siemens Mobility, Unipessoal Lda | Portugal |
| | Siemens Energy W.L.L | Qatar |
| | Siemens W.L.L. | Qatar |
| | Siemens S.R.L. | Romania |
| | SIMEA S.R.L., Plan SEIT Sibiu | Romania |
| | SIEMENS ENERGY S.R.L. (upto 27.09.2020) | Romania |
| | OOO Siemens | Russia |
| | Siemens Gas and Power LLC (upto 27.09.2020) | Russia |
| | OOO Siemens Gas Turbine Technologies (upto 27.09.2020) | Russia |
| | ISCOSA Industries and Maintenance Ltd. (upto 27.09.2020) | Saudi Arabia |
| | Siemens Ltd. | Saudi Arabia |
| | Arabia Electric Ltd. (Equipment) | Saudi Arabia |
| | Siemens d.o.o. Beograd | Serbia |
| | Siemens Energy d.o.o. Beograd (upto 27.09.2020) | Serbia |
| | Siemens Pte. Ltd. | Singapore |
| | Siemens Healthcare Pte. Ltd. | Singapore |
| | Siemens Energy Pte. Ltd. (upto 27.09.2020) | Singapore |
| | Siemens Mobility Pte. Ltd. | Singapore |
| | Flender Pte. Ltd. | Singapore |
| | Siemens s.r.o. | Slovakia |
| | Siemens Energy, s.r.o. (upto 27.09.2020) | Slovakia |
| | Siemens Mobility, s.r.o. | Slovakia |
| | Siemens d.o.o. | Slovenia |
| | Siemens Proprietary Ltd. | South Africa |
| | Siemens Energy (Pty) Ltd (upto 27.09.2020) | South Africa |
| | Flender (Pty) Ltd | South Africa |
| | Siemens Mobility (Pty) Ltd | South Africa |
| | Siemens S.A. | Spain |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Flender Iberica SL | Spain |
| | Siemens Energy S.A. (upto 27.09.2020) | Spain |
| | Siemens Rail Automation S.A.U. | Spain |
| | Siemens Mobility, S.L.U. | Spain |
| | Siemens AB | Sweden |
| | Siemens Energy AB (upto 27.09.2020) | Sweden |
| | Siemens Energy AB dARE of 429f (upto 27.09.2020) | Sweden |
| | Siemens Schweiz AG, Smart Infrastructure, Global Headquarters | Switzerland |
| | Siemens Schweiz AG | Switzerland |
| | Dresser Rand Sales Company GmbH (upto 27.09.2020) | Switzerland |
| | Siemens Ltd. | Taiwan |
| | Siemens Energy Ltd. (upto 27.09.2020) | Thailand |
| | Siemens Ltd. | Thailand |
| | Siemens Mobility Ltd. | Thailand |
| | Siemens Sanayi ve Ticaret Anonim Sirketi | Turkey |
| | Siemens Finansal Kiralama A.S. | Turkey |
| | Siemens Enerji Sanayi ve Ticaret Anonim Sirketi (upto 27.09.2020) | Turkey |
| | Flender Mekanik Güc Aktarma Sistemleri Sanayi ve Ticaret Anonim Sirketi | Turkey |
| | Siemens Ukraine | Ukraine |
| | Siemens LLC | UAE |
| | Siemens Industrial LLC | UAE |
| | Siemens plc | UK |
| | Siemens HC Ltd. MR Magnet Technology | UK |
| | Siemens Industrial Turbomachinery Ltd. (upto 27.09.2020) | UK |
| | I DT Factory Congleton | UK |
| | Flender Ltd. | UK |
| | Siemens Mobility Ltd. | UK |
| | Siemens Energy Ltd. (upto 27.09.2020) | UK |
| | Industrial Turbine Company (UK) Ltd. (upto 27.09.2020) | UK |
| | Electrium Sales Ltd. | UK |
| | Siemens Energy, Inc. (upto 27.09.2020) | USA |
| | Siemens Demag Delaval Turbomachinery, Inc. (upto 27.09.2020) | USA |
| | Siemens Corporation | USA |
| | Siemens Industry, Inc. | USA |
| | Siemens Healthcare Diagnostics Inc. | USA |
| | Siemens Mobility, Inc | USA |
| | Mentor Graphics Corporation | USA |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Dresser-Rand Company (upto 27.09.2020) | USA |
| | Siemens Energy Inc. (US) - Solutions (E1P) (upto 27.09.2020) | USA |
| | Siemens Energy Inc. (US) - Transmission (E1P) (upto 27.09.2020) | USA |
| | Siemens Industry Software Inc. | USA |
| | Siemens Energy, Inc. (US) - Fossil Products (OPP) (upto 27.09.2020) | USA |
| | Siemens Energy, Inc. (US) - Oil& Gas (PT2) (upto 27.09.2020) | USA |
| | Siemens Medical Solutions USA, Inc. | USA |
| | Siemens Energy, Inc. (US) - Dist Gen (PS1) (upto 27.09.2020) | USA |
| | Flender Corporation | USA |
| | eMeter Corporation | USA |
| | Enlighted, Inc. | USA |
| | Siemens Gas and Power Ltd. Company | Vietnam |
| | Siemens Ltd. | Vietnam |

| 44.4 Subsidiaries / associate of parties who has significant influence (Fellow Associate) (w.e.f 28.09.2020) | Name | Country |
|---|---|---|
| | Siemens Energy Austria GmbH, Transformers | Austria |
| | Trench Austria GmbH | Austria |
| | Siemens Ltda. | Brazil |
| | Trench Ltd. | Canada |
| | Siemens Energy Co., Ltd. | China |
| | Siemens High Voltage Switchgear Co., Ltd., Shanghai | China |
| | Trench High Voltage Products Ltd., Shenyang | China |
| | Siemens Transformer (Guangzhou) Co., Ltd. | China |
| | Siemens Surge Arresters Ltd. | China |
| | Koncar-Energetski Transformatori, d.o.o. | Croatia |
| | Siemens Energy, s.r.o., odstepny zavod Industrial Turbomachinery | Czech Republic |
| | Siemens Technologies S.A.E. | Egypt |
| | Siemens Energy S.A.S. | France |
| | SGP KG dARE 8 | Germany |
| | Siemens Gas and Power GmbH & Co. KG | Germany |
| | SGP KG dARE 9 | Germany |
| | SGP KG, Werk Mülheim | Germany |
| | SGP KG, Werk Berlin | Germany |
| | SGP KG, Werk Duisburg | Germany |
| | SGP KG, Werk Erfurt | Germany |
| | HSP Hochspannungsgeräte GmbH | Germany |
| | Siemens Compressor Systems GmbH | Germany |
| | SGP KG, Werk Görlitz | Germany |
| | SGP KG, Werk Nürnberg | Germany |
| | Trench Germany GmbH | Germany |

44.4 **Subsidiaries / associate of parties who has significant influence (Fellow Associate) (w.e.f 28.09.2020)**

| Name | Country |
|---|---|
| Siemens Oil & Gas Equipment Ltd. | Ghana |
| Siemens Energy Ltd. | Hong Kong |
| Siemens Energy Kft., Generation Plant Budapest | Hungary |
| Dresser-Rand India Pvt. Ltd. | India |
| Siemens Israel Ltd. | Israel |
| Siemens Energy S.r.l. | Italy |
| Siemens Transformers S.r.l. | Italy |
| Trench Italia S.r.l. | Italy |
| Siemens Energy Ltd. | Korea |
| Siemens Electrical & Electronic Services K.S.C.C. | Kuwait |
| Siemens Energy Sdn. Bhd. | Malaysia |
| Siemens Energy B.V. | Netherlands |
| Siemens Energy B.V. - dependent ARE 456b | Netherlands |
| Siemens Energy Ltd. | Nigeria |
| Siemens Energy AS | Norway |
| Siemens Energy L.L.C. | Oman |
| Siemens Energy Sp. z o.o. | Poland |
| Siemens Energy W.L.L | Qatar |
| Siemens Gas and Power LLC | Russia |
| Siemens Energy d.o.o. Beograd | Serbia |
| Siemens Energy, s.r.o. | Slovakia |
| Siemens Energy S.A. | Spain |
| Siemens Energy AB | Sweden |
| Siemens Energy Ltd. | Thailand |
| Siemens Enerji Sanayi ve Ticaret Anonim Sirketi | Turkey |
| Siemens LLC | UAE |
| Siemens Energy Ltd. | UK |
| Siemens Industrial Turbomachinery Ltd. | UK |
| Industrial Turbine Company (UK) Ltd. | UK |
| Siemens Energy, Inc. | USA |
| Siemens Energy, Inc. (US) - Dist Gen (PS1) | USA |
| Siemens Demag Delaval Turbomachinery, Inc. | USA |
| Dresser-Rand Company | USA |
| Siemens Energy, Inc. (US) - Oil& Gas (PT2) | USA |
| Siemens Energy Inc. (US) - Transmission (E1P) | USA |
| Siemens Energy, Inc. (US) - Fossil Products (OPP) | USA |
| Siemens Gas and Power Ltd. Company | Vietnam |

| 44.5 | Key Managerial personnel | Name |
|---|---|---|
| | ***Whole-Time Directors*** | Mr. Sunil Mathur |
| | | Dr. Daniel Spindler |
| | | Mr. Christian Rummel (upto 31.08.2019) |
| | ***Company Secretary*** | Mr. Ketan Thaker |
| | ***Non-Executive Directors*** | Mr. Josef Kaeser |
| | | Mr. Cedrik Neike |
| | | Mr. Johannes Apitzsch |
| | | Ms. Mariel von Schumann |
| | | Mr. Tim Holt (w.e.f. 01.06.2020) |
| | ***Independent Directors*** | Mr. Deepak Parekh |
| | | Mr. Yezdi Malegam |
| | | Mr. Darius Shroff (upto 29.01.2020) |
| | | Mr. Keki Dadiseth (upto 29.01.2020) |
| | | Mr. Mehernosh Kapadia |
| | | Ms. Anjali Bansal |
| | ***Managing board of SAG*** | Mr. Josef Kaeser |
| | | Dr. Roland Busch |
| | | Mr. Klaus Helmrich |
| | | Mr. Cedrik Neike |
| | | Mr. Michael Sen (upto 31.03.2020) |
| | | Ms. Lisa Davis (upto 29.02.2020) |
| | | Ms. Janina Kugel (upto 31.01.2020) |
| | | Mr. Ralf P. Thomas |
| | **Others** | Ms. Sandra Marques Alves (Domestic partner of KMP) |
| | | Siemens India Ltd Indian Staff Provident Fund |
| | | Siemens India Ltd Gratuity Fund |
| | | Indian School of business (Common director upto 29.01.2020) |
| | | Breach Candy Hosp. Trust (Common directors) |
| | | Omnicom India Marketing Advisory Services Pvt. Ltd. (Common director upto 29.01.2020) |
| | | Bharatiya Reserve Bank Note Mudran Pvt. Ltd. (Common director) |
| | | Delhivery Pvt. Ltd. (Common director) |

## 44.6 Related party transactions

| Description | 2020 | | | | | | 2019 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Utlimate Holding Company** | **Subsidiary** | **Fellow Subsidiaries** | **Fellow Associates** | **Key managerial personnel** | **Others** | Holding Company | Subsidiary | Fellow Subsidiaries | Key managerial personnel | Others |
| **Revenue (net of taxes)** | | | | | | | | | | | |
| - Siemens AG | **3,373** | **-** | **-** | **-** | **-** | **-** | 6,215 | - | - | - | - |
| - Siemens Rail Automation Pvt. Ltd. | **-** | **28** | **-** | **-** | **-** | **-** | - | 29 | - | - | - |
| - Siemens Gas and Power GmbH & Co. KG | **-** | **-** | **1,635** | **-** | **-** | **-** | - | - | - | - | - |
| - Others | **-** | **-** | **9,902** | **52** | **-** | **3** | - | - | 7,626 | - | 3 |
| **Commission income** | | | | | | | | | | | |
| - Siemens AG | **33** | **-** | **-** | **-** | **-** | **-** | 67 | - | - | - | - |
| - Siemens Industrial Turbomachinery Ltd. | **-** | **-** | **113** | **-** | **-** | **-** | - | - | 35 | - | - |
| - Industrial Turbine Company (UK) Limited | **-** | **-** | **52** | **-** | **-** | **-** | - | - | 20 | - | - |
| - Trench High Voltage Products Ltd., Shenyang | **-** | **-** | **10** | **-** | **-** | **-** | - | - | 15 | - | - |
| - Siemens Energy AB | **-** | **-** | **-** | **-** | **-** | **-** | - | - | 15 | - | - |
| - Others | **-** | **-** | **23** | **-** | **-** | **-** | - | - | 37 | - | - |
| **Recoveries from group companies** | | | | | | | | | | | |
| - Siemens AG | **713** | **-** | **-** | **-** | **-** | **-** | 1,022 | - | - | - | - |
| - Siemens Rail Automation Pvt. Ltd. | **-** | **12** | **-** | **-** | **-** | **-** | - | 11 | - | - | - |
| - Siemens Technology and Services Pvt. Ltd. | **-** | **-** | **216** | **-** | **-** | **-** | - | - | 206 | - | - |
| - SGP KG, Werk Duisburg | **-** | **-** | **126** | **-** | **-** | **-** | - | - | - | - | - |
| - Siemens Gas and Power GmbH & Co. KG | **-** | **-** | **82** | **-** | **-** | **-** | - | - | - | - | - |
| - Siemens Healthcare Pvt. Ltd. | **-** | **-** | **48** | **-** | **-** | **-** | - | - | 74 | - | - |
| - Others | **-** | **-** | **304** | **-** | **-** | **-** | - | - | 319 | - | - |
| **Reimbursement of expenses received** | | | | | | | | | | | |
| - Siemens AG | **523** | **-** | **-** | **-** | **-** | **-** | 685 | - | - | - | - |
| - Siemens Rail Automation Pvt. Ltd. | **-** | **6** | **-** | **-** | **-** | **-** | - | - | - | - | - |
| - Siemens Technology and Services Pvt. Ltd. | **-** | **-** | **109** | **-** | **-** | **-** | - | - | 8 | - | - |
| - Siemens Gas and Power GmbH & Co. KG | **-** | **-** | **69** | **-** | **-** | **-** | - | - | - | - | - |
| - Siemens Pte. Ltd. | **-** | **-** | **56** | **-** | **-** | **-** | - | - | 1 | - | - |
| - Siemens Energy, Inc. (US) - Oil& Gas (PT2) | **-** | **-** | **56** | **-** | **-** | **-** | - | - | * | - | - |

***** denotes figures less than a million

### 44.6 Related party transactions *(Continued)*

| Description | 2020 | | | | | | 2019 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Utlimate Holding Company | Subsidiary | Fellow Subsidiaries | Fellow Associates | Key managerial personnel | Others | Holding Company | Subsidiary | Fellow Subsidiaries | Key managerial personnel | Others |
| **Reimbursement of expenses received** | | | | | | | | | | | |
| - Siemens Energy, Inc. | - | - | **28** | - | - | - | - | - | 28 | - | - |
| - Siemens Mobility GmbH | - | - | **21** | - | - | - | - | - | 32 | - | - |
| - Siemens Energy Limited | - | - | **3** | - | - | - | - | - | 18 | - | - |
| - Others | - | - | **239** | - | - | - | - | - | 91 | - | - |
| **Purchase of goods and services** | | | | | | | | | | | |
| - Siemens AG | **16,948** | - | - | - | - | - | 26,170 | - | - | - | - |
| - Siemens Rail Automation Pvt. Ltd. | - | **118** | - | - | - | - | - | 57 | - | - | - |
| - Flender GmbH | - | - | **1,994** | - | - | - | - | - | 1,859 | - | - |
| - Siemens High Voltage Switchgear Co., Ltd., Shanghai | - | - | **95** | - | - | - | - | - | 1,549 | - | - |
| - Others | - | - | **11,548** | **172** | - | * | - | - | 11,055 | - | - |
| **Rent income** | | | | | | | | | | | |
| - Siemens Rail Automation Pvt. Ltd. | - | * | - | - | - | - | - | * | - | - | - |
| - Siemens Healthcare Pvt. Ltd. | - | - | **106** | - | - | - | - | - | 138 | - | - |
| - Siemens Financial Services Pvt. Ltd. | - | - | **83** | - | - | - | - | - | 81 | - | - |
| - Dresser-Rand India Pvt. Ltd. | - | - | **48** | - | - | - | - | - | 21 | - | - |
| - Siemens Technology and Services Pvt. Ltd. | - | - | **40** | - | - | - | - | - | 68 | - | - |
| - Others | - | - | **28** | - | - | - | - | - | 31 | - | - |
| **Interest income** | | | | | | | | | | | |
| - Siemens Financial Services Pvt. Ltd. | - | - | **557** | - | - | - | - | - | 616 | - | - |
| - Siemens Rail Automation Pvt. Ltd. | - | - | - | - | - | - | - | * | - | - | - |
| - Others | - | - | **62** | - | - | - | - | - | 51 | - | - |
| **Bank guarantee charges** | | | | | | | | | | | |
| - Siemens AG | **114** | - | - | - | - | - | 102 | - | - | - | - |
| - Others | - | - | **3** | - | - | - | - | - | 1 | - | - |
| **Dividend paid (on payment basis)** | | | | | | | | | | | |
| - Siemens AG | **1,787** | - | - | - | - | - | 1,787 | - | - | - | - |
| - Siemens Metals Technologies Vermögensverwaltungs GmbH | - | - | **82** | - | - | - | - | - | 82 | - | - |

* denotes figures less than a million

## 44.6 Related party transactions *(Continued)*

| Description | 2020 | | | | | | 2019 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Utlimate Holding Company | Subsidiary | Fellow Subsidiaries | Fellow Associates | Key managerial personnel | Others | Holding Company | Subsidiary | Fellow Subsidiaries | Key managerial personnel | Others |
| **Purchase of fixed assets / investment property / capital work in progress** | | | | | | | | | | | |
| - Siemens AG | **40** | - | - | - | - | - | 64 | - | - | - | - |
| - Flender GmbH | - | - | **33** | - | - | - | - | - | 18 | - | - |
| - Siemens Mobility GmbH | - | - | **5** | - | - | - | - | - | 5 | - | - |
| - Flender Ltd., China | - | - | - | - | - | - | - | - | 88 | - | - |
| - Others | - | - | **8** | - | - | - | - | - | 13 | - | - |
| **Sale of fixed assets / investment property** | | | | | | | | | | | |
| - Dresser-Rand India Pvt. Ltd. | - | - | **63** | - | - | - | - | - | - | - | - |
| - Siemens Healthcare Pvt. Ltd. | - | - | - | - | - | - | - | - | * | - | - |
| **KMP Remuneration **** | | | | | | | | | | | |
| - Mr. Sunil Mathur | | | | | | | | | | | |
| Short term employee benefits | - | - | - | - | **158** | - | - | - | - | 126 | - |
| Post-employment benefits | - | - | - | - | **6** | - | - | - | - | 6 | - |
| Share based payments | - | - | - | - | **77** | - | - | - | - | 3 | - |
| - Dr. Daniel Spindler | | | | | | | | | | | |
| Short term employee benefits | - | - | - | - | **52** | - | - | - | - | 3 | - |
| Share based payments | - | - | - | - | **4** | - | - | - | - | - | - |
| - Mr. Christian Rummel | | | | | | | | | | | |
| Short term employee benefits | - | - | - | - | - | - | - | - | - | 56 | - |
| Share based payments | - | - | - | - | - | - | - | - | - | 3 | - |
| - Mr. Ketan Thaker | | | | | | | | | | | |
| Short term employee benefits | - | - | - | - | **7** | - | - | - | - | 6 | - |
| Post-employment benefits | - | - | - | - | * | - | - | - | - | * | - |
| Share based payments | - | - | - | - | **2** | - | - | - | - | * | - |
| - Others | - | - | - | - | **3** | - | - | - | - | - | - |
| **Payment to Trusts** | | | | | | | | | | | |
| - Siemens India Ltd Indian Staff Provident Fund | - | - | - | - | - | **458** | - | - | - | - | 421 |
| - Siemens India Ltd Gratuity fund | - | - | - | - | - | **403** | - | - | - | - | 379 |
| **Sitting fees to Independent /Non-executive Directors** | - | - | - | - | **4** | - | - | - | - | 3 | - |

* denotes figures less than a million

** Remuneration does not include the provisions made for gratuity, leave and medical benefits, as they are determined on an actuarial basis for the company as a whole. Remuneration in the form of stock awards are included only upon vesting.

**44.6 Related party transactions *(Continued)***

| Description | 2020 | | | | | | 2019 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Utlimate Holding Company | Subsidiary | Fellow Subsidiaries | Fellow Associates | Key managerial personnel | Others | Holding Company | Subsidiary | Fellow Subsidiaries | Key managerial personnel | Others |
| **Commission to Independent /Non-executive Directors** | - | - | - | - | **19** | - | - | - | - | 19 | - |
| **Loans / Inter Corporate Deposits given** | | | | | | | | | | | |
| - Siemens Rail Automation Pvt. Ltd. | - | - | - | - | - | - | - | 15 | - | - | - |
| - Siemens Financial Services Pvt. Ltd. | - | - | **5,740** | - | - | - | - | - | 5,970 | - | - |
| - Siemens Industry Software (India) Pvt. Ltd. | - | - | **1,125** | - | - | - | - | - | 414 | - | - |
| - Siemens Technology and Services Pvt. Ltd. | - | - | **437** | - | - | - | - | - | 2,258 | - | - |
| - Others | - | - | **450** | - | - | - | - | - | 770 | - | - |
| **Repayment of Loans / Inter corporate deposits given** | | | | | | | | | | | |
| - Siemens Rail Automation Pvt. Ltd. | - | - | - | - | - | - | - | 15 | - | - | - |
| - Siemens Financial Services Pvt. Ltd. | - | - | **6,650** | - | - | - | - | - | 6,500 | - | - |
| - Siemens Industry Software (India) Pvt. Ltd. | - | - | **1,125** | - | - | - | - | - | 414 | - | - |
| - Siemens Technology and Services Pvt. Ltd. | - | - | **437** | - | - | - | - | - | 2,258 | - | - |
| - Others | - | - | **270** | - | - | - | - | - | 475 | - | - |
| **Factoring of trade receivables ***** | | | | | | | | | | | |
| - Siemens Financial Services Pvt. Ltd. | - | - | **28** | - | - | - | - | - | 209 | - | - |
| - Siemens Factoring Pvt. Ltd. | - | - | - | - | - | - | - | - | 192 | - | - |
| **Outstanding Balances** | | | | | | | | | | | |
| **Receivables** | | | | | | | | | | | |
| - Siemens AG | **467** | - | - | - | - | - | 1,236 | - | - | - | - |
| - Siemens Rail Automation Pvt. Ltd. | - | **10** | - | - | - | - | - | 3 | - | - | - |
| - Siemens W.L.L. | - | - | **121** | - | - | - | - | - | 93 | - | - |
| - Flender Corporation | - | - | **78** | - | - | - | - | - | 3 | - | - |
| - Flender GmbH | - | - | **77** | - | - | - | - | - | 44 | - | - |
| - Siemens Proprietary Limited | - | - | **11** | - | - | - | - | - | 268 | - | - |
| - Siemens S.A., Colombia | - | - | * | - | - | - | - | - | 159 | - | - |
| - Others | - | - | **399** | **273** | - | - | - | - | 953 | - | - |

* denotes figures less than a million

*** The Company has entered into factoring arrangement for certain trade receivables on a non recourse basis. Collections arising of the said arrangement amounting to ₹ 28 (2019: ₹ 394) have been adjusted.

## 44.6 Related party transactions *(Continued)*

| Description | 2020 | | | | | | 2019 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Utlimate Holding Company** | **Subsidiary** | **Fellow Subsidiaries** | **Fellow Associates** | **Key managerial personnel** | **Others** | Holding Company | Subsidiary | Fellow Subsidiaries | Key managerial personnel | Others |
| **Payables** | | | | | | | | | | | |
| - Siemens AG | **4,981** | - | - | - | - | - | 5,481 | - | - | - | - |
| - Siemens Rail Automation Pvt. Ltd. | - | **23** | - | - | - | - | - | 29 | - | - | - |
| - Flender GmbH | - | - | **457** | - | - | - | - | - | - | - | - |
| - Siemens Mobility GmbH | - | - | **357** | - | - | - | - | - | - | - | - |
| - Siemens Electrical Drives (Shanghai) Ltd. | - | - | **224** | - | - | - | - | - | - | - | - |
| - Siemens Energy, Inc. (US) - Dist Gen (PS1) | - | - | - | - | - | - | - | - | 1,167 | - | - |
| - Siemens High Voltage Switchgear Co., Ltd., Shanghai | - | - | - | - | - | - | - | - | 887 | - | - |
| - Others | - | - | **1,166** | **3,499** | - | - | - | - | 2,889 | - | - |
| **Loans / Inter corporate deposits to related parties** | | | | | | | | | | | |
| - Siemens Financial Services Pvt. Ltd. | - | - | **6,700** | - | - | - | - | - | 7,610 | - | - |
| - Siemens Factoring Pvt. Ltd. | - | - | **1,000** | - | - | - | - | - | 820 | - | - |
| **Interest receivable on Inter corporate deposits** | | | | | | | | | | | |
| - Siemens Financial Services Pvt. Ltd. | - | - | **57** | - | - | - | - | - | 50 | - | - |
| - Siemens Factoring Pvt. Ltd. | - | - | **8** | - | - | - | - | - | 4 | - | - |
| **Remuneration payable **** | | | | | | | | | | | |
| - Mr. Sunil Mathur | - | - | - | - | **87** | - | - | - | - | 64 | - |
| - Dr. Daniel Spindler | - | - | - | - | **21** | - | - | - | - | * | - |
| - Mr. Christian Rummel | - | - | - | - | - | - | - | - | - | 24 | - |
| - Mr. Ketan Thaker | - | - | - | - | * | - | - | - | - | 1 | - |

* denotes figures less than a million

** Remuneration does not include the provisions made for gratuity, leave and medical benefits, as they are determined on an actuarial basis for the company as a whole. Remuneration in the form of stock awards are included only upon vesting.

All transactions entered into with related parties defined under the Companies Act, 2013 during the financial year, were on arm's length pricing basis.

**45 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' :**

**(i) Defined Contribution Plans**

Amount of ₹ 190 (2019: ₹ 176) is recognised as an expense and included in "Employee benefits expense" (Refer note 35) in the Statement of Profit and Loss.

**(ii) Defined Benefit Plans**

a) Amounts for the current period are as follows :

| | | Gratuity | | Pension | | Medical | | Retirement Gift | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| **I** | **Change in defined benefit obligation** | | | | | | | | |
| | Liability at the beginning of the year | **2,707** | 2,268 | **275** | 152 | **1,134** | 921 | **100** | - |
| | Expenses recognised in Profit and Loss Account | | | | | | | | |
| | - Interest cost | **191** | 181 | **22** | 11 | **80** | 76 | **7** | - |
| | - Current service cost | **250** | 203 | **-** | - | **59** | 38 | **9** | 100 |
| | - Past service cost | **-** | - | **-** | - | **-** | - | **-** | - |
| | Recognised in Other Comprehensive Income | | | | | | | | |
| | Remeasurement (gains) / losses | | | | | | | | |
| | Actuarial (gain) / loss arising from | | | | | | | | |
| | i Change in demographic assumptions | **-** | - | **-** | - | | - | | - |
| | ii Change in financial assumptions | **(60)** | 332 | **7** | 18 | **492** | 181 | **(2)** | - |
| | iii Experience variance | **7** | 9 | **(9)** | 131 | **96** | (20) | **2** | - |
| | Disbursements from Plan Assets | **(57)** | (286) | **-** | - | **-** | - | **-** | - |
| | Disbursements directly paid by the employer | **(85)** | - | **(36)** | (37) | **(68)** | (62) | **(3)** | - |
| | Less : Transferred to discontinued operation | **(131)** | - | **-** | - | **(39)** | - | **(5)** | - |
| | Liability at the end of the year | **2,822** | 2,707 | **259** | 275 | **1,754** | 1,134 | **108** | 100 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **II** | **Fair value of plan assets** | | | | | | | | |
| | Fair value of plan assets at the beginning of the year | **1,938** | 1,712 | **-** | - | **-** | - | **-** | - |
| | Expenses recognised in Profit and Loss Account | **-** | - | **-** | - | **-** | - | **-** | - |
| | - Return on plan assets | **153** | 150 | **-** | - | **-** | - | **-** | - |
| | Remeasurement gains / (losses) | | | | | | | | |
| | - Actuarial gain / (loss) on plan assets | **163** | (16) | **-** | - | **-** | - | **-** | - |
| | Contributions | **403** | 378 | **-** | - | **-** | - | **-** | - |
| | Benefits paid | **(57)** | (286) | **-** | - | **-** | - | **-** | - |
| | Less : Transferred to discontinued operation | **(115)** | - | **-** | - | **-** | - | **-** | - |
| | Fair value of plan assets at the end of the year | **2,485** | 1,938 | **-** | - | **-** | - | **-** | - |

**45 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' : *(Continued)***

**(ii) Defined Benefit Plans *(Continued)***

| | | Gratuity | | Pension | | Medical | | Retirement Gift | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| **III** | **Actual return on plan assets** | | | | | | | | |
| | Return on plan assets | **153** | 150 | **-** | - | **-** | - | **-** | - |
| | Actuarial gain / (loss) on plan assets | **163** | (16) | **-** | - | **-** | - | **-** | - |
| | Less : Transferred to discontinued operation | **(14)** | - | **-** | - | **-** | - | **-** | - |
| | Actual return on plan assets | **302** | 134 | **-** | - | **-** | - | **-** | - |
| **IV** | **Amount recognised in the Balance Sheet** | | | | | | | | |
| | Defined benefit obligation at the end of the year | **2,822** | 2,707 | **259** | 275 | **1,754** | 1,134 | **108** | 100 |
| | Fair value of plan assets at the end of the year | **2,485** | 1,938 | **-** | - | **-** | - | **-** | - |
| | (Surplus) / Deficit | **337** | 769 | **259** | 275 | **1,754** | 1,134 | **108** | 100 |
| | Effect Of Asset Ceiling | **-** | - | **-** | - | **-** | - | **-** | - |
| | Current portion of the above | **337** | 769 | **33** | 35 | **65** | 62 | **1** | 2 |
| | Non Current portion of the above | **-** | - | **226** | 240 | **1,689** | 1,072 | **107** | 98 |
| **V.a** | **Expenses recognised in the Statement of Profit and Loss** | | | | | | | | |
| | Net Interest Expense | **38** | 31 | **22** | 11 | **80** | 76 | **7** | - |
| | Current service cost | **250** | 203 | **-** | - | **59** | 38 | **9** | 100 |
| | Less : Transferred to discontinued operation | **(12)** | - | **-** | - | **(4)** | - | **(1)** | - |
| | Expense recognised in Statement of Profit and Loss | **276** | 234 | **22** | 11 | **135** | 114 | **15** | 100 |
| **V.b** | **Included in Other Comprehensive Income** | | | | | | | | |
| | Return on plan assets excluding net interest | **(163)** | 16 | **-** | - | **-** | - | **-** | - |
| | Net actuarial (gain) / loss recognised | **(52)** | 341 | **(2)** | 149 | **588** | 161 | ***** | - |
| | Actuarial (gain) / loss recognised in OCI | **(215)** | 357 | **(2)** | 149 | **588** | 161 | ***** | - |

* denotes figure less than a million

**45 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' : *(Continued)***

**(ii) Defined Benefit Plans *(Continued)***

| | | Gratuity | | Pension | | Medical | | Retirement Gift | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| **VI** | **Actuarial Assumptions** | | | | | | | | |
| | Discount Rate | **6.72%** | 7.23% | **6.72%** | 7.23% | **6.72%** | 7.23% | **6.72%** | 7.23% |
| | Attrition rate: | | | | | | | | |
| | up to 30 years | **15.00%** | 15.00% | **-** | - | **15.00%** | 15.00% | **15.00%** | 15.00% |
| | 31-50 years | **3.00%** | 3.00% | **-** | - | **3.00%** | 3.00% | **3.00%** | 3.00% |
| | above 50 years | **2.00%** | 2.00% | **-** | - | **2.00%** | 2.00% | **2.00%** | 2.00% |
| | Salary Escalation / Pension increase rate / Medical cost increase rate | **0% for current year 8% for future year** | 8.00% | **5.00%** | 5.00% | **5.00%** | 3.50% | **0% for current year 8% for future year** | 8.00% |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **VII** | **Sensitivity** | | | | | | | | |
| | Change in Liability for 0.5% decrease in discount rate | **159** | 150 | **7** | 8 | **161** | 87 | **7** | 6 |
| | Change in Liability for 0.5% increase in discount rate | **(146)** | (138) | **(7)** | (7) | **(141)** | (77) | **(6)** | (6) |
| | Change in Liability for 0.5% decrease in salary/ medical inflation rate | **(133)** | (138) | **(7)** | (7) | **(124)** | (64) | **(6)** | (6) |
| | Change in Liability for 0.5% increase in salary/ medical inflation rate | **158** | 148 | **7** | 7 | **141** | 72 | **7** | 6 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **VIII** | **Maturity Profile of Defined Benefit Obligation (Undiscounted amount)** | | | | | | | | |
| | Year 1 | **156** | 120 | **34** | 36 | **70** | 64 | **5** | 2 |
| | Year 2 | **144** | 182 | **33** | 35 | **72** | 66 | **4** | 6 |
| | Year 3 | **201** | 169 | **32** | 34 | **75** | 69 | **6** | 5 |
| | Year 4 | **184** | 235 | **31** | 33 | **79** | 71 | **5** | 7 |
| | Year 5 | **213** | 218 | **29** | 31 | **82** | 73 | **6** | 6 |
| | Years 6 to 10 | **1,585** | 1,581 | **118** | 128 | **497** | 420 | **53** | 51 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **IX** | **Weighted Average Duration of Defined Benefit Obligation** | | | | | | | | |
| | Duration (Years) | **10.49** | 11.20 | **5.80** | 5.80 | **14.20** | 15.10 | **13.10** | 13.30 |

**45 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' : *(Continued)***

**(ii) Defined Benefit Plans *(Continued)***

b) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year 2019-20 and the method of assumption used in preparing sensitivity analysis did not change compared to previous year.

c) 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 ₹ 399 (2019: ₹ 120) to gratuity fund in 2020-21.

The investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. Generally it aims to have a portfolio mix of equity instruments and debt instruments to minimize the risk exposed to investment.

d) 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.

e) The Company has contributed ₹ 562 (2019: ₹ 530) towards provident fund during the year ended 30 September 2020. The said amount is excluding of amounts recognised by discontinued operation The Guidance note issued by the Institute of Actuaries of India 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 has accordingly provided a valuation and based on the assumptions provided below there is no shortfall as at 30 September 2020.

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

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| Present value of benefit obligation at year end | **14,372** | 11,852 |
| Fair value of plan assets at year end | **14,376** | 12,121 |
| Shortfall / (Surplus) | **(4)** | (269) |
| Effect due to Asset Ceiling | **4** | 269 |

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

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| Government of India securities (GOI) bond yield | **6.72%** | 7.23% |
| Remaining term of maturity (in years) | **10.49** | 13.63 |
| Expected guaranteed interest rate | **8.00%** | 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. Under the act, employee who has completed five years of service is entitled to the benefit. The level of benefits provided depends on the members length of service and salary at retirement age.

**45 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' : *(Continued)***

**(iii) General descriptions of significant defined plans *(Continued)***

**II Medical**

Post retirement medical benefit is paid to the retired employees and their spouse till their survival and after their death, benefits are available to the employee's spouse. It consists of 3 components, which is health insurance, Domiciliary medical allowance and Company support in case the expenses incurred are more than the health insurance coverage subject to the ceiling limit as per the grades.

**III Pension**

Pension is paid to management cadre employees of the company, who retired before March 1998. Pension is paid on monthly basis. In case of death in retirement ,100 percent pension is paid to the spouse for first six months and then 60 percent thereafter.

**IV Retirement Gift**

Retirement gift is paid, as a token of appreciation to the permanent employees who are separating on their retirement from the Company.

**(iv) Broad category of Fair value of plan assets & as a percentage of total plan assets of the Gratuity plan**

| | **2020** | | 2019 | |
|---|---|---|---|---|
| **Particulars (Unquoted)** | **Amount** | **%** | Amount | % |
| Equity Instruments | **59** | **2.38%** | 31 | 1.55% |
| Debt Instruments | **2,426** | **97.62%** | 1,907 | 98.45% |
| **Total Plan Assets** | **2,485** | **100.00%** | 1,938 | 100.00% |

| **46 Earnings per share:** | **Sept 2020** | Sept 2019 |
|---|---|---|
| Weighted average number of equity shares outstanding during the year | **356,120,255** | 356,120,255 |
| Profit after tax from continuing operations | **7,574** | 11,231 |
| **Basic and diluted earnings per share from continuing operations** | **21.27** | 31.54 |
| Profit after tax from discontinued operations | **(9)** | (362) |
| **Basic and diluted earnings per share from discontinued operations** | **(0.03)** | (1.02) |
| Total Profit for the year | **7,565** | 10,869 |
| **Basic and diluted earnings per share from total operations** | **21.24** | 30.52 |

**47 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006**

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

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| Principal amount due to suppliers under MSMED Act. | **1,393** | 2,116 |
| Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid.# | ***** | 3 |
| Payment made to suppliers (other than interest) beyond the appointed day during the year. | **4,203** | 9,596 |
| Interest due and payable towards suppliers under MSMED Act towards payments already made. | **148** | 156 |
| Interest accrued and remaining unpaid at the end of the accounting year. | **149** | 159 |

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.

# Interest accrued is considered due upon claim from vendors.

* denotes figures less than a million

## 48 Share-based payment transactions

Share matching plan (SMP) and Siemens Stock Awards (SSA) at Siemens Ltd are classified as cash-settled transactions. The employees of the Company are eligible for the Ultimate Holding Company's share awards, i.e. SMP and SSA. Under SMP the employee may invest a specified part of their compensation in the Ultimate Holding Company's shares and at the end of 3 years (vesting period) employee gets one free share for every three shares purchased.

Under SSA, the Company grants stock awards of the Ultimate Holding Company's shares to the Chief Executive Officer, Chief Financial Officer, members of senior management and other eligible employees. The vesting period is 4 years, after which the beneficiary gets certain number of shares which is tied to the performance of the employee in case of CEO Special Allocation scheme and performance of Ultimate Holding Company in case of Performance Oriented Siemens Stock Awards.

At the end of each reporting period, the Company recognises the fair value of the liability and the expense at each reporting period at the market price of the Ultimate Holding Company's share.

**Details of liabilities arising from the share-based payment transactions are as follows:**

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| Other current financial liabilities | **196** | 207 |
| Other non-current financial liabilities | **387** | 238 |
| **Total carrying amount of the liabilities** | **583** | 445 |

Effect of Share-based payment transaction on the Profit & Loss, shown under the head Employee benefit expense is ₹ 371 (2019: ₹ 110)

## 49 Derivative Instruments

### a) Forward Contracts and Option contracts

The Company uses forward contracts and options 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 and options contracts which are intended for trading or speculative purposes.

The forward exchange and options contracts are fair valued at each reporting date with the resultant gains / losses thereon being recorded in statement of profit and loss.

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

| **Currency** | **Buy** | | | **Sell** | | |
|---|---|---|---|---|---|---|
| | **Number of contracts** | **Amount** | **Indian rupees equivalent** | **Number of contracts** | **Amount** | **Indian rupees equivalent** |
| **US Dollar** | | | | | | |
| **30 Sept 2020** | **257** | **68** | **5,002** | **429** | **247** | **18,212** |
| 30 Sept 2019 | 342 | 113 | 8,036 | 442 | 294 | 20,864 |
| **Euro** | | | | | | |
| **30 Sept 2020** | **587** | **183** | **15,851** | **401** | **173** | **14,923** |
| 30 Sept 2019 | 657 | 199 | 15,385 | 338 | 151 | 11,690 |
| **Qatari Riyal** | | | | | | |
| **30 Sept 2020** | **3** | **1** | **10** | **6** | **37** | **753** |
| 30 Sept 2019 | 2 | 1 | 17 | 2 | 30 | 584 |

**49 Derivative Instruments *(Continued)***

**b) Significant unhedged exposures in various foreign currencies as at the year end:**

**Payables**

| | Foreign currency | | Indian rupees | |
|---|---|---|---|---|
| | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| Bangladesh Taka | **126** | 71 | **110** | 59 |
| Sri Lankan Rupee | **447** | 335 | **178** | 130 |

**Receivables and bank balances**

| | Foreign currency | | Indian rupees | |
|---|---|---|---|---|
| | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| Bangladesh Taka | **144** | 152 | **126** | 128 |
| Sri Lankan Rupee | **409** | 365 | **163** | 142 |
| Qatari Riyal | **4** | 15 | **89** | 293 |
| Nepalese Rupee | **18** | - | **12** | - |

The forward contracts have been converted in Indian rupees, at the spot rates, as at 30 September 2020 to facilitate reading purposes only.

The Company has a policy of hedging its foreign currency exposure on a net basis.

**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 at the year end.

| Year | Commodity | Number of Contracts | Buy / Sell |
|---|---|---|---|
| **Sept 2020** | **Copper** | **1,365** | **Buy** |
| | **Aluminium** | **194** | **Buy** |
| | **Silver** | **74** | **Buy** |
| Sept 2019 | Copper | 1,376 | Buy |
| | Aluminium | 1,561 | Buy |
| | Silver | 152 | Buy |

**Note:** Each contract of copper is of 2,500 kg, Aluminium is of 5000 kg (2019: 1000 kg) and silver is of 30 kg.

**50 Capital management**

For the purpose of the Company's capital management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimise returns to the shareholders and makes adjustments to it in light of changes in economic conditions or its business requirements. The Company's objectives are to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company funds its operations through internal accruals. The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders.

## 51 Financial Instruments

### A) Accounting Classifications and Fair Values

i) **Category-wise classification for applicable financial assets:**

| Particulars | Notes | Carrying value / Fair value | |
|---|---|---|---|
| | | **Sept 2020** | Sept 2019 |
| **I. Measured at fair value through Profit or Loss (FVTPL):** | | | |
| (a) Derivative contracts not designated as cash flow hedges | 9 & 18 | **505** | 693 |
| **Total I** | | **505** | 693 |
| **II. Measured at amortised cost:** | | | |
| (a) Trade Receivables | 7 & 14 | **32,063** | 38,762 |
| (b) Loans | 8 & 17 | **7,782** | 8,513 |
| (c) Cash and cash equivalents and other bank balances | 15 & 16 | **55,517** | 48,913 |
| (d) Other assets (excluding derivative contracts) | 9 & 18 | **2,539** | 2,705 |
| **Total II** | | **97,901** | 98,893 |
| **III. Measured at fair value through Other Comprehensive Income (FVTOCI):** | | | |
| (a) Derivative contracts designated as cash flow hedges | 18 | **150** | 24 |
| **Total III** | | **150** | 24 |
| **Total (I+II+III)** | | **98,556** | 99,610 |

ii) **Category-wise classification for applicable financial liabilities:**

| Particulars | Notes | **Sept 2020** | Sept 2019 |
|---|---|---|---|
| **I. Measured at fair value through Profit or Loss (FVTPL):** | | | |
| (a) Derivative contracts not designated as cash flow hedges | 24 & 27 | **344** | 651 |
| (b) Liabilities related to share based payments | 24 & 27 | **584** | 445 |
| (c) Lease liabilities | | **2,057** | - |
| **Total I** | | **2,985** | 1,096 |
| **II. Measured at amortised cost:** | | | |
| (a) Trade payables | | **27,890** | 32,907 |
| (b) Other liabilities (excluding derivative contracts) | 24 & 27 | **2,058** | 2,503 |
| **Total II** | | **29,948** | 35,410 |
| **III. Measured at fair value through Other Comprehensive Income (FVTOCI):** | | | |
| (a) Derivative contracts designated as cash flow hedges | 27 | **15** | - |
| **Total III** | | **15** | - |
| **Total (I+II+III)** | | **32,948** | 36,506 |

The carrying amounts of financial instruments such as cash and cash equivalents, other bank balances, short term loans, trade receivables, trade payables, current security deposits and other current financial assets and liabilities (except derivative financial instrument those being measured at fair value through other comprehensive income) are considered to be same as their fair values due to their short term nature.

**51 Financial Instruments *(Continued)***

**B) Fair Value Hierarchy**

The following table provides fair value measurement hierarchy of financial instruments as referred in note (A) above:

**Quantitative disclosures fair value measurement hierarchy as at 30 September 2020:**

| | | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Assets at Fair value** | | | | | |
| **i)** | **Fair values through profit and loss** | | | | |
| (a) | Derivative contracts not designated as cash flow hedges | - | 505 | - | **505** |
| **ii)** | **Fair value through Other Comprehensive Income** | | | | |
| (a) | Derivative contracts designated as cash flow hedges | - | 150 | - | **150** |
| **Liabilities at Fair value** | | | | | |
| **i)** | **Fair values through profit and loss** | | | | |
| (a) | Derivative contracts not designated as cash flow hedges | - | 344 | - | **344** |
| (b) | Liabilities related to share based payments | - | 584 | - | **584** |
| **ii)** | **Fair value through Other Comprehensive Income** | | | | |
| (a) | Derivative contracts designated as cash flow hedges | - | 15 | - | **15** |

**Quantitative disclosures fair value measurement hierarchy as at 30 September 2019:**

| | | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Assets at Fair value** | | | | | |
| **i)** | **Fair values through profit and loss** | | | | |
| (a) | Derivative contracts not designated as cash flow hedges | - | 693 | - | **693** |
| **ii)** | **Fair value through Other Comprehensive Income** | | | | |
| (a) | Derivative contracts designated as cash flow hedges | - | 24 | - | **24** |
| **Liabilities at Fair value** | | | | | |
| **i)** | **Fair values through profit and loss** | | | | |
| (a) | Derivative contracts not designated as cash flow hedges | - | 651 | - | **651** |
| (b) | Liabilities related to share based payments | - | 445 | - | **445** |

The Company enters into foreign exchange forward contracts, which are valued using valuation techniques that employs the use of market observable inputs.

There have been no transfers between Level 1 and Level 2 during the period.

## 52 Financial Risk Management

The Company's principal financial liabilities comprise of trade payable, security deposits and other financial liabilities. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and other financial assets that arise from its operations. The Company also enters into hedging transactions to cover foreign exchange exposure risk.

The Company's operating business is exposed to market risk, credit risk and liquidity risk. In order to optimize the allocation of the financial resources across the segments, as well as to achieve its aims, the Company identifies, analyses and manages the associated market risks. The Company seeks to manage and control these risks primarily through its regular operating activities and uses derivative financial instruments when deemed appropriate. All derivative activities for risk management purposes are carried out by teams that have the appropriate skills, experience and supervision. The Company has a Risk Management Committee, which ensures that the Company's financial risk taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and mitigated in accordance with the Company's policies and overall risk appetite.

### A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency rate risk and interest rate risk. Financial instrument affected by market risks includes deposits, derivative financial instruments, trade receivables, trade payables and other financials assets.

**Foreign Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes on foreign exchange rate. The Company operates internationally and transacts in several currencies and has foreign currency trade receivables and trade payables. Hence, the Company is exposed to foreign exchange risk. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

**Foreign currency sensitivity**

The following table demonstrate the sensitivity to a reasonably possible change in major currencies like US Dollar and Euro with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

| Particulars | | Effect on profit before tax | | Effect on equity (net of tax) | |
|---|---|---|---|---|---|
| | | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| US Dollar | + 5% | **507** | 599 | **-** | - |
| | - 5% | **(507)** | (599) | **-** | - |
| Euro | + 5% | **188** | 31 | **-** | - |
| | - 5% | **(188)** | (31) | **-** | - |

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Consequently, could have unforeseen impact on Company's cost of borrowing or returns thus impacting the profit and loss.

The Company does not have any borrowings. Surplus funds are invested in deposits at fixed interest rates. The tenure of the deposits is managed to match with the liquidity profile of the Company.

### B Credit risk

Credit risk is defined as an unexpected loss in financial instruments if the contractual partner is failing to discharge its obligations in full and on time. The Company is exposed to credit risk from its operating and financing activities like trade receivables, deposits with banks, foreign exchange transactions and other financial instruments.

**52 Financial Risk Management *(Continued)***

**Receivables**

The major exposure to credit risk at the reporting date is primarily from receivables comprising of trade and project unbilled receivables (net).

Credit risk on receivables is limited due to the Company's large and diverse customer base which includes public sector enterprises, state owned companies and private corporates. The effective monitoring and controlling of credit risk through credit evaluations and ratings is a core competency of the Company's risk management system.

For receivables, as a practical expedient, the Company computes expected credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The ECL is calculated on rating and default probability percentage arrived from the historic default trend. In order to determine the default probability percentage, a simple average of customer wise specific allowances or actual bad debts incurred in succeeding year (derived rates) (whichever is higher) for the preceding three years is considered as a percentage of gross receivables positions for each grading i.e. rating and division of each customer as at reporting date.

**The reconciliation of ECL is as follows:**

| **Particulars** | **Sept 2020** | Sept 2019 |
|---|---|---|
| Balance at the beginning of the year | **1,903** | 1,790 |
| Loss allowance based on ECL | **(97)** | 113 |
| Balance at the year end | **1,806** | 1,903 |

**Other financial assets**

Credit risk from cash and cash equivalents, term deposits and derivative financial instruments is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds, temporarily, are made only with approved counter parties and within credit limits assigned to each counterparty. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

**C Liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company regularly monitors the rolling forecasts and actual cashflows, to ensure it has sufficient funds to meet the operational needs.

The table below summarise the maturity profile of the Company's financial liabilities based on contractually agreed undiscounted cash flows :

| **Particulars** | **Notes** | **Total** | **Payable within 1 year** | **More than 1 year** |
|---|---|---|---|---|
| **As at 30 Sept 2020** | | | | |
| Trade Payables | | **27,890** | 27,733 | 157 |
| Derivative contracts | 24 & 27 | **359** | 330 | 29 |
| Other financial liabilities | 24 & 27 | **2,641** | 2,254 | 387 |
| | | **30,890** | **30,317** | **573** |
| Lease Liability | 42 | **2,349** | 864 | 1,485 |
| | | **33,239** | **31,181** | **2,058** |
| **As at 30 Sept 2019** | | | | |
| Trade Payables | | 32,907 | 32,890 | 17 |
| Derivative contracts | 24 & 27 | 651 | 567 | 84 |
| Other financial liabilities | 24 & 27 | 2,948 | 2,710 | 238 |
| | | **36,506** | **36,167** | **339** |

## 53 Discontinued operations

The Board of Directors at its meeting held on 26 August 2020, approved the sale and transfer of the Company's Mechanical Drives (MD) business (included in Portfolio Companies Segment of the Company) to Flender Drives Pvt. Ltd., a subsidiary of Flender GmbH, which in turn is a subsidiary of Siemens AG, Germany as a going concern on a slump sale basis, with effect from 1 January 2021, for a consideration of ₹ 4,400 million, subject to adjustment for the change in net current assets and capital expenditure, subsequent to 30 June 2020 upto the date of actual transfer of the MD business. This is subject to receipt of requisite statutory and regulatory approvals, as applicable and fulfilment of conditions precedent as agreed between the parties.

Accordingly, the operations of MD have been reclassified as discontinued operations for the year ended 30 September 2019 and comparative information in the Statement of Profit and loss account is represented as if the operation had been discontinued from the start of the comparative period.

**Revenue, expenses and net cash flows relating to discontinued operations is as follows:**

| **Income** | **Sept 2020** | Sept 2019 |
|---|---|---|
| Revenue from operations | **6,713** | 6,833 |
| Other Income | **2** | 7 |
| **Total income** | **6,715** | 6,840 |
| **Expenses** | | |
| Raw materials consumed | **3,859** | 4,362 |
| Purchase of traded goods | **268** | 635 |
| Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods | **601** | 456 |
| Project bought outs and other direct costs | **204** | 216 |
| Employee benefits expense (refer note 55) | **609** | 561 |
| Finance costs | **4** | 1 |
| Depreciation and amortisation expense (refer note 55) | **205** | 194 |
| Other expenses (refer note 55) | **978** | 962 |
| **Total expenses** | **6,728** | 7,387 |
| **Loss before tax** | **(13)** | (547) |
| Tax credit / (expense) | **4** | 185 |
| **Loss after tax** | **(9)** | (362) |
| Net cash used in operating activities | **(68)** | (1,211) |
| Net cash used in investing activities | **(148)** | (88) |
| Net cash used in financing activities | **(1)** | (1) |

**Assets and liabilities of discontinued operations**

| **Assets** | **Sept 2020** |
|---|---|
| Property, plant and equipment | **1,289** |
| Capital work-in-progress | **127** |
| Right-of-Use assets | **5** |
| Intangible assets | **9** |
| Non - current Financial assets | **5** |
| Other non - current assets | **182** |
| Inventories | **1,705** |
| Current Financial assets | **2,269** |
| Other current assets | **334** |
| | **5,925** |

| **Assets and liabilities of discontinued operations** *(Continued)* | **Sept 2020** |
|---|---|
| **Liabilities** | |
| Non - current Financial liabilities | **8** |
| Long term provisions | **51** |
| Current Financial liabilities | **1,265** |
| Contract liabilities | **176** |
| Other current liabilities | **46** |
| Short term provisions | **441** |
| | **1,987** |

**54** The Company has entered into definitive agreements for the acquisition of 99.22% (approximately) of the paid-up equity share capital of C&S Electric Limited from its promoters for an estimated value of ₹ 21,200 subject to adjustments and receipt of requisite regulatory approvals and fulfilment of conditions precedent as agreed between the parties.

**55** The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information upto the date of approval of these financial statements and expects to recover the carrying amounts of its investments, intangible assets, trade receivable, project work-in-progress and inventories. The Company will continue to monitor the future economic conditions and update its assessment. The expenses incurred during shutdown and partial shutdown in respect of factories and project sites for continuing operations and discontinued operations were as under:

| | | Continuing operations | Discontinued operations |
|---|---|---|---|
| i) | Employee benefits expense | 1,689 | 153 |
| ii) | Depreciation and amortization expense | 609 | 81 |
| iii) | Other expenses | 549 | 101 |
| | | 2,847 | 335 |

**56** Detailed disclosures pertaining to expenditure on Corporate Social Responsibilities activities are provided in Director's Report.

As per our report of even date

**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number:- 101248W/W-100022

**Farhad Bamji**
Partner
Membership No: 105234

Mumbai
Date: 25 November 2020

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

**Deepak S. Parekh**
*Chairman*
DIN: 00009078

**Sunil Mathur**
*Managing Director and Chief Executive Officer*
DIN: 02261944

**Daniel Spindler**
*Executive Director and Chief Financial Officer*
DIN: 08533833

**Yezdi H. Malegam**
*Director and Chairman of Audit Committee*
DIN: 00092017

**Ketan Thaker**
*Company Secretary*
ACS No. 16250

Mumbai / Jamnagar
Date: 25 November 2020

# INDEPENDENT AUDITORS' REPORT
# Siemens Limited

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Siemens Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 30 September 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditor on separate financial statements of such subsidiary as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 30 September 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| **Revenue recognition on construction contracts** | |
| A significant portion of the Holding Company's business is from construction contracts, where revenue is recognized under the percentage-of-completion method, based on the percentage of costs incurred to date compared to the total estimated contract costs. (Refer note 31 and 40 to the consolidated financial statements).<br><br>We identified revenue recognition on construction contracts as a key audit matter, since: -<br><br>• There is an inherent risk and presumed risk of fraud around the accuracy of revenues recognised considering the customized and complex nature of these contracts and significant inputs of IT systems.<br><br>• Application of Ind AS 115 Revenue from Contracts with customers is complex and involves a number of significant judgements and estimates. These relate to identifying performance obligations, transaction price, estimating the balance cost-to-complete the contract and determining the percentage of completion of the relevant performance obligation | As part of our audit, we obtained an understanding of the Holding Company's systems, processes, policies and controls for construction contracts.<br><br>Obtained an understanding of business processes specific to construction contracts, from its initiation through presentation in the consolidated financial statements and tested the operating effectiveness of key controls over these processes.<br><br>As part of our substantive audit procedures, we evaluated Holding Company's estimates and assumptions based on risk-based selection of sample contracts. Our audit procedures included, among others, test of the contracts including terms and conditions, termination rights, penalties for delay and breach of contract as well as liquidated damages.<br><br>Evaluated revenues recognized for the selected projects, analyzed billable revenues and cost of sales to be recognized in the statement of profit and loss to the extent of progress towards completion.<br><br>Performed inquiries with respect to the development of the budgeted project costs, deviations between planned and actual costs, the estimated costs to complete, and Holding Company's assessments on probabilities related to contract risks. |

**Key Audit Matters *(Continued)***

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| • These contracts may involve onerous obligations which require critical assessment of provision for foreseeable losses to be made by the Holding Company.<br>• At year-end, a significant amount of work-in-progress (contract assets) related to these contracts is recognised on the balance sheet. | Performed a retrospective analysis of costs incurred with planned costs to identify significant variations and if these are considered in estimating the planned cost and balance costs to complete.<br>We have involved our Information Technology (IT) specialists to assess the design and operating effectiveness of key IT controls over:<br>• IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls over computation of revenue recognised.<br>• Tested the IT controls for mathematical accuracy of cost and revenue reports generated by the system.<br>• Tested the access and application controls on allocation of resources and budgeting systems. |
| **Litigation and claims** | |
| The Holding Company operates in various States within India, exposing it to a variety of different Central and State laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigations and claims. Consequently, provisions and contingent liability disclosures may arise from direct and indirect tax proceedings, legal proceedings, including regulatory and other government/ department proceedings, as well as investigations by authorities and commercial claims. (Refer note 37 (b) and 39 for details of Company's contingent liabilities as at 30 September 2020).<br>The Holding Company applies significant judgment in estimating the likelihood of the future outcome in each case when considering how much to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the highly complex nature and magnitude of the legal matters involved and resolution of litigation and claims proceedings may span over multiple years and may involve protracted negotiation or litigation.<br>Given the inherent complexity and magnitude of potential exposures across the Holding Company and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter | Our procedures included the following substantive procedures: -<br>• Obtained an understanding of key litigations and claims during the year.<br>• Analysed status of litigations and claims based on correspondence between the Holding Company and the various tax/legal authorities and legal opinions obtained by the Company.<br>• Tested completeness of litigations and claims recorded by examining the Holding Company's legal expenses, circulating legal confirmations and minutes of board meetings.<br>• With respect to tax matters, involved internal tax specialists to assess the Holding Company's assumptions in estimating the possible outcome of the disputed cases by considering legal precedence and other judicial rulings.<br>• Assessed and tested the presentation and disclosures relating to these litigations. |

**Other Information**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)***

for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of the audit report of the other auditor referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 2,243 million as at 30 September 2020, total revenues (before consolidation adjustments) of ₹ 964 million and net cash flows (before consolidation adjustments) amounting to ₹ 839 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

**Report on Other Legal and Regulatory Requirements**

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of such subsidiary as were audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 30 September 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on 30 September 2020 from being appointed as a director in terms of Section 164(2) of the Act.

**Report on Other Legal and Regulatory Requirements *(Continued)***

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 30 September 2020 on the consolidated financial position of the Group. Refer Note 37(b) to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 39 and 48 to the consolidated financial statements in respect of such items as it relates to the Group.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary company during the year ended 30 September 2020.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 30 September 2020.

C. With respect to the matter to be included in the Auditor's report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditor of such subsidiary company which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

**Farhad Bamji**
Partner
Membership No. 105234
UDIN: 20105234AAAACH3807

Place of Signature: Mumbai
Date: 25 November 2020

# Annexure A to the Independent Auditors' report on the consolidated financial statements of Siemens Limited for the year ended 30 September 2020

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 30 September 2020, we have audited the internal financial controls with reference to consolidated financial statements of Siemens Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, as of that date.

In our opinion, the Holding Company and its subsidiary company, have, in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at 30 September 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

**Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

**Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

**For B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

**Farhad Bamji**
Partner
Membership No. 105234
UDIN: 20105234AAAACH3807

Place of Signature: Mumbai
Date: 25 November 2020

# Consolidated Balance Sheet as at 30 September 2020 (Currency: Indian rupees millions)

| | Notes | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | **9,784** | 11,894 |
| Capital work-in-progress | | **880** | 583 |
| Right-of-Use assets | 41 | **1,887** | - |
| Investment property | 4 | **1** | 1 |
| Goodwill on consolidation | | **282** | 282 |
| Intangible assets | 5 | **7** | 15 |
| Financial assets | | | |
| - Trade receivables | 6 | **824** | 685 |
| - Loans | 7 | **5,060** | 1,228 |
| - Other financial assets | 8 | **457** | 535 |
| Deferred tax assets (net) | 9 | **2,524** | 2,442 |
| Income tax assets (net) | 10 | **6,640** | 6,650 |
| Other non-current assets | 11 | **3,096** | 3,592 |
| | | **31,442** | 27,907 |
| **Current assets** | | | |
| Inventories | 12 | **11,152** | 11,197 |
| Financial assets | | | |
| - Trade receivables | 13 | **31,402** | 38,156 |
| - Cash and cash equivalents | 14 | **19,174** | 7,125 |
| - Other bank balances | 15 | **37,922** | 42,894 |
| - Loans | 16 | **2,722** | 7,285 |
| - Other financial assets | 17 | **2,751** | 2,905 |
| Contract assets | 18 | **13,300** | 13,725 |
| Other current assets | 19 | **2,812** | 2,389 |
| | | **121,235** | 125,676 |
| Asset classified as held for sale | 53 | **5,925** | - |
| **TOTAL** | | **158,602** | 153,583 |

# Consolidated Balance Sheet
# as at 30 September 2020*(Continued)*
# (Currency: Indian rupees millions)

| | Notes | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 20 | **712** | 712 |
| Other equity | | **94,208** | 89,782 |
| | | **94,920** | 90,494 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| - Trade payables | | | |
| Total outstanding dues of creditors other than micro and small enterprises | | **157** | 17 |
| - Lease Liabilities | | **1,213** | - |
| - Other financial liabilities | 23 | **416** | 322 |
| Long term provisions | 24 | **3,277** | 2,644 |
| Other non-current liabilities | 25 | **31** | 135 |
| | | **5,094** | 3,118 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| - Trade payables | | | |
| Total outstanding dues of micro and small enterprises | 46 | **1,429** | 2,142 |
| Total outstanding dues of creditors other than micro and small enterprises | | **26,442** | 30,910 |
| - Lease Liabilities | | **871** | - |
| - Other financial liabilities | 26 | **2,589** | 3,282 |
| Contract liabilities | 27 | **15,118** | 12,865 |
| Current tax liabilities (net) | 28 | **130** | 468 |
| Other current liabilities | 29 | **1,287** | 1,164 |
| Short term provisions | 30 | **8,735** | 9,140 |
| | | **56,601** | 59,971 |
| Liabilities classified as held for sale | 53 | **1,987** | - |
| **TOTAL** | | **158,602** | 153,583 |
| **Significant accounting policies** | 1 | | |

**The accompanying notes are an integral part of the Consolidated Financial Statements.**

As per our report of even date

**For B S R & Co. LLP**
ICAI Firm Registration Number:- 101248W/W-100022
Chartered Accountants

**Farhad Bamji**
Partner
Membership No: 105234

Mumbai
Date: 25 November 2020

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

**Deepak S. Parekh**
*Chairman*
DIN: 00009078

**Sunil Mathur**
*Managing Director and Chief Executive Officer*
DIN: 02261944

**Daniel Spindler**
*Executive Director and Chief Financial Officer*
DIN: 08533833

**Yezdi H. Malegam**
*Director and Chairman of Audit Committee*
DIN: 00092017

**Ketan Thaker**
*Company Secretary*
ACS No. 16250

Mumbai / Jamnagar
Date: 25 November 2020

# Consolidated Statement of Profit and Loss for the year ended 30 September 2020 (Currency: Indian rupees millions)

| | Notes | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 31 | **99,465** | 1,30,839 |
| Other income | 32 | **3,149** | 3,984 |
| Total income | | **102,614** | 134,823 |
| **Expenses** | | | |
| Raw materials consumed | | **17,762** | 25,193 |
| Purchase of traded goods | | **21,637** | 31,326 |
| Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods | | **1,054** | (498) |
| Project bought outs and other direct costs | 33 | **23,171** | 32,032 |
| Employee benefits expense (refer note 55) | 34 | **15,465** | 15,550 |
| Finance costs | 35 | **295** | 115 |
| Depreciation and amortisation expense (refer note 55) | 3, 4, 5 & 41 | **2,521** | 1,989 |
| Other expenses (refer note 55) | 36 | **10,340** | 11,975 |
| **Total expenses** | | **92,245** | 1,17,682 |
| **Profit before tax** | | **10,369** | 17,141 |
| **Tax expense** | | | |
| Current tax | 9 | **(2,722)** | (5,396) |
| Deferred tax credit / (expense) | 9 | **48** | (389) |
| **Total tax expense** | | **(2,674)** | (5,785) |
| **Profit for the year ended from continuing operations** | | **7,695** | 11,356 |
| ***Discontinued operations:*** | | | |
| Loss before tax from discontinued operations | 53 | **(13)** | (547) |
| Tax credit / (expense) on discontinued operations | 53 | **4** | 185 |
| **Loss after tax from discontinued operations** | | **(9)** | (362) |
| **Profit / (loss) for the year ended** | | **7,686** | 10,994 |

# Consolidated Statement of Profit and Loss for the year ended 30 September 2020 *(Continued)* (Currency: Indian rupees millions)

| | Notes | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **Other comprehensive income** | | | |
| ***Items that will not be reclassified to profit or loss*** | | | |
| Re-measurement gains / (losses) on defined benefit plans | | **(370)** | (669) |
| Income tax effect | | **93** | 168 |
| ***Items that will be reclassified to profit or loss*** | | | |
| Fair value changes on derivative designated as cash flow hedge reserve, net | | **149** | 23 |
| Income tax effect | | **(38)** | (6) |
| **Total other comprehensive income for the year, net of tax** | | **(166)** | (484) |
| **Total comprehensive income for the year (Comprising profit and other comprehensive income for the year)** | | **7,520** | 10,510 |
| **Basic and diluted earnings per share (in ₹) (refer note 45)** | | | |
| (Equity shares of face value of ₹ 2 each) | | | |
| (i) Earnings per share from continuing operations | | **21.62** | 31.90 |
| (ii) Earnings per share from discontinued operations | | **(0.03)** | (1.02) |
| (iii) Earnings per share from total operations | | **21.59** | 30.88 |
| **Significant accounting policies** | 1 | | |

**The accompanying notes are an integral part of the Consolidated Financial Statements.**

As per our report of even date

**For B S R & Co. LLP**
ICAI Firm Registration Number:- 101248W/W-100022
Chartered Accountants

**Farhad Bamji**
Partner
Membership No: 105234

Mumbai
Date: 25 November 2020

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

**Deepak S. Parekh**
*Chairman*
DIN: 00009078

**Sunil Mathur**
*Managing Director and Chief Executive Officer*
DIN: 02261944

**Daniel Spindler**
*Executive Director and Chief Financial Officer*
DIN: 08533833

**Yezdi H. Malegam**
*Director and Chairman of Audit Committee*
DIN: 00092017

**Ketan Thaker**
*Company Secretary*
ACS No. 16250

Mumbai / Jamnagar
Date: 25 November 2020

# Consolidated Cash Flow Statement for the year ended 30 September 2020 (Currency: Indian rupees millions)

| | Notes | Sept 2020 | Sept 2019 |
|---|---|---|---|
| ***Cash flow from operating activities*** | | | |
| Profit before tax from continuing operations | | **10,369** | 17,141 |
| Loss before tax from discontinued operations | | **(13)** | (547) |
| **Adjustments for:** | | | |
| Finance costs | 35 | **295** | 116 |
| Bad debts | 36 | **150** | 75 |
| Provision for doubtful debts / advances, net | 36 | **352** | 388 |
| Provision for fixed deposit | 36 | **2** | - |
| Depreciation and amortisation expense | 3, 4, 5 & 41 | **2,521** | 1,989 |
| (Profit) / loss on sale of assets, net | 32 | **(2)** | (505) |
| Liabilities written back | 31 | **(137)** | (86) |
| Unrealised exchange loss / (gain), net | | **724** | (1,201) |
| Interest income | 32 | **(2,965)** | (3,419) |
| **Operating profit before working capital changes** | | **11,296** | 13,951 |
| **Working capital adjustments** | | | |
| (Increase) / decrease in inventories | | **44** | 307 |
| (Increase) / decrease in trade and other receivables | | **846** | (536) |
| Increase / (decrease) in trade payables and other liabilities | | **(1,843)** | 5,110 |
| Increase / (decrease) in provisions | | **(142)** | 82 |
| **Net change in working capital** | | **(1,095)** | 4,963 |
| **Cash generated from operations** | | **10,201** | 18,914 |
| Direct taxes paid, net | | **(3,004)** | (6,185) |
| Net cash generated from operating activities | | **7,197** | 12,729 |
| ***Cash flow from investing activities*** | | | |
| Purchase of property, plant and equipment and investment property | | **(180)** | (1,003) |
| Proceeds from sale of property, plant and equipments and investment property | | **78** | 861 |
| Interest received | | **3,114** | 3,371 |
| Inter corporate deposits given | | **(7,752)** | (9,412) |
| Refund of inter corporate deposits given | | **8,482** | 9,647 |
| Deposits (with original maturity more than 3 months) with banks matured / (placed) | | **4,967** | (14,805) |
| **Net cash generated / (used) from investing activities** | | **8,709** | (11,341) |

# Consolidated Cash Flow Statement *(Continued)* for the year ended 30 September 2020 (Currency: Indian rupees millions)

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| ***Cash flow from financing activities*** | | |
| Interest paid | **(130)** | (110) |
| Payment of Principal of lease liabilities | **(550)** | - |
| Payment of interest of lease liabilities | **(175)** | - |
| Dividend paid (including tax thereon) | **(3,005)** | (3,005) |
| **Net cash used in financing activities** | **(3,860)** | (3,115) |
| **Net increase / (decrease) in cash and cash equivalents** | **12,046** | (1,727) |
| **Cash and cash equivalents at beginning of the year** | **7,125** | 8,863 |
| **Effect of exchange gain / (loss) on cash and cash equivalents** | **3** | (11) |
| **Cash and cash equivalents at the end of the year (Refer note 14)** | **19,174** | 7,125 |

The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 - Statement of Cash Flows.

**Significant accounting policies** 1

**The accompanying notes are an integral part of the Consolidated Financial Statements.**

As per our report of even date

**For B S R & Co. LLP**
ICAI Firm Registration Number:- 101248W/W-100022
Chartered Accountants

**Farhad Bamji**
Partner
Membership No: 105234

Mumbai
Date: 25 November 2020

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

**Deepak S. Parekh**
*Chairman*
DIN: 00009078

**Sunil Mathur**
*Managing Director and Chief Executive Officer*
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**Daniel Spindler**
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**Yezdi H. Malegam**
*Director and Chairman of Audit Committee*
DIN: 00092017

**Ketan Thaker**
*Company Secretary*
ACS No. 16250

Mumbai / Jamnagar
Date: 25 November 2020

# Consolidated Statement of Changes in Equity as at 30 September 2020 (Currency: Indian rupees millions)

**A Equity share capital**

| Particulars | Amount |
|---|---|
| As at 30 September 2018 | 712 |
| Changes in equity share capital | - |
| As at 30 September 2019 | 712 |
| Changes in equity share capital | - |
| **As at 30 September 2020** | **712** |

**B Other equity**

| | Reserves and Surplus | | | | | | Other comprehensive income | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities Premium | Amalgamation reserve | Capital redemption reserve | General Reserve | Retained earnings | Cash flow hedging reserve | | |
| **Balance at 30 September 2018** | **538** | **1,567** | **56** | ***** | **31,503** | **48,600** | **7** | **82,277** | ** |
| Profit for the year | - | - | - | - | - | 10,994 | (7) | **10,994** | |
| Other comprehensive income (net of tax) | - | - | - | - | - | (501) | 17 | **(484)** | |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **-** | **10,493** | **10** | **10,510** | |
| Dividend paid | - | - | - | - | - | (2,493) | - | **(2,493)** | |
| Tax on dividend paid | - | - | - | - | - | (512) | - | **(512)** | |
| **Balance as at 30 September 2019** | **538** | **1,567** | **56** | ***** | **31,503** | **56,088** | **17** | **89,782** | ** |
| Impact of IND AS 116 (refer note 41) | - | - | - | - | - | (72) | - | **(72)** | |
| **Restated balance as at 1 October 2019** | **538** | **1,567** | **56** | ***** | **31,503** | **56,016** | **17** | **89,710** | ** |
| Profit for the year | - | - | - | - | - | 7,686 | (17) | **7,669** | |
| Other comprehensive income (net of tax) | - | - | - | - | - | (277) | 111 | **(166)** | |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **-** | **7,409** | **94** | **7,503** | |
| Dividend paid | - | - | - | - | - | (2,493) | - | **(2,493)** | |
| Tax on dividend paid | - | - | - | - | - | (512) | - | **(512)** | |
| **Balance as at 30 September 2020** | **538** | **1,567** | **56** | ***** | **31,503** | **60,420** | **111** | **94,208** | ** |

* denotes figures less than a million

** Transferred to exchange loss / (gains) in Statement of Profit & Loss

**Significant accounting policies** 1

**The accompanying notes are an integral part of the Consolidated Financial Statements.**

As per our report of even date

**For B S R & Co. LLP**
ICAI Firm Registration Number:- 101248W/W-100022
Chartered Accountants

**Farhad Bamji**
Partner
Membership No: 105234

Mumbai
Date: 25 November 2020

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

**Deepak S. Parekh**
*Chairman*
DIN: 00009078

**Sunil Mathur**
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*Executive Director and Chief Financial Officer*
DIN: 08533833

**Yezdi H. Malegam**
*Director and Chairman of Audit Committee*
DIN: 00092017

**Ketan Thaker**
*Company Secretary*
ACS No. 16250

Mumbai / Jamnagar
Date: 25 November 2020

# Notes to the Consolidated Financial Statements for the year ended 30 September 2020 (Currency: Indian rupees millions)

***Corporate information***

Siemens Limited ("The Company") is a public company domiciled in India with its registered office at Birla Aurora, Level 21, Plot No. 1080 Dr. Annie Besant Road, Worli Mumbai – 400030. The Company is listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

The Group offers products, integrated solutions for industrial applications for manufacturing industries, drives for process industries, intelligent infrastructure and buildings, efficient and clean power generation from fossil fuels and oil & gas applications, transmission and distribution of electrical energy for passenger and freight transportation, including rail vehicles, rail automation and rail electrification systems.

***1. Significant accounting policies***

***1.1 Basis of preparation of Consolidated Financial Statements***

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Companies Act.

The consolidated financial statements have been prepared and presented under the historical cost convention, except for derivative instruments and certain other financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The accounting policies adopted in the preparation of consolidated financial statements are consistent for all the periods presented.

The Group has adopted Ind AS 116 'Leases' with effect from 1 October 2019 using modified retrospective approach. The impact on account of application of Ind AS 116 has been adjusted from retained earnings as at 1 October 2019. The comparative financial information for lease and related items for the corresponding year ended 30 September 2019 included in these consolidated financial statements, are based on previously issued consolidated financial statements prepared in accordance with Ind AS by the Group. Accordingly, the comparative information for lease and related items for the corresponding year ended 30 September 2019 may not be comparable to the lease and related items for the year ended 30 September 2020.

The consolidated financial statements are presented in INR, which is the functional currency and all values are rounded to the nearest millions (INR 1,000,000), except when otherwise indicated.

The consolidated financial statements were authorised for issue in accordance with a resolution of Board of directors on 25 November 2020.

***Principles of consolidation***

The Consolidated Financial Statements comprise the financial statements of Siemens Limited ('the Company') or ('the parent company') and its wholly owned subsidiary, Siemens Rail Automation Pvt. Ltd. ('the subsidiary'). The Company and the subsidiary constitute the Siemens Group ('the Group').

The list of subsidiary is set out below:

| Entity | Country of incorporation | % Holding 2020 | % Holding 2019 |
|---|---|---|---|
| Siemens Rail Automation Pvt. Ltd. | India | 100% | 100% |

The Consolidated Financial Statements comprise the financial statements of Siemens Limited ("the Company") and its subsidiaries as at September 30, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Subsidiary is consolidated from the date on which effective control is transferred to the Company and is no longer consolidated from the date of disposal.

***Principles of consolidation (Continued)***

Minority interest's share of net profit is adjusted against the income to arrive at the net income attributable to owners of the parent. Minority interest's share of net assets is presented separately in the balance sheet.

Consolidated Financial Statements are prepared using uniform accounting policies for transactions and other events in similar circumstance.

The excess/deficit of cost to the parent company of its investment in the subsidiary over its portion of equity in the subsidiary at the respective dates on which investment in such subsidiary was made is recognised in the Consolidated Financial Statements as goodwill/capital reserve. The parent company's portion of equity in such subsidiary is determined on the basis of book values of assets and liabilities as per the financial statements of the subsidiary as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions. Goodwill is tested for impairment annually.

The Consolidated Financial Statements have been prepared on the following basis:

Consolidation procedure:

(a) Items of assets, liabilities, equity, income, expenses and cash flows of the parent are combined with those of its subsidiaries on a line basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the financial statements at the acquisition date.

(b) The carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated.

(c) Intracompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full (profits or losses resulting from intra Group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra Group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intracompany transactions.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

***1.2 Current versus non-current classification***

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle. Based on the nature of business and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

***1.3 Property, plant and equipment***

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing assets beyond its previously assessed standard of performance.

### *1.3 Property, plant and equipment (Continued)*

Depreciation on property, plant and equipment is provided on a straight-line basis over the useful lives of assets estimated by the management, taking into account the nature of the asset on technical evaluation of the useful life, which may not necessarily be in alignment with the indicative useful lives prescribed by Schedule II to the Companies Act, 2013. The following useful lives are considered:

| **Assets** | **Estimated useful lives** |
|---|---|
| **Land** | |
| - Freehold | - |
| **Buildings** | |
| - Factory buildings | 30 years |
| - Other buildings | 50 years |
| - Roads | 10 years |
| - Leasehold improvements | Over the lease period |
| **Plant and equipment** | 3 – 20 years |
| **Furniture and fixtures** | 5 years |
| **Office equipments** | |
| - Computers | 3 years |
| - Hardware, mainframes and servers | 5 years |
| - Other office equipment | 3 - 5 years |
| **Vehicles** | 4 years |

If significant parts of property, plant and equipment have different useful lives, then they are accounted as separate items (major components) of property, plant and equipment.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their carrying value and estimated net realizable value and are disclosed separately in the Consolidated Financial Statements. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Profit and loss account.

Capital work-in-progress includes the cost of property, plant and equipment that are not ready for intended use at the balance sheet date.

### *1.4 Intangible assets*

Intangible assets comprises of software and technical know-how. Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment losses, if any. 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:

| **Assets** | **Estimated useful lives** |
|---|---|
| Software | 3 - 5 years |
| Technical know-how | 5 - 10 years |

### *1.5 Investment property*

Investments in land or buildings (including property under construction) which are held to earn rentals and/or for capital appreciation are classified as investment property. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price and borrowing costs, if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use.

***1.5 Investment property (Continued)***

Depreciation on investment property is provided on a straight-line basis over the useful lives of assets estimated by the management. Such classes of investment properties and their estimated useful lives are as under:

| Assets | Estimated useful lives |
|---|---|
| **Land** | |
| - Freehold land | - |
| **Factory Buildings** | 30 years |

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. On disposal of an investment property, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

***1.6 Revenue recognition***

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue are stated exclusive of goods and service tax and net of trade and quantity discount.

Revenue from sale of products is recognised on transfer of control of the products to the customers, which is usually on dispatch of goods.

When the outcome of a construction contract can be estimated reliably, revenue from construction contracts are recognized under the percentage-of-completion method, based on the percentage of costs incurred to date compared to the total estimated contract costs. An expected loss on the construction contract is recognized as an expense immediately. Contract revenue earned in excess of billing has been reflected as "Contract assets" and billing in excess of contract revenue has been reflected under "Contract liabilities" in the balance sheet.

Revenue from services represents service income other than from services which are incidental to sale of products and projects. Revenue from services is recognised as per the terms of the contract with the customer using the proportionate completion method. Revenue from services rendered over a period of time, such as annual maintenance contracts, are recognized on straight line basis over the period of the performance obligation.

Commission income is recognised as and when the terms of the contract are fulfilled alongwith the proof of shipment is received from the supplier.

Export incentives receivable are accrued for, when the right to receive the credit is established and there is no significant uncertainty regarding the realisability of the incentives.

Rental income arising from operating leases is accounted on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit and Loss due to its operating nature.

***1.7 Inventories***

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

Raw materials, work-in-progress, finished goods and traded goods are carried at the lower of cost and net realisable value. Cost is determined on the basis of the weighted average method.

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.

***1.8 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 are recognised in the period in which the employee renders the related service.

*1.8 Employee benefits (Continued)*

**(b) Post-employment and other long-term benefits**

(i) ***Defined Contribution Plans***: The Group's approved superannuation scheme and employee state insurance scheme are defined contribution plans. The Group's contribution 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 Group's gratuity, pension, medical benefit and retirement gift schemes are defined benefit plans. Leave wages, retention bonus, 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. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Provident fund has been considered as a defined benefit plan since any additional obligations on account of investment risk and interest rate risk are required to be met by the Group.

In case of defined benefit plans, remeasurement comprising of actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (wherever applicable) is recognized in other comprehensive income (OCI) and is reflected in retained earnings and is not eligible to be reclassified to profit or loss. In case of other long term benefits, all remeasurements including actuarial gain or loss are charged to Statement of Profit and Loss.

The Group recognises following items in the net defined benefit obligation as an expense in Statement of Profit and Loss:

- Service cost including current service cost, past service cost and gains and losses on curtailments and settlements; and
- Net interest expense or income.

Provision for leave wages, pension, medical benefit, retention bonus, 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.

The contribution to gratuity trust is expected to be made within next 12 months. Accordingly, the provision for gratuity is classified as current.

*1.9 Share-based payments*

Share-based payments consists of share awards of the Ultimate Holding Company to the employees of the group. These awards are predominantly designed as cash-settled transactions. The fair value of the amount payable is remeasured at the end of each reporting period upto the settlement date, with the changes in the fair value recognised as employee benefits expenses with a corresponding increase in liabilities.

*1.10 Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

On initial recognition, financial assets are recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

***1.10 Financial instruments (Continued)***

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in the below categories:

(a) Financial assets at amortised cost

(b) Financial assets including derivatives at fair value through profit or loss (FVTPL)

(c) Financial assets at fair value through other comprehensive income (FVTOCI)

(d) Equity instruments

**(a) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business where the objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables, loans and other financial assets.

**(b) Financial Assets including derivatives at fair value through profit or loss (FVTPL)**

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the Statement of Profit and Loss.

**(c) Financial Assets at fair value through other comprehensive income (FVTOCI)**

Derivative instruments included in FVTOCI category are measured initially as well as at each reporting date at fair value. Movement in fair value is recognised in OCI.

**(d) Equity instruments**

Equity investment in subsidiary is measured at cost

**Derecognition**

A financial asset is primarily derecognised when:

(a) the right to receive cash flows from the asset has expired, or

(b) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the Group has transferred substantially all the risks and rewards of the asset, or b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

**Impairment of financial assets**

The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on the following financial assets and credit risk exposure:

(a) Financial assets that are measured at amortised cost e.g. deposits

(b) Trade receivables, contract assets or any another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows the simplified approach for recognition of impairment loss allowance on trade receivables (net of billing in excess) and contract assets. The application of the simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

*1.10 Financial instruments (Continued)*

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

ECL is the difference between net of all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on trade receivables (net of billing in excess) and Contract assets.

The Group does not have any purchased or originated credit-impaired financial assets, i.e., financial assets which are credit impaired on purchase/origination.

ECL impairment loss allowance (or reversal) recognized during the period is recognized in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss (FVTPL), payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

On initial recognition, financial liabilities are recognised at fair value. In case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transactions costs are attributed to the acquisition or issue of the value of the financial liabilities.

The Group's financial liabilities include trade and other payables and derivative financial instruments.

**Subsequent measurement**

Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. All other financial liabilities such as deposits are measured at amortised cost using EIR method.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts that approximates the fair value is used, due to the short maturity of these instruments.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### *1.11 Foreign currency transactions*

The Group 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 and hedge accounting**

The Group's exposure to foreign currency fluctuations relates to foreign currency assets, liabilities and forecasted cash flows. The Group limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives like forward contracts and options. The Group enters into forward exchange contracts and options, where the counterparty is a bank. The hedging strategy is used for mitigating the currency fluctuation risk and the Group does not use the forward exchange and options contracts for trading or speculative purpose.

The forward exchange and options contracts are re-measured at fair value at each reporting date with the resultant gains / losses thereon being recorded in Statement of Profit and Loss, except that are designated as hedges.

Commodity risk is mitigated by entering into future contracts to hedge against fluctuation in commodity prices.

The Group designates some of the 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 as hedges for future cash flows are recognised in OCI and reflected in the cash flow hedge reserve net of applicable deferred income taxes. 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 period during which the forecasted transaction materialises.

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 cash flow hedge reserve 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 Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result from general approximation of value and the same may differ from the actual realised value.

### *1.13 Taxation*

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effect of temporary differences between accounting income and taxable income for the year) computed in accordance with the relevant provisions of the Income Tax Act, 1961. Current tax and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in OCI or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

The current tax payable is based on taxable profit for the year. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying units intend to settle the asset and liability on a net basis.

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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 generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against those deductible temporary differences and can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

### *1.14 Earnings per share*

Basic earnings per share are 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

### *1.15 Provisions and contingencies*

Provisions are recognized when the Group recognises it has a present obligation (legal or constructive) as a result of past events and 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. If the effect is material,

provisions are recognised at present value by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognized as a provision. 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 and present obligation that arises from past events which is not recognised since it is not probable that there will be an outflow of resources. When there is a possible and 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.

Provisions for warranty related cost are recognised when the product is sold or service is provided to the customer. Initial recognition is based on past experience.

Contingent assets are not recognised in the Consolidated Financial Statements.

***1.16 Cash and Cash equivalents***

Cash and cash equivalents include cash, cheques in hand, cash at bank and deposits with banks having maturity of three months or less. Bank deposits with original maturity of up to three months are classified as 'Cash and cash equivalents' and with original maturity of more than three months are classified as 'Other bank balances'.

***1.17 Government grants and subsidies***

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grants or subsidies relates to revenue, they are recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs for which they are intended to compensate. Where the grants or subsidies relate to an asset, the same are presented in the balance sheet by deducting the grants in arriving at the carrying amount of the asset.

***1.18 Non-current assets held for sale and discontinued operations***

Non-current assets (including disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

Non-current assets classified as held for sale and the assets and liabilities of a disposal group classified as held for sale are presented separately from the other assets and liabilities in the Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations and is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the Statement of Profit and Loss.

**2. *Significant accounting judgments, estimates and assumptions***

The preparation of Consolidated Financial Statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within

***2.4 Impairment of non-financial assets (Continued)***

the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

***2.1 Project revenue and costs***

The percentage-of-completion (POC) method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Group re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

***2.2 Taxes***

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

***2.3 Property, plant and equipment and intangible assets***

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

***2.4 Impairment of non-financial assets***

The Group 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 Group 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. 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.

***2.5 Employee benefits***

The Group's obligation for employee benefits is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Refer note 44 for details of the key assumptions used in determining the accounting of these plans.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the Actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

***Ind AS 116 - Leases (Continued)***

***2.6 Impairment of financial assets***

The Group assesses impairment on financial assets based on Expected Credit Loss (ECL) model. The provision matrix is based on its historically observed default rates over the expected life of the financial assets and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward looking estimates are analysed.

***2.7 Provisions***

Significant estimates are involved in the determination of provisions related to liquidated damages, onerous contracts, warranty costs, asset retirement obligations, legal and regulatory proceedings (Legal Proceedings). The Group records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. The provision for warranty, liquidated damages, onerous contracts is based on the best estimate required to settle the present obligation at the end of reporting period.

Legal Proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. Internal and external counsels are generally part of the determination process.

All the estimates are revised periodically.

***Change in Accounting Policy***

***Ind AS 116 - Leases***

The new standard replaces existing lease recognition standards Ind AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss.

The Group has adopted Ind AS 116 Leases effective 1 October 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised in retained earnings on the date of initial application 1 October 2019. Accordingly, previous period information has not been restated.

The Group's lease asset classes primarily consist of leases for Land and Buildings, vehicles and technical equipment's. The Group assesses whether a contract is (or contains) a lease, at inception of a contract. A contract is (or contains), a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset.

(ii) the Group has substantially all the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

**Where the Group is the lessee:**

At the date of commencement of the lease, the Group recognises a Right-of-Use asset ("ROU") and a corresponding Lease Liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The Lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and Lease payments have been classified as financing cash flows.

**Where the Group is the lessor**

Assets subject to operating leases are included in property, plant and equipment and investment property. 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 recognized immediately in the Statement of Profit and Loss.

***Standard issued that are not yet effective***

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020 has notified the following amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 01, 2020:

**Ind AS 116 – Leases (Practical expedient for rent concession due to COVID-19)**

MCA has issued introduced a practical expedient for lessees which allows a lessee not to assess whether rent concessions that occur as a direct consequence of COVID-19 pandemic as lease modifications even if it meets the conditions specified for lease modification. Instead, account for the same as if they were not lease modification. The amendment does not affect lessors.

Though the amendment is applicable for annual periods beginning on or after 1 April, 2020, in case the lessee has not yet approved the financial statements for issue before the issuance of the amendment, then the same may be applied for annual periods beginning on or after 1 Apri, 2019. Additional disclosure relating to application of the practical expedient must be made. The Group does not expect this amendment to have any impact on its financial statements.

# Notes to the Consolidated Financial Statements *(Continued)* as at 30 September 2020 (Currency: Indian rupees millions)

## 3 Property, plant and equipment

| | Freehold Land | Leasehold Land | Buildings (Refer note i & ii) | Plant and equipment (Refer note ii & iii) | Furniture and fixtures (Refer note ii) | Office equipments (Refer note ii) | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | |
| At 1 October 2018 | 560 | 325 | 5,580 | 10,786 | 307 | 802 | 3 | **18,363** |
| Additions | - | - | 180 | 1,560 | 18 | 174 | - | **1,932** |
| Deductions / adjustments | - | (199) | (3) | (421) | (5) | (25) | (2) | **(655)** |
| **At 30 September 2019** | **560** | **126** | **5,757** | **11,925** | **320** | **951** | **1** | **19,640** |
| **Accumulated depreciation / impairment** | | | | | | | | |
| At 1 October 2018 | - | 14 | 678 | 4,517 | 184 | 514 | 1 | **5,908** |
| Charge for the year | - | 6 | 264 | 1,675 | 49 | 140 | 2 | **2,136** |
| Deductions / adjustments | - | (11) | (1) | (253) | (6) | (25) | (2) | **(298)** |
| **At 30 September 2019** | **-** | **9** | **941** | **5,939** | **227** | **629** | **1** | **7,746** |
| **Net block** | | | | | | | | |
| **At 30 September 2019** | **560** | **117** | **4,816** | **5,986** | **93** | **322** | * | **11,894** |

| | Freehold Land | Leasehold Land | Buildings (Refer note i & ii) | Plant and equipments (Refer note ii & iii) | Furniture and fixtures (Refer note ii) | Office equipments (Refer note ii) | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | |
| At 1 October 2019 | 560 | 126 | 5,757 | 11,925 | 320 | 951 | 1 | **19,640** |
| Additions | - | - | 26 | 917 | 13 | 448 | 1 | **1,405** |
| Deductions / adjustments** | (56) | (126) | * | (21) | * | (157) | * | **(360)** |
| Transferred to discontinued operations | (31) | - | (464) | (1,584) | (17) | (34) | - | **(2,130)** |
| **At 30 September 2020** | **473** | **-** | **5,319** | **11,237** | **316** | **1,208** | **2** | **18,555** |
| **Accumulated depreciation / impairment** | | | | | | | | |
| At 1 October 2019 | - | 9 | 941 | 5,939 | 227 | 629 | 1 | **7,746** |
| Charge for the year | - | - | 246 | 1,326 | 45 | 165 | * | **1,782** |
| Charge for the period - discontinued operations (refer note 53) | - | - | 16 | 177 | 1 | 6 | * | **200** |
| Deductions / adjustments** | - | (9) | * | (13) | * | (94) | * | **(116)** |
| Transferred to discontinued operations | - | - | (81) | (724) | (15) | (21) | - | **(841)** |
| **At 30 September 2020** | **-** | **-** | **1,122** | **6,705** | **258** | **685** | **1** | **8,771** |
| **Net block** | | | | | | | | |
| **At 30 September 2020** | **473** | **-** | **4,197** | **4,532** | **58** | **523** | **1** | **9,784** |

* denotes figures less than a million

** includes transfer to Right-of-Use assets - Freehold Land ₹ 51 and Leasehold Land ₹ 117

# Notes to the Consolidated Financial Statements *(Continued)* as at 30 September 2020 (Currency: Indian rupees millions)

**3 Property, plant and equipment *(Continued)***

**Notes:-**

i) Buildings includes gross block of ₹ 734 (2019: ₹ 734) representing 365 shares of ₹ 50 each and 11 shares of ₹ 100 each (2019: 365 shares of ₹ 50 each and 11 shares of ₹ 100 each) in various co-operative housing societies respectively.

ii) Assets include assets given on operating lease

| Particulars | Buildings | Plant and equipments | Furniture and fixtures | Office equipments |
|---|---|---|---|---|
| Gross carrying value as at 30 September 2019 | 417 | 62 | 20 | 16 |
| Written Down Value as at 30 September 2019 | 356 | 35 | 2 | 10 |
| Depreciation charge for the year | 65 | 42 | 5 | 26 |
| Gross carrying value as at 30 September 2020 | 657 | 66 | 20 | 17 |
| Written Down Value as at 30 September 2020 | 543 | 31 | * | 9 |
| Depreciation charge for the year | 22 | 6 | * | 5 |

iii) Plant and equipment includes gross block of ₹ 7 (2019: ₹ 7) and Net block of ₹ Nil (2019: Nil) which represents cost incurred by the Company on certain assets ownership of which vests with the West Bengal State Electricity Board.

* denotes figures less than a million

**4 Investment Property**

| | Land and Buildings | Total |
|---|---|---|
| **Gross carrying value** | | |
| At 1 October 2018 | 1,154 | **1,154** |
| Additions | - | **-** |
| Deductions / adjustments | (1,152) | **(1,152)** |
| **At 30 September 2019** | **2** | **2** |
| | | |
| **Accumulated depreciation** | | |
| At 1 October 2018 | 112 | **112** |
| Charge for the year | 27 | **27** |
| Deductions / adjustments | (138) | **(138)** |
| **At 30 September 2019** | **1** | **1** |
| | | |
| **Net block** | | |
| **At 30 September 2019** | **1** | **1** |

| | Land and Buildings | Total |
|---|---|---|
| **Gross carrying value** | | |
| At 1 October 2019 | **2** | **2** |
| Additions | **-** | **-** |
| Deductions / adjustments | **-** | **-** |
| **At 30 September 2020** | **2** | **2** |
| | | |
| **Accumulated depreciation** | | |
| At 1 October 2019 | **1** | **1** |
| Charge for the year | ***** | ***** |
| Deductions / adjustments | **-** | **-** |
| **At 30 September 2020** | **1** | **1** |
| | | |
| **Net block** | | |
| **At 30 September 2020** | **1** | **1** |

**Notes:**

**i) Information regarding income and expenditure on investment properties**

| | Sept 2020 | Sept 2019 |
|---|---|---|
| Rental income derived from investment properties | **-** | 151 |
| Direct operating expenses (including repairs and maintenance) generating rental income | **(1)** | (23) |
| Profit/(Loss) arising from investment properties before depreciation and indirect expenses | **(1)** | 128 |
| Less: Depreciation | ***** | (27) |
| Profit/(Loss) arising from investment properties before indirect expenses | **(1)** | 101 |

*denotes figures less than a million

**4 Investment Property *(Continued)***

**ii) Fair value disclosure**

Description of valuation techniques used and key inputs to valuation on investment properties:

| Particulars | Valuation technique | Fair Value | |
|---|---|---|---|
| | | **Sept 2020** | Sept 2019 |
| Land and building | Stamp duty reckoner rate/ Valuation Report | **482** | 482 |

The valuation of investment properties is in accordance with the Ready Reckoner rates prescribed for the purpose of levying stamp duty. The Group has referred to the publications and government website for Ready Reckoner rates. Further, the fair value of certain investment property has been determined with the help of Independent valuer.

**5 Intangible assets**

| | Intangible assets | | |
|---|---|---|---|
| | **Technical know-how** | **Software** | **Total** |
| **Gross carrying value** | | | |
| At 1 October 2018 | 66 | 42 | **108** |
| Additions | - | - | **-** |
| Deductions / adjustments | - | - | **-** |
| **At 30 September 2019** | **66** | **42** | **108** |
| **Accumulated depreciation / impairment** | | | |
| At 1 October 2018 | 49 | 25 | **74** |
| Charge for the year | 12 | 7 | **19** |
| Deductions / adjustments | - | - | **-** |
| **At 30 September 2019** | **61** | **32** | **93** |
| **Net block** | | | |
| **At 30 September 2019** | **5** | **10** | **15** |

| | Intangible assets | | |
|---|---|---|---|
| | **Technical know-how** | **Software** | **Total** |
| **Gross carrying value** | | | |
| At 1 October 2019 | 66 | 42 | **108** |
| Additions | - | 11 | **11** |
| Deductions / adjustments | - | (6) | **(6)** |
| Transferred to discontinued operations | (23) | (15) | **(38)** |
| **At 30 September 2020** | **43** | **32** | **75** |
| **Accumulated depreciation / impairment** | | | |
| At 1 October 2019 | 61 | 32 | **93** |
| Charge for the year | 4 | 4 | **8** |
| Charge for the year - discontinued operations | - | 2 | **2** |
| Deductions / adjustments | - | (6) | **(6)** |
| Transferred to discontinued operations | (22) | (7) | **(29)** |
| **At 30 September 2020** | **43** | **25** | **68** |
| **Net block** | | | |
| **At 30 September 2020** | ***** | **7** | **7** |

* denotes figures less than a million

| | | | Sept 2020 | Sept 2019 |
|---|---|---|---|---|
| **6** | **Trade receivables - Non - current (unsecured)** | | | |
| | Long-term trade receivables | | | |
| | - considered good | | **824** | 685 |
| | - considered doubtful | | **6** | 13 |
| | | | **830** | 698 |
| | Impairment Allowance | | **(6)** | (13) |
| | | | **824** | 685 |
| **7** | **Loans - Non - current (unsecured, considered good)** | | | |
| | Loan to employees | | **10** | 18 |
| | Loans to related parties (Refer note 43 and below) | | **5,050** | 1,210 |
| | | | **5,060** | 1,228 |
| **8** | **Other financial assets - Non - current** | | | |
| | **i)** | **Financial assets at amortised cost** | | |
| | | Security deposits | **421** | 380 |
| | | Export incentive | **-** | 100 |
| | **ii)** | **Financial assets at fair value through Profit or Loss** | | |
| | | Derivative contracts | **36** | 55 |
| | | | **457** | 535 |
| **9** | **Income tax disclosure** | | | |
| | **(a)** | **Income tax expense** | | |
| | | **Current tax:** | | |
| | | Current Income tax charge from continuing operations | **2,722** | 5,408 |
| | | Adjustments in respect of prior years - True up | **-** | (13) |
| | | **Deferred tax** | | |
| | | In respect of current year origination and reversal of temporary differences | **(48)** | (365) |
| | | In respect of prior years - True up | **-** | 14 |
| | | Changes in statutory tax rate | **-** | 741 |
| | | **Total tax expense recognised in Statement of Profit and Loss** | **2,674** | 5,785 |
| | **(b)** | **Income Tax on Other Comprehensive Income** | | |
| | | Re measurements of defined benefit plans | **(93)** | 168 |
| | | Fair value changes on derivative designated as cash flow hedge reserve | **38** | (6) |
| | | **Total tax expense recognised in Other Comprehensive Income** | **(55)** | 162 |

**9 Income tax disclosure *(Continued)***

**(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 30 September 2020 and 30 September 2019**

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| Profit before tax from continuing operations | **10,369** | 17,141 |
| Loss before tax from discontinued operations | **(13)** | (547) |
| Other Comprehensive items | **(221)** | (646) |
| **Total** | **10,135** | 15,948 |
| **Tax at statutory average income tax rate of 25.17% (2019: 29.79%) (A) [Refer note (f)]** | **2,552** | 4,746 |
| Tax effect of expenses that are not deductible for tax purposes | **63** | 52 |
| Tax effect of Capital gain & tax paid at lower rate | **-** | (105) |
| Tax effect of change in statutory rate | **-** | 745 |
| **Total (B)** | **63** | 692 |
| **At the effective income tax rate of 25.81% (2019: 34.15%) (A+B)** | **2,615** | 5,438 |
| Income tax reported in Statement of Profit and Loss from continuing operations | **2,674** | 5,785 |
| Income tax attributable to discontinued operations | **(4)** | (185) |
| Income tax expense of Other Comprehensive Income | **(55)** | (162) |
| **Total** | **2,615** | 5,438 |

**(d) Movement of Deferred tax**

| | **Balance Sheet** | | **Profit & Loss** | |
|---|---|---|---|---|
| | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| **Deferred tax assets** | | | | |
| Arising on account of temporary differences in : | | | | |
| Provision for doubtful debts and advances | **651** | 579 | **71** | (178) |
| Provision for loss allowance | **235** | 273 | **(38)** | (144) |
| Provisions made disallowed and allowed only on payment basis | **1,071** | 1,104 | **(34)** | (441) |
| Provision for Inventory allowance | **895** | 633 | **261** | 75 |
| Other temporary differences | **140** | 339 | **(222)** | (175) |
| **Less - Deferred tax liability** | | | | |
| Arising on account of temporary differences in : | | | | |
| Accelerated Depreciation for tax purposes | **(512)** | (617) | **106** | 487 |
| **Deferred tax assets (net)** | **2,480** | 2,311 | **144** | (376) |
| Deferred tax recognised directly in Other Comprehensive income | **44** | 131 | **(86)** | 121 |
| **Total Deferred tax as shown in Balance sheet and Profit and Loss** | **2,524** | 2,442 | **58** | (255) |

**(d) (i) Breakup of Deferred tax**

| | **Balance Sheet** | |
|---|---|---|
| | **Sept 2020** | Sept 2019 |
| **Deferred tax assets (net)** | | |
| Continuing operations | **2,149** | 2,442 |
| Discontinued operations | **375** | - |
| **Total Deferred tax as shown in Balance sheet** | **2,524** | 2,442 |

**9 Income tax disclosure *(Continued)***

| **(e) Reconciliation of deferred tax assets, net** | **Sept 2020** | Sept 2019 |
|---|---|---|
| Opening balance | **2,442** | 2,697 |
| Tax income / (expense) during the year recognised in profit or loss from continuing operations | **47** | (388) |
| Tax income / (expense) during the year recognised in profit or loss from discontinued operations | **97** | 12 |
| Tax income / (expense) during the period recognised in Other Comprehensive Income | **(86)** | 121 |
| Tax income / (expense) during the year recognised in Retained Earnings | **24** | - |
| Deferred tax assets (net) | **2,524** | 2,442 |

**(f)** During the previous year, the Group has opted for lower corporate tax rate available under section 115BAA of the Income-tax Act, 1961 ('the Act') as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognized provision for Income-tax at relevant tax rates applicable for the year ended 30 September 2019 which are as below:

- 1 October 2018 to 31 March 2019 : 34.94%

- 1 April 2019 to 30 September 2019 : 25.17%

- Average current tax rate : 29.79%

Further, the Group has also re-measured its deferred tax assets and the relevant impact has been provided through Profit & Loss Account for the year ended 30 September 2019.

**10 Income tax assets (net)**

| | | |
|---|---|---|
| Advance payments of income tax [net of provision for tax ₹ 54,060 (2019: ₹ 50,848) including payments made under protest of ₹ 6,011 (2019: ₹ 4,973)] | **6,640** | 6,650 |
| | **6,640** | 6,650 |

**11 Other non-current assets**

| | | |
|---|---|---|
| Capital advances | **59** | 175 |
| Balances with statutory /government authorities [includes payments made under protest of ₹ 1,712 (2019: ₹ 1,625)] | **3,036** | 3,149 |
| Prepaid lease | **1** | 90 |
| Others | **-** | 178 |
| | **3,096** | 3,592 |

**12 Inventories (valued at lower of cost and net realisable value)**

| | | |
|---|---|---|
| Raw materials [includes Goods in Transit ₹ 260 (2019 : ₹ 759)] | **3,464** | 4,563 |
| Work-in-progress | **3,594** | 3,341 |
| Finished goods | **1,364** | 551 |
| Traded goods [includes Goods in Transit ₹ 1,294 (2019 : ₹ 1,500)] | **2,730** | 2,742 |
| | **11,152** | 11,197 |

| | | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **13** | **Trade receivables - Current (unsecured)** | | |
| | Trade receivables | **31,611** | 37,155 |
| | Receivables from related parties (Refer note 43) | **1,454** | 2,758 |
| | | **33,065** | 39,913 |
| | Of which | | |
| | - considered good | **31,402** | 38,156 |
| | - considered doubtful | **442** | 637 |
| | - which have significant increase in credit risk | **33** | - |
| | - credit impaired | **1,188** | 1,120 |
| | | **33,065** | 39,913 |
| | Impairment Allowance | **(1,663)** | (1,757) |
| | | **31,402** | 38,156 |

i) Trade receivable does not consist any amounts due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

ii) For details of related party receivables, refer note 43

iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days of credit period.

| | | | |
|---|---|---|---|
| **14** | **Cash and cash equivalents (Refer note below)** | | |
| | ***Balances with banks*** | | |
| | - On current accounts | **1,467** | 1,889 |
| | - Bank deposits with original maturity of less than 3 months | **17,226** | 4,920 |
| | Cash on hand | ***** | 1 |
| | Cheques / drafts on hand | **481** | 315 |
| | | **19,174** | 7,125 |

**Changes in liabilities arising from financing activities:**

The changes in liabilities arising from financing activities is on account of cash flow changes only and there are no non-cash changes.

* denotes figures less than a million

| | | | |
|---|---|---|---|
| **15** | **Other bank balances** | | |
| | Bank deposits with remaining maturity of less than 12 months | **37,837** | 42,803 |
| | Unpaid dividend account (Refer note below) | **85** | 91 |
| | | **37,922** | 42,894 |

The balance in unpaid dividend is used only for payment of dividend.

| | | | |
|---|---|---|---|
| **16** | **Loans - Current (unsecured, considered good)** | | |
| | Inter corporate deposits to related parties (Refer note below and note 43) | **2,650** | 7,220 |
| | Loan to employees | **72** | 65 |
| | | **2,722** | 7,285 |

Inter corporate deposit to related parties are given for the purpose of meeting the working capital requirements.

| | | | Sept 2020 | Sept 2019 |
|---|---|---|---|---|
| **17** | **Other financial assets - Current** | | | |
| | **i)** | **Financial assets at amortised cost** | | |
| | | Security deposits | | |
| | | - considered good | **260** | 310 |
| | | - considered doubtful | **32** | 36 |
| | | | **292** | 346 |
| | | Impairment allowance | **(32)** | (36) |
| | | | **260** | 310 |
| | | Interest accrued on inter corporate deposits | **60** | 48 |
| | | Interest accrued on bank deposits | **332** | 491 |
| | | Export incentive / Government grant | **863** | 872 |
| | | Others | **617** | 522 |
| | **ii)** | **Financial assets at fair value through Profit or Loss** | | |
| | | Derivative contracts | **469** | 638 |
| | **iii)** | **Financial assets at fair value through Other Comprehensive Income** | | |
| | | Derivative contracts | **150** | 24 |
| | | | **2,751** | 2,905 |
| **18** | **Contract assets** | | | |
| | | - considered good | **13,300** | 13,725 |
| | | - considered doubtful | **211** | 177 |
| | | | **13,511** | 13,902 |
| | | Impairment allowance | **(211)** | (177) |
| | | | **13,300** | 13,725 |
| **19** | **Other current assets** | | | |
| | | Advance to suppliers | **529** | 642 |
| | | Prepaid expenses | **53** | 112 |
| | | Balances with statutory / government authorities, net | **2,052** | 1,634 |
| | | Others | **178** | 1 |
| | | | **2,812** | 2,389 |

| | | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **20** | **Share capital** | | |
| | **Authorised** | | |
| | 1,000,000,000 Equity Shares of ₹ 2 each (2019: 1,000,000,000 Equity shares of ₹ 2 each) | **2,000** | 2,000 |
| | | **2,000** | 2,000 |
| | **Issued** | | |
| | 356,983,950 Equity Shares of ₹ 2 each (2019: 356,983,950 Equity shares of ₹ 2 each) | **714** | 714 |
| | **Subscribed and fully paid-up** | | |
| | 356,120,255 Equity Shares of ₹ 2 each fully paid-up (2019: 356,120,255 Equity shares of ₹ 2 each fully paid-up) | **712** | 712 |
| | | **712** | 712 |

**a) Shares held by Ultimate holding company, subsidiary and associates of Ultimate holding company:**

Nil (2019: 255,351,805) Equity shares of ₹ 2 each, fully paid-up, are held by the Ultimate Holding Company, Siemens Aktiengesellschaft, Germany;

169,882,943 (2019: Nil) Equity shares of ₹ 2 each, fully paid-up, are held by the Subsidiary of Ultimate Holding Company, Siemens International Holding B.V., Netherlands

85,468,862 (2019: Nil) Equity shares of ₹ 2 each, fully paid-up, are held by the Associate of Ultimate Holding Company, Siemens Gas and Power Holding B.V., Netherlands

11,738,108 (2019: 11,738,108) Equity shares of ₹ 2 each, fully paid-up, are held by Siemens Metals Technologies Vermögensverwaltungs GmbH (formerly known as Siemens VAI Metals Technologies GmbH), a 100% Subsidiary of Ultimate Holding Company.

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

| | **2020** | | 2019 | |
|---|---|---|---|---|
| | **Number** | **Amount** | Number | Amount |
| Shares outstanding at the beginning of the year | **356,120,255** | **712** | 356,120,255 | 712 |
| Shares issued / subscribed during the year | **-** | **-** | - | - |
| Shares outstanding at the end of the year | **356,120,255** | **712** | 356,120,255 | 712 |

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

| | **2020** | | 2019 | |
|---|---|---|---|---|
| **Name of shareholder** | **No. of shares held** | **% of Holding** | No. of shares held | % of Holding |
| Siemens Aktiengesellschaft, Germany | **-** | - | 255,351,805 | 71.70% |
| Siemens International Holding B.V., Netherlands (w.e.f. 23.06.2020) | **169,882,943** | **47.70%** | - | - |
| Siemens Gas and Power Holding B.V., Netherlands (w.e.f. 19.05.2020) | **85,468,862** | **24.00%** | - | - |
| Life Insurance Corporation of India | **24,921,663** | **7.00%** | 16,778,060 | 4.71% |

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) Terms / rights attached to equity shares**

The Parent 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 Parent Company declares and pays dividends in Indian rupees.

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.

**21 Other equity**

**Nature and purpose of reserve**

a) Capital reserve was created on account of merger of group companies in earlier years.

b) Amalgamation reserve pertains to amalgamation of Siemens VDO Automotive Ltd. in 2006.

c) Capital redemption reserve pertains to entity accounted as business combination under common control.

d) Securities premium account represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.

e) General reserve is created out of profits earned by the Group by way of transfer from surplus in the statement of profit and loss. The Group can use this reserve for payment of dividend and issue of fully paid-up shares. As General reserve is created by transfer on one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be subsequently reclassified to statement of profit and loss.

f) Cash flow hedge reserve represents mark-to-market valuation of effective hedges as required by Ind AS 109.

g) Retained earnings are the profits that the Group has earned till date, less any transfers to General reserve and payment of dividend.

The above reserves will be utilised in accordance with the provision of the Companies Act, 2013.

| | | **Sept 2020** | Sept 2019 |
|---|---|---|---|
| **22** | **Dividend distribution made and proposed** | | |
| | **Cash dividend on equity shares declared and paid:** | | |
| | Final dividend for the year ended 2019: ₹ 7 per share (2018: ₹ 7 per share) | **2,493** | 2,493 |
| | Dividend distribution tax on final dividend | **512** | 512 |
| | | **3,005** | 3,005 |
| | **Proposed dividend on equity shares:** | | |
| | Final cash dividend for the year ended 2020: ₹ 7 per share (2019: ₹ 7 per share) | **2,493** | 2,493 |
| | Dividend distribution tax on proposed dividend | **-** | 512 |
| | | **2,493** | 3,005 |
| **23** | **Other financial liabilities - Non - current** | | |
| | **i) Financial liabilities at fair value through Profit or Loss** | | |
| | Derivative contracts | **29** | 84 |
| | Liabilities related to share based payments (Refer note 47) | **387** | 238 |
| | | **416** | 322 |
| **24** | **Long-term provisions** | | |
| | ***a) Provision for employee benefits*** | | |
| | - Pension (Refer note 44) | **226** | 240 |
| | - Leave wages | **840** | 813 |
| | - Medical benefits (Refer note 44) | **1,691** | 1,073 |
| | - Silver jubilee and star awards | **401** | 392 |
| | - Retirement gift | **107** | 98 |
| | - Retention Bonus | **-** | 3 |
| | | **3,265** | 2,619 |
| | ***b) Others*** | | |
| | - Other matters (Refer note 39) | **12** | 25 |
| | | **12** | 25 |
| | | **3,277** | 2,644 |

| | | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **25** | **Other non-current liabilities** | | |
| | Others | **31** | 135 |
| | | **31** | 135 |
| **26** | **Other financial liabilities - Current** | | |
| | **i) Financial liabilities at amortised cost** | | |
| | Security deposits | **101** | 72 |
| | Unclaimed dividend | **86** | 91 |
| | Liability for capital goods | **58** | 142 |
| | Others | **1,818** | 2,203 |
| | **ii) Financial liabilities at fair value through Profit or Loss** | | |
| | Derivative contracts | **315** | 567 |
| | Liabilities related to share based payments (Refer note 47) | **196** | 207 |
| | **iii) Financial liabilities at fair value through Other Comprehensive Income** | | |
| | Derivative contracts | **15** | - |
| | | **2,589** | 3,282 |
| **27** | **Contract liabilities** | | |
| | Advances from customers | **8,067** | 8,242 |
| | Billing in excess / advance billings | **7,051** | 4,623 |
| | | **15,118** | 12,865 |
| **28** | **Current Tax liabilities** | | |
| | Provision for tax [net of advance tax ₹ 11,719 (2019: ₹ 12,320) ] | **130** | 468 |
| **29** | **Other current liabilities** | | |
| | Accrued salaries and benefits | **428** | 336 |
| | Interest accrued and due | **149** | 159 |
| | Other liabilities | | |
| | - Withholding and other taxes payable | **385** | 304 |
| | - Others | **325** | 365 |
| | | **1,287** | 1,164 |
| **30** | **Short-term provisions** | | |
| | ***a) Provision for employee benefits*** | | |
| | - Pension (Refer note 44) | **33** | 35 |
| | - Leave wages | **27** | 53 |
| | - Medical benefits (Refer note 44) | **65** | 62 |
| | - Gratuity (Refer note 44) | **344** | 776 |
| | - Silver jubilee and star awards | **38** | 47 |
| | - Retention Bonus | **8** | 8 |
| | - Retirement gift | **1** | 2 |
| | | **516** | 983 |
| | ***b) Others*** | | |
| | - Warranty (Refer notes 39) | **3,465** | 3,233 |
| | - Loss order (Refer notes 39) | **1,068** | 1,086 |
| | - Liquidated damages (Refer notes 39) | **743** | 957 |
| | - Other matters (Refer notes 39) | **2,943** | 2,881 |
| | | **8,219** | 8,157 |
| | | **8,735** | 9,140 |

| | | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **31** | **Revenue from operations (gross)** | | |
| | ***Revenue from contracts with customers*** | | |
| | Sale of products | **48,818** | 69,718 |
| | Revenue from projects | **30,770** | 42,893 |
| | Sale of services | **16,786** | 14,537 |
| | Commission income | **232** | 189 |
| | | **96,606** | 1,27,337 |
| | ***Other operating revenue*** | | |
| | Export incentives | **761** | 1,057 |
| | Recoveries from group companies | **1,475** | 1,616 |
| | Rental income | **323** | 484 |
| | Liabilities written back | **137** | 86 |
| | Others | **163** | 259 |
| | | **2,859** | 3,502 |
| | | **99,465** | 1,30,839 |
| **32** | **Other income** | | |
| | Interest income | **2,965** | 3,419 |
| | Profit on sale of assets, net | **2** | 505 |
| | Others | **182** | 60 |
| | | **3,149** | 3,984 |
| **33** | **Project bought outs and other direct costs** | | |
| | Spares and stores consumed | **124** | 227 |
| | Project bought outs | **19,737** | 27,357 |
| | Other direct costs | **3,310** | 4,448 |
| | | **23,171** | 32,032 |
| **34** | **Employee benefits expense*** | | |
| | Salaries, wages and bonus, net | **13,263** | 13,603 |
| | Contribution to provident and other funds | **1,245** | 1,109 |
| | Share based payments to employees | **371** | 110 |
| | Staff welfare expenses | **586** | 728 |
| | | **15,465** | 15,550 |

* Pursuant to rationalisation of operations in Digital Industries and Portfolio Companies segments of the Group, Employee benefits expense for year ended 30 September 2019 include a charge of ₹ 753.

| | | | |
|---|---|---|---|
| **35** | **Finance costs** | | |
| | Interest - Others | **120** | 116 |
| | Interest on lease liabilities | **175** | - |
| | | **295** | 116 |

| | | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **36** | **Other expenses** | | |
| | Exchange loss / (gains), net * | **232** | (829) |
| | Travel and conveyance | **801** | 1,478 |
| | Software license fees and other information technology related costs | **1,796** | 1,367 |
| | Rates and taxes | **524** | 471 |
| | Communications | **376** | 356 |
| | Packing and forwarding | **966** | 1,644 |
| | Power and fuel | **382** | 520 |
| | Insurance | **380** | 359 |
| | Rent | **276** | 875 |
| | Repairs | | |
| | - on building | **104** | 220 |
| | - on machinery | **517** | 813 |
| | - others | **250** | 251 |
| | Legal and professional [includes auditors' remuneration (Refer note 38)] | **1,489** | 1,729 |
| | Advertising and publicity | **148** | 381 |
| | Office supplies, printing and stationery | **209** | 193 |
| | Research and development expenditure | **62** | 49 |
| | Bank guarantee commission / bank charges | **305** | 274 |
| | Commission to directors | **12** | 19 |
| | Directors' fees | **4** | 3 |
| | Bad debts [net of reversal of provision for doubtful debts of ₹ 194 (2019: ₹ 244)] | **150** | 75 |
| | CSR expenditure (refer note 56) | **282** | 241 |
| | Provision for doubtful debts and advances, net | **352** | 388 |
| | Provision for fixed deposit | **2** | - |
| | License fees | **555** | 575 |
| | Miscellaneous expenses | **166** | 522 |
| | | **10,340** | 11,975 |

* Includes amount transferred from cash flow hedge reserve to exchange gains amounting to ₹ (17) (2019: ₹ (7))

| | | Sept 2020 | Sept 2019 |
|---|---|---|---|
| **37** | **Commitments and contingent liabilities** | | |
| | **(a) Commitments** | | |
| | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | **973** | 868 |
| | Of the above ₹ 516 pertains to discontinued operations | | |
| | For commitments relating to lease arrangements (Refer note 41) | | |
| | **(b) Contingent liabilities (to the extent not provided for)** | | |
| | Income tax (excluding interest) | **4,821** | 5,081 |
| | Excise, service tax and sales tax liabilities, under dispute | **6,569** | 7,568 |
| | Customs liabilities, under dispute | **120** | 120 |
| | Claims against the Company not acknowledged as debts | **899** | 365 |
| | Of the above ₹ 100 pertains to discontinued operations | | |

i) In respect of above contingent liabilities, the future cash outflows are determinable only on receipt of judgements pending at various forums / authorities. The Group has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

ii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

| **38** | **Auditors' remuneration (for audit services exclusive of GST)** | **Sept 2020** | Sept 2019 |
|---|---|---|---|
| | As auditor | | |
| | - Audit fees | **22** | 24 |
| | - Tax audit fees | **6** | - |
| | In other capacity | | |
| | - Other audit related services | **2** | 12 |
| | - Reimbursement of expenses | **2** | 2 |
| | | **32** | 38 |

**39 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.

***Provision for other matters***

The Group 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.

**39 Disclosure relating to Provisions (*Continued)***

The movements in the above provisions are summarised below:

| | Warranty | | Liquidated damages | | Loss orders | | Other matters | |
|---|---|---|---|---|---|---|---|---|
| | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| Balance as at 1 October | **3,233** | 2,789 | **957** | 1,057 | **1,086** | 1,199 | **2,906** | 3,105 |
| Provisions : | | | | | | | | |
| - Created | **1,437** | 1,348 | **446** | 487 | **974** | 1,114 | **692** | 899 |
| - Utilised | **(282)** | (316) | **(190)** | (279) | **(737)** | (972) | **(222)** | (506) |
| - Reversed | **(793)** | (588) | **(463)** | (308) | **(103)** | (255) | **(343)** | (592) |
| - Transferred to discontinued operations | **(130)** | - | **(7)** | - | **(152)** | - | **(78)** | - |
| Balance as at 30 September | **3,465** | 3,233 | **743** | 957 | **1,068** | 1,086 | **2,955** | 2,906 |
| - Current | **3,465** | 3,233 | **743** | 957 | **1,068** | 1,086 | **2,943** | 2,881 |
| - Non-current | **-** | - | **-** | - | **-** | - | **12** | 25 |

**40 Disclosure pursuant to Indian Accounting Standard - 115 'Revenue from contracts with customer' :**

**(i)** Out of the total revenue recognised under Ind AS 115 during the period, ₹ 41,362 (2019: ₹ 44,740 ) is recognised over a period of time and ₹ 55,245 (2019: ₹ 82,597) is recognised at a point in time.

**(ii) Reconciliation between revenue recognized and contract price:**

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| Contract Price | **96,735** | 1,27,853 |
| Less: Reductions towards variable consideration components * | **129** | 516 |
| Revenue | **96,606** | 1,27,337 |

* Reduction towards variable consideration components include discounts, liquidated damages, etc.

**(iii) Remaining performance obligations: The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows -**

| **Particulars** | **Unexecuted Order Value** | **Expected conversion in revenue** | |
|---|---|---|---|
| | | **Up to 1 year** | **More than 1 year** |
| Transaction price allocated to the remaining performance obligation: | | | |
| **2020** | **127,424** | **84,780** | **42,644** |
| 2019 | 107,445 | 69,420 | 38,025 |

**(iv)** Revenue recognised during the year from opening balance of contract liabilities amounts to ₹ 8,952 (2019: ₹ 9,580).

**(v)** There is no revenue recognised during the year from the performance obligation that is satisfied in previous year (arising out of contract modifications).

**(vi)** Information regarding geographical disaggregation of revenue has been included in segment information [Refer note 42(ii)].

**41 Disclosure pursuant to Ind AS 116 "Leases"**

**a)** The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 October 2019. Right-of-Use assets of ₹ 2,011 million and Lease liabilities of ₹ 2,065 million have been recognised as on 1 October 2019. Right-of-Use assets includes, reduction in respect of certain Right-of-Use assets where Ind AS 116 has been applied since the lease commencement date and the difference between Right-of-Use assets and Lease liability amounting to ₹ 72 (net of deferred tax asset ₹ 24) has been reduced from retained earnings.

**b) Reconciliation between operating lease commitments disclosed as on 30 Septemer 2019 applying Ind AS 17 and Lease liabilities recognised as per Ind AS 116 as at 1 October 2019 in the financial statements:**

| Particulars | Amount |
|---|---|
| Lease commitments as at 30 September 2019 (Operating lease as per Ind AS 17) | 2,644 |
| Less : Discounting | (343) |
| Less : Commitments relating to short term leases | (52) |
| Less : Commitments relating to leases of low-value assets | (184) |
| **Lease liabilities as on 1 October 2019** | **2,065** |

**c)** The weighted average incremental borrowing rate applied on initial application to lease liabilities is 6.75%

**As Lessee**

**i) Carrying value of Right of use assets at the end of the reporting period by class**

| | On account of transition to Ind AS 116 | Addition during the year | Deletion / adjustments during the year | Depreciation for the year | Transferred to discontinued operations | Balance at 30 September 2020 |
|---|---|---|---|---|---|---|
| Land & Building | 1,738 | 905 | 344 | 614 | * | 1,685 |
| Vehicles | 254 | 63 | 19 | 108 | (5) | 185 |
| Plant and equipment | 22 | 6 | - | 11 | - | 17 |
| **Total** | **2,014** | **974** | **363** | **733** | **(5)** | **1,887** |

**ii) Maturity analysis of Lease Liabilities**

| Maturity analysis – contractual undiscounted cash flows | Sept 2020 |
|---|---|
| Less than one year | 876 |
| One to five years | 1,488 |
| More than five years | 15 |
| **Total undiscounted Lease liabilities at 30 September 2020** | **2,379** |
| Current | 876 |
| Non-Current | 1,503 |

**iii) Amounts recognised in Profit or Loss**

| | Sept 2020 |
|---|---|
| Interest expense on lease liabilities | 175 |
| Expenses relating to short-term leases | 102 |
| Expenses relating to leases of low-value assets | 177 |
| Income from sub-lease of properties | 150 |

**iv)** During the year ended 30 September 2020, total cash outflow in respect of leases amounted to ₹ 725.

* denotes figures less than a million

## 42 (i) Information about business segments

| | Revenue | | | | | | Results | |
|---|---|---|---|---|---|---|---|---|
| | External revenue | | Inter segmental revenue | | Total | | | |
| | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 |
| Energy | **40,371** | 51,592 | **158** | 144 | **40,529** | 51,736 | **4,014** | 6,949 |
| Smart Infrastructure | **26,163** | 35,141 | **1,472** | 2,246 | **27,635** | 37,387 | **1,013** | 3,545 |
| Mobility | **9,211** | 12,026 | **3** | 11 | **9,214** | 12,037 | **1,069** | 1,263 |
| Digital Industries | **18,913** | 26,298 | **502** | 576 | **19,415** | 26,874 | **1,156** | 1,648 |
| Portfolio Companies * | **3,842** | 4,591 | **1** | 4 | **3,843** | 4,595 | **200** | (373) |
| Others | **965** | 1,191 | **1** | - | **966** | 1,191 | **63** | 240 |
| Eliminations | **-** | - | **(2,137)** | (2,981) | **(2,137)** | (2,981) | **-** | - |
| **Continuing operations** | **99,465** | 130,839 | **-** | - | **99,465** | 130,839 | **7,515** | 13,272 |
| **Discontinued operations (refer note 53)** | **6,713** | 6,833 | **-** | - | **6,713** | 6,833 | **(12)** | (552) |
| Interest expenses | | | | | | | **295** | 115 |
| Interest income | | | | | | | **2,965** | 3,419 |
| Other Income | | | | | | | **184** | 565 |
| **Profit before tax from continuing operation** | | | | | | | **10,369** | 17,141 |
| **Loss before tax from discontinued operation (refer note 53)** | | | | | | | **(13)** | (547) |
| Income tax | | | | | | | **(2,722)** | (5,396) |
| Deferred tax | | | | | | | **48** | (389) |
| **Profit after tax from continuing operation** | | | | | | | **7,695** | 11,356 |
| **Loss after tax from discontinued operation (refer note 53)** | | | | | | | **(9)** | (362) |
| **Total** | **106,178** | 137,672 | **-** | - | **106,178** | 137,672 | **7,686** | 10,994 |

* Portfolio Companies segment relates to Large Drive Applications.

**42 (i) Information about business segments *(Continued)***

| | Assets | | Liabilities | | Capital Expenditure | | Non-cash expenditure | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Depreciation & amortisation / Impairment (Refer note 3, 4, 5 & 41) | | Others | |
| | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 |
| Energy | **36,272** | 38,630 | **26,966** | 25,943 | **327** | 356 | **925** | 651 | **314** | (460) |
| Smart Infrastructure | **18,683** | 18,941 | **13,148** | 14,582 | **531** | 1,066 | **839** | 731 | **293** | (264) |
| Mobility | **10,773** | 9,032 | **7,512** | 7,747 | **42** | 130 | **182** | 121 | **109** | 100 |
| Digital Industries | **7,075** | 7,924 | **6,594** | 5,583 | **88** | 51 | **274** | 249 | **296** | 30 |
| Portfolio Companies * | **2,325** | 8,110 | **1,841** | 4,457 | **4** | 20 | **75** | 113 | **62** | (48) |
| Others | **2,225** | 1,239 | **1,151** | 916 | **321** | 71 | **226** | 123 | **5** | (1) |
| | **77,353** | 83,876 | **57,212** | 59,228 | **1,313** | 1,694 | **2,521** | 1,988 | **1,079** | (643) |
| Unallocable corporate items | **75,324** | 69,707 | **4,483** | 3,861 | **244** | 192 | **-** | - | **-** | - |
| Discontinued operation (refer note 53) | **5,925** | - | **1,987** | - | **398** | 295 | **205** | 194 | **295** | (107) |
| **Total** | **158,602** | 153,583 | **63,682** | 63,089 | **1,955** | 2,181 | **2,726** | 2,182 | **1,374** | (750) |

**42 (ii) Information about geographical areas**

| | Revenue based on location of customers | | Non-Current assets | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| Within India | **76,408** | 107,503 | **22,295** | 22,735 |
| Outside India | **23,057** | 23,336 | **-** | - |
| **Total** | **99,465** | 130,839 | **22,295** | 22,735 |

* Portfolio Companies segment relates to Large Drive Applications.

**42 (iii) Other disclosures :**

- The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and profit from operations as the performance indicator for all of the operating segments. The Chief Executive Officer, Chief Financial Officer and Division CEO & CFO's are the CODM of the Group.
- Inter-segment prices are normally negotiated amongst the segments with reference to the costs, market price and business risks/ Transfer prices between operating segments are on arm's length basis in a manner similar to the transactions with third parties.
- No operating segments have been aggregated to form the above reportable operating segments.
- Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.
- Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.
- Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.
- Profits / losses on inter segment transfers are eliminated at the Group level.

**(iv) Segment information :**

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

- **Energy : -** Provides fully integrated products, solutions and services across the energy value chain of oil and gas production, power generation and transmission for various customers such as utilities, independent power producers and engineering, procurement and construction (EPC) companies.
- **Smart Infrastructure : -** Supplier of products, systems, solutions and services for transmission and distribution of electrical energy for power utilities, industrial companies and infrastructure segments. Portfolio covers systems for low & medium voltage distribution, solutions for smart grids and energy automation, low voltage power supply systems. Provides intelligent and connected infrastructure for grids and buildings.
- **Mobility : -** Supplier of solutions for passenger and freight transportation – including rail vehicles, rail automation systems, rail electrification systems, road traffic technology and IT solutions.
- **Digital Industries : -** Contains portfolio of leading edge automation, drives and software technologies covering the complete life cycle from product design and production execution to services for discrete and process Industries.
- **Portfolio Companies : -** Supplier of products, process solutions & services across life cycles for Wind and industry sectors.
- **Others :-** Services provided to other group companies and lease rentals have been classified as "Others".

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

**Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**Unallocated corporate items**

Unallocated items include general corporate items which are not allocated to any business segment.

**43 Related party transactions**

**43.1 Parties where control exists**

| | |
|---|---|
| Siemens AG, Germany | Ultimate Holding Company |
| Siemens International Holding B.V., Netherlands | Subsidiary of Ultimate Holding Company (w.e.f. 23.06.2020) |
| **Parties where there is significant influence** | |
| Siemens Gas and Power Holding B.V., Netherlands | Associate of Ultimate Holding Company (w.e.f. 28.09.2020) |

**43.2 Other related parties where transactions have taken place during the year:**

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Siemens Spa | Algeria |
| | Siemens Energy S.A. (upto 27.09.2020) | Angola |
| | Siemens S.A. (upto 27.09.2020) | Argentina |
| | Siemens Ltd. | Australia |
| | J.R.B. Engineering Pty Ltd. | Australia |
| | Siemens Energy Pty. Ltd. (upto 27.09.2020) | Australia |
| | Flender Pty. Ltd. | Australia |
| | Siemens Mobility Pty Ltd | Australia |
| | Siemens Aktiengesellschaft Österreich | Austria |
| | Siemens Mobility Austria GmbH, Plant Rail Systems | Austria |
| | Siemens Energy Austria GmbH (upto 27.09.2020) | Austria |
| | Siemens Energy Austria GmbH, Transformers (upto 27.09.2020) | Austria |
| | ETM professional control GmbH | Austria |
| | Siemens Metals Technologies Vermögensverwaltungs GmbH | Austria |
| | Trench Austria GmbH (upto 27.09.2020) | Austria |
| | Siemens W.L.L. | Bahrain |
| | Siemens Bangladesh Ltd. | Bangladesh |
| | Siemens Healthcare Ltd. | Bangladesh |
| | Siemens S.A./N.V. | Belgium |
| | Flender S.R.L. | Belgium |
| | Siemens Healthcare NV | Belgium |
| | Siemens Energy S.A./N.V. (upto 27.09.2020) | Belgium |
| | Siemens Mobility S.A. / N.V | Belgium |
| | Siemens Ltda. (upto 27.09.2020) | Brazil |
| | Siemens Infraestrutura e Indústria Ltda. | Brazil |
| | Siemens Pte Ltd, Brunei Branch | Brunei Darussalam |
| | Siemens EOOD | Bulgaria |
| | Siemens Canada Ltd. - Process Instruments Business Unit | Canada |
| | Siemens Canada Ltd. | Canada |
| | Siemens Canada Ltd. - RuggedCom | Canada |
| | Flender Corporation Canada Branch | Canada |
| | Siemens Energy Canada Ltd. (upto 27.09.2020) | Canada |
| | Siemens Energy Canada Ltd. - Dist Gen (PRW) (upto 27.09.2020) | Canada |
| | Trench Ltd. (upto 27.09.2020) | Canada |
| | Siemens S.A. | Chile |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Flender SpA | Chile |
| | Siemens Medium Voltage Switching Technologies (Wuxi) Ltd. | China |
| | Siemens International Trading Ltd., Shanghai | China |
| | Beijing Siemens Cerberus Electronics Ltd. | China |
| | Siemens High Voltage Switchgear Co., Ltd., Shanghai (upto 27.09.2020) | China |
| | Siemens Electrical Apparatus Ltd., Suzhou | China |
| | Siemens Switchgear Ltd., Shanghai | China |
| | Siemens Ltd., China | China |
| | Siemens Electrical Drives Ltd. | China |
| | Siemens High Voltage Circuit Breaker Co., Ltd., Hangzhou (upto 27.09.2020) | China |
| | Siemens Factory Automation Engineering Ltd. | China |
| | Siemens Shanghai Medical Equipment Ltd. | China |
| | Siemens Numerical Control Ltd., Nanjing | China |
| | Siemens Industrial Automation Products Ltd., Chengdu | China |
| | Siemens Healthineers Diagnostics (Shanghai) Co., Ltd. | China |
| | Siemens Energy Co., Ltd. (upto 27.09.2020) | China |
| | Siemens Electrical Drives (Shanghai) Ltd. | China |
| | Trench High Voltage Products Ltd., Shenyang (upto 27.09.2020) | China |
| | Siemens Wiring Accessories Shandong Ltd. | China |
| | Siemens Power Automation Ltd. | China |
| | Siemens Transformer (Guangzhou) Co., Ltd. (upto 27.09.2020) | China |
| | Flender Ltd., China | China |
| | Siemens Shenzhen Magnetic Resonance Ltd. | China |
| | Siemens Surge Arresters Ltd. (upto 27.09.2020) | China |
| | Siemens Standard Motors Ltd. | China |
| | Siemens S.A. | Colombia |
| | Siemens S.A. | Costa Rica |
| | Koncar-Energetski Transformatori, d.o.o. (upto 27.09.2020) | Croatia |
| | Siemens Energy d.o.o. (upto 27.09.2020) | Croatia |
| | Siemens Electric Machines s.r.o. | Czech Republic |
| | Siemens, s.r.o. | Czech Republic |
| | OEZ s.r.o., dARE of 593h Letohrad | Czech Republic |
| | OEZ s.r.o. | Czech Republic |
| | Siemens Energy, s.r.o., odstepny zavod Industrial Turbomachinery (upto 27.09.2020) | Czech Republic |
| | Siemens A/S | Denmark |
| | Siemens Energy S.R.L. (upto 27.09.2020) | Dominican Republic |
| | Siemens S.A. | Ecuador |
| | Siemens Technologies S.A.E. | Egypt |
| | Siemens S.A. | El Salvador |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Siemens Osakeyhtiö | Finland |
| | Siemens SAS | France |
| | Siemens SAS, Division production Process Automation, Usine de Haguenau | France |
| | Dresser-Rand SAS (upto 27.09.2020) | France |
| | Trench France SAS (upto 27.09.2020) | France |
| | Siemens Energy S.A.S. (upto 27.09.2020) | France |
| | Siemens Mobility SAS | France |
| | Flender-Graffenstaden SAS | France |
| | Siemens Industry Software SAS | France |
| | SYKATEC Systeme, Komponenten, Anwendungstechnologie GmbH | Germany |
| | Weiss Spindeltechnologie GmbH | Germany |
| | Siemens Beteiligungen Inland GmbH | Germany |
| | Siemens Financial Services GmbH | Germany |
| | HSP Hochspannungsgeräte GmbH (upto 27.09.2020) | Germany |
| | Siemens Compressor Systems GmbH (upto 27.09.2020) | Germany |
| | Flender Industriegetriebe GmbH | Germany |
| | Siemens Traction Gears GmbH | Germany |
| | Siemens Mobility GmbH | Germany |
| | Siemens Mobility GmbH, dARE | Germany |
| | KACO new energy GmbH | Germany |
| | Siemens Healthcare Diagnostics Holding GmbH | Germany |
| | Siemens Gas and Power GmbH & Co. KG (upto 27.09.2020) | Germany |
| | SGP KG dARE 7 (upto 27.09.2020) | Germany |
| | SGP KG dARE 8 (upto 27.09.2020) | Germany |
| | SGP KG dARE 9 (upto 27.09.2020) | Germany |
| | SGP KG, Werk Mülheim (upto 27.09.2020) | Germany |
| | SGP KG, Werk Görlitz (upto 27.09.2020) | Germany |
| | SGP KG, Werk Erfurt (upto 27.09.2020) | Germany |
| | SGP KG, Werk Duisburg (upto 27.09.2020) | Germany |
| | SGP KG, Werk Berlin (upto 27.09.2020) | Germany |
| | SGP KG, Werk Nürnberg (upto 27.09.2020) | Germany |
| | Flender GmbH, BL Wind Energy Generation | Germany |
| | Trench Germany GmbH (upto 27.09.2020) | Germany |
| | Siemens Bank GmbH | Germany |
| | Siemens Industry Software GmbH | Germany |
| | Next47 GmbH | Germany |
| | evosoft GmbH | Germany |
| | Siemens Healthcare GmbH | Germany |
| | Flender GmbH | Germany |
| | NEO New Oncology GmbH | Germany |
| | Siemens Oil & Gas Equipment Ltd. (upto 27.09.2020) | Ghana |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Siemens A.E., Electrotechnical Projects and Products | Greece |
| | Eviop-Tempo A.E. Electrical Equipment Manufacturers | Greece |
| | Siemens S.A. | Guatemala |
| | Siemens Ltd. | Hong Kong |
| | Siemens Energy Ltd. (upto 27.09.2020) | Hong Kong |
| | Siemens Zrt. | Hungary |
| | Siemens Energy Kft., Generation Plant Budapest (upto 27.09.2020) | Hungary |
| | Siemens Technology and Services Pvt. Ltd. | India |
| | Mentor Graphics (Sales and Services) Pvt. Ltd. | India |
| | Mentor Graphics (India) Pvt. Ltd. | India |
| | Siemens Industry Software Computational Dynamics India Pvt. Ltd. | India |
| | PETNET Radiopharmaceutical Solutions Pvt. Ltd. | India |
| | Siemens Healthcare Pvt. Ltd. | India |
| | Siemens Gamesa Renewable Energy Engineering Centre Pvt. Ltd. | India |
| | Bytemark Technology Solutions India Pvt. Ltd. | India |
| | Siemens Financial Services Pvt. Ltd. | India |
| | Fast Track Diagnostics Asia Pvt. Ltd. | India |
| | Dresser-Rand India Pvt. Ltd. (upto 27.09.2020) | India |
| | Siemens Logistics India Pvt. Ltd. | India |
| | Siemens Healthineers India LLP | India |
| | Siemens Factoring Pvt. Ltd. | India |
| | Siemens Industry Software (India) Pvt. Ltd. | India |
| | P.T. Siemens Indonesia | Indonesia |
| | PT Siemens Mobility Indonesia | Indonesia |
| | Siemens Sherkate Sahami (Khass) (upto 27.09.2020) | Iran |
| | Mentor Graphics (Ireland) Ltd. | Ireland |
| | Siemens Israel Ltd. (upto 27.09.2020) | Israel |
| | Siemens Ltd. | Israel |
| | Siemens S.p.A. | Italy |
| | Flender Italia S.r.l. | Italy |
| | Siemens Transformers S.r.l. (upto 27.09.2020) | Italy |
| | Siemens Energy S.r.l. (upto 27.09.2020) | Italy |
| | Trench Italia S.r.l. (upto 27.09.2020) | Italy |
| | Siemens Energy SARL (upto 27.09.2020) | Ivory Coast |
| | Siemens K.K. | Japan |
| | Siemens TOO | Kazakhstan |
| | Siemens Ltd. Seoul | Korea |
| | Siemens Energy Ltd. (upto 27.09.2020) | Korea |
| | Siemens Electrical & Electronic Services K.S.C.C. | Kuwait |
| | Siemens Industrial Business Co. For Electrical, Electronic and Mechanical Contracting WLL | Kuwait |
| | Siemens Malaysia Sdn. Bhd. | Malaysia |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Siemens Energy Sdn. Bhd. (upto 27.09.2020) | Malaysia |
| | Siemens Servicios S.A. de C.V. | Mexico |
| | Siemens, S.A. de C.V. | Mexico |
| | Siemens Energy, S. de R.L. de C.V. (upto 27.09.2020) | Mexico |
| | Siemens S.A. | Morocco |
| | Siemens Nederland N.V. | Netherlands |
| | Siemens Industry Software B.V. | Netherlands |
| | Siemens Energy B.V. - dependent ARE 456b (upto 27.09.2020) | Netherlands |
| | Flender B.V. | Netherlands |
| | Siemens Energy B.V. (upto 27.09.2020) | Netherlands |
| | Siemens (N.Z.) Ltd. | New Zealand |
| | Siemens Energy Ltd. (upto 27.09.2020) | Nigeria |
| | Siemens Energy AS (upto 27.09.2020) | Norway |
| | Siemens AS | Norway |
| | Siemens Energy L.L.C. (upto 27.09.2020) | Oman |
| | Siemens Pakistan Engineering Co. Ltd. | Pakistan |
| | Siemens Energy S.A.C. (upto 27.09.2020) | Peru |
| | Siemens S.A.C. | Peru |
| | Siemens, Inc. | Philippines |
| | Siemens Power Operations, Inc. (upto 27.09.2020) | Philippines |
| | Siemens Sp. z o.o. | Poland |
| | Siemens Energy Sp. z o.o. (upto 27.09.2020) | Poland |
| | Siemens S.A. | Portugal |
| | Siemens Energy Unipessoal Lda. (upto 27.09.2020) | Portugal |
| | Siemens Mobility, Unipessoal Lda | Portugal |
| | Siemens Energy W.L.L | Qatar |
| | Siemens W.L.L. | Qatar |
| | Siemens S.R.L. | Romania |
| | SIMEA S.R.L., Plan SEIT Sibiu | Romania |
| | SIEMENS ENERGY S.R.L. (upto 27.09.2020) | Romania |
| | OOO Siemens | Russia |
| | Siemens Gas and Power LLC (upto 27.09.2020) | Russia |
| | OOO Siemens Gas Turbine Technologies (upto 27.09.2020) | Russia |
| | ISCOSA Industries and Maintenance Ltd. (upto 27.09.2020) | Saudi Arabia |
| | Siemens Ltd. | Saudi Arabia |
| | Arabia Electric Ltd. (Equipment) | Saudi Arabia |
| | Siemens d.o.o. Beograd | Serbia |
| | Siemens Energy d.o.o. Beograd (upto 27.09.2020) | Serbia |
| | Siemens Pte. Ltd. | Singapore |
| | Siemens Healthcare Pte. Ltd. | Singapore |
| | Siemens Energy Pte. Ltd. (upto 27.09.2020) | Singapore |
| | Siemens Mobility Pte. Ltd. | Singapore |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Flender Pte. Ltd. | Singapore |
| | Siemens s.r.o. | Slovakia |
| | Siemens Energy, s.r.o. (upto 27.09.2020) | Slovakia |
| | Siemens Mobility, s.r.o. | Slovakia |
| | Siemens d.o.o. | Slovenia |
| | Siemens Proprietary Ltd. | South Africa |
| | Siemens Energy (Pty) Ltd. (upto 27.09.2020) | South Africa |
| | Flender (Pty) Ltd. | South Africa |
| | Siemens Mobility (Pty) Ltd. | South Africa |
| | Siemens S.A. | Spain |
| | Flender Iberica SL | Spain |
| | Siemens Energy S.A. (upto 27.09.2020) | Spain |
| | Siemens Rail Automation S.A.U. | Spain |
| | Siemens Mobility, S.L.U. | Spain |
| | Siemens AB | Sweden |
| | Siemens Energy AB (upto 27.09.2020) | Sweden |
| | Siemens Energy AB dARE of 429f (upto 27.09.2020) | Sweden |
| | Siemens Schweiz AG, Smart Infrastructure, Global Headquarters | Switzerland |
| | Siemens Schweiz AG | Switzerland |
| | Dresser Rand Sales Company GmbH (upto 27.09.2020) | Switzerland |
| | Siemens Ltd. | Taiwan |
| | Siemens Energy Ltd. (upto 27.09.2020) | Thailand |
| | Siemens Ltd. | Thailand |
| | Siemens Mobility Ltd. | Thailand |
| | Siemens Sanayi ve Ticaret Anonim Sirketi | Turkey |
| | Siemens Finansal Kiralama A.S. | Turkey |
| | Siemens Enerji Sanayi ve Ticaret Anonim Sirketi (upto 27.09.2020) | Turkey |
| | Flender Mekanik Güc Aktarma Sistemleri Sanayi ve Ticaret Anonim Sirketi | Turkey |
| | Siemens Ukraine | Ukraine |
| | Siemens LLC | UAE |
| | Siemens Industrial LLC | UAE |
| | Siemens plc | UK |
| | Siemens HC Ltd. MR Magnet Technology | UK |
| | Siemens Industrial Turbomachinery Ltd. (upto 27.09.2020) | UK |
| | I DT Factory Congleton | UK |
| | Flender Ltd. | UK |
| | Siemens Mobility Ltd. | UK |
| | Siemens Energy Ltd. (upto 27.09.2020) | UK |
| | Industrial Turbine Company (UK) Ltd. (upto 27.09.2020) | UK |
| | Electrium Sales Ltd. | UK |
| | Siemens Energy, Inc. (upto 27.09.2020) | USA |

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

| Fellow Subsidiaries | Name | Country |
|---|---|---|
| | Siemens Demag Delaval Turbomachinery, Inc. (upto 27.09.2020) | USA |
| | Siemens Corporation | USA |
| | Siemens Industry, Inc. | USA |
| | Siemens Healthcare Diagnostics Inc. | USA |
| | Siemens Mobility, Inc | USA |
| | Mentor Graphics Corporation | USA |
| | Dresser-Rand Company (upto 27.09.2020) | USA |
| | Siemens Energy Inc. (US)– Solutions (E1P) (upto 27.09.2020) | USA |
| | Siemens Energy Inc. (US) – Transmission (E1P) (upto 27.09.2020) | USA |
| | Siemens Industry Software Inc. | USA |
| | Siemens Energy, Inc. (US) - Fossil Products (OPP) (upto 27.09.2020) | USA |
| | Siemens Energy, Inc. (US) - Oil& Gas (PT2) (upto 27.09.2020) | USA |
| | Siemens Medical Solutions USA, Inc. | USA |
| | Siemens Energy, Inc. (US) - Dist Gen (PS1) (upto 27.09.2020) | USA |
| | Flender Corporation | USA |
| | eMeter Corporation | USA |
| | Enlighted, Inc. | USA |
| | Siemens Gas and Power Ltd. Company | Vietnam |
| | Siemens Ltd. | Vietnam |

| 43.3 Subsidiaries / associate of parties who has significant influence (Fellow Associate) (w.e.f 28.09.2020) | Name | Country |
|---|---|---|
| | Siemens Energy Austria GmbH, Transformers | Austria |
| | Trench Austria GmbH | Austria |
| | Siemens Ltda. | Brazil |
| | Trench Ltd. | Canada |
| | Siemens Energy Co., Ltd. | China |
| | Siemens High Voltage Switchgear Co., Ltd., Shanghai | China |
| | Trench High Voltage Products Ltd., Shenyang | China |
| | Siemens Transformer (Guangzhou) Co., Ltd. | China |
| | Siemens Surge Arresters Ltd. | China |
| | Koncar-Energetski Transformatori, d.o.o. | Croatia |
| | Siemens Energy, s.r.o., odstepny zavod Industrial Turbomachinery | Czech Republic |
| | Siemens Technologies S.A.E. | Egypt |
| | Siemens Energy S.A.S. | France |
| | SGP KG dARE 8 | Germany |
| | Siemens Gas and Power GmbH & Co. KG | Germany |
| | SGP KG dARE 9 | Germany |
| | SGP KG, Werk Mülheim | Germany |
| | SGP KG, Werk Berlin | Germany |
| | SGP KG, Werk Duisburg | Germany |
| | SGP KG, Werk Erfurt | Germany |
| | HSP Hochspannungsgeräte GmbH | Germany |
| | Siemens Compressor Systems GmbH | Germany |
| | SGP KG, Werk Görlitz | Germany |

**43.3 Subsidiaries / associate of parties who has significant influence (Fellow Associate) (w.e.f 28.09.2020)**

| Name | Country |
|---|---|
| SGP KG, Werk Nürnberg | Germany |
| Trench Germany GmbH | Germany |
| Siemens Oil & Gas Equipment Ltd. | Ghana |
| Siemens Energy Ltd. | Hong Kong |
| Siemens Energy Kft., Generation Plant Budapest | Hungary |
| Dresser-Rand India Pvt. Ltd. | India |
| Siemens Israel Ltd. | Israel |
| Siemens Energy S.r.l. | Italy |
| Siemens Transformers S.r.l. | Italy |
| Trench Italia S.r.l. | Italy |
| Siemens Energy Ltd. | Korea |
| Siemens Electrical & Electronic Services K.S.C.C. | Kuwait |
| Siemens Energy Sdn. Bhd. | Malaysia |
| Siemens Energy B.V. | Netherlands |
| Siemens Energy B.V. - dependent ARE 456b | Netherlands |
| Siemens Energy Ltd. | Nigeria |
| Siemens Energy AS | Norway |
| Siemens Energy L.L.C. | Oman |
| Siemens Energy Sp. z o.o. | Poland |
| Siemens Energy W.L.L | Qatar |
| Siemens Gas and Power LLC | Russia |
| Siemens Energy d.o.o. Beograd | Serbia |
| Siemens Energy, s.r.o. | Slovakia |
| Siemens Energy S.A. | Spain |
| Siemens Energy AB | Sweden |
| Siemens Energy Ltd. | Thailand |
| Siemens Enerji Sanayi ve Ticaret Anonim Sirketi | Turkey |
| Siemens LLC | UAE |
| Siemens Energy Ltd. | UK |
| Siemens Industrial Turbomachinery Ltd. | UK |
| Industrial Turbine Company (UK) Ltd. | UK |
| Siemens Energy, Inc. | USA |
| Siemens Energy, Inc. (US) - Dist Gen (PS1) | USA |
| Siemens Demag Delaval Turbomachinery, Inc. | USA |
| Dresser-Rand Company | USA |
| Siemens Energy, Inc. (US) - Oil& Gas (PT2) | USA |
| Siemens Energy Inc. (US) – Transmission (E1P) | USA |
| Siemens Energy, Inc. (US) - Fossil Products (OPP) | USA |
| Siemens Gas and Power Ltd. Company | Vietnam |

**43.4 Key Managerial personnel**

| | |
|---|---|
| Whole - Time Directors | Mr. Sunil Mathur |
| | Dr. Daniel Spindler |
| | Mr. Christian Rummel (upto 31.08.2019) |
| Company Secretary | Mr. Ketan Thaker |
| Non Executive Directors | Mr. Josef Kaeser |
| | Mr. Cedrik Neike |
| | Mr. Johannes Apitzsch |
| | Ms. Mariel von Schumann |
| | Mr. Tim Holt (w.e.f. 01.06.2020) |
| Independent Directors | Mr. Deepak Parekh |
| | Mr. Yezdi Malegam |
| | Mr. Darius Shroff (upto 29.01.2020) |
| | Mr. Keki Dadiseth (upto 29.01.2020) |
| | Mr. Mehernosh Kapadia |
| | Ms. Anjali Bansal |
| Managing board of SAG | Mr. Josef Kaeser |
| | Dr. Roland Busch |
| | Mr. Klaus Helmrich |
| | Mr. Cedrik Neike |
| | Mr. Michael Sen (upto 31.03.2020) |
| | Ms. Lisa Davis (upto 29.02.2020) |
| | Ms. Janina Kugel (upto 31.01.2020) |
| | Mr. Ralf P.Thomas |

**43.5 Others**

Ms. Sandra Marques Alves (Domestic partner of KMP)
Siemens India Ltd Indian Staff Provident Fund
Siemens India Ltd Gratuity Fund
Indian School of Business (Common director upto 29.01.2020)
Breach Candy Hosp. Trust (Common directors)
Omnicom India Marketing Advisory Services Pvt. Ltd.(Common director upto 29.01.2020)
Bharatiya Reserve Bank Note Mudran Pvt. Ltd. (Common director)
Delhivery Pvt. Ltd. (Common director)

## 43.6 Related party transactions

| Description | 2020 | | | | | 2019 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Ultimate Holding Company | Fellow Subsidiaries | Fellow Associates | Key managerial personnel | Others | Ultimate Holding Company | Fellow Subsidiaries | Key managerial personnel | Others |
| **Revenue (net of taxes)** | | | | | | | | | |
| - Siemens AG | **3,373** | - | - | - | - | 6,215 | - | - | - |
| - Siemens Gas and Power GmbH & Co. KG | - | **1,635** | - | - | - | - | - | - | - |
| - Others | - | **9,905** | **52** | - | **3** | - | 7,626 | - | 3 |
| **Commission income** | | | | | | | | | |
| - Siemens AG | **33** | - | - | - | - | 67 | - | - | - |
| - Siemens Industrial Turbomachinery Ltd. | - | **113** | - | - | - | - | 35 | - | - |
| - Industrial Turbine Company (UK) Ltd. | - | **52** | - | - | - | - | 20 | - | - |
| - Trench High Voltage Products Ltd., Shenyang | - | **10** | - | - | - | - | 15 | - | - |
| - Siemens Energy AB | - | - | - | - | - | - | 15 | - | - |
| - Others | - | **23** | - | - | - | - | 37 | - | - |
| **Recoveries from group companies** | | | | | | | | | |
| - Siemens AG | **713** | - | - | - | - | 1,022 | - | - | - |
| - Siemens Technology and Services Pvt. Ltd. | - | **216** | - | - | - | - | 206 | - | - |
| - SGP KG, Werk Duisburg | - | **126** | - | - | - | - | - | - | - |
| - Siemens Gas and Power GmbH & Co. KG | - | **82** | - | - | - | - | - | - | - |
| - Siemens Healthcare Pvt. Ltd. | - | **48** | - | - | - | - | 74 | - | - |
| - Others | - | **304** | - | - | - | - | 313 | - | - |
| **Reimbursement of expenses received** | | | | | | | | | |
| - Siemens AG | **523** | - | - | - | - | 685 | - | - | - |
| - Siemens Technology and Services Pvt. Ltd. | - | **109** | - | - | - | - | 8 | - | - |
| - Siemens Gas and Power GmbH & Co. KG | - | **69** | - | - | - | - | - | - | - |
| - Siemens Pte. Ltd. | - | **56** | - | - | - | - | 1 | - | - |
| - Siemens Energy, Inc. (US) - Oil& Gas (PT2) | - | **56** | - | - | - | - | * | - | - |
| - Siemens Energy, Inc. | - | **28** | - | - | - | - | 28 | - | - |
| - Siemens Mobility GmbH | - | **21** | - | - | - | - | 32 | - | - |
| - Siemens Energy Ltd. | - | **3** | - | - | - | - | 18 | - | - |
| - Others | - | **239** | - | - | - | - | 92 | - | - |
| **Purchase of goods and services** | | | | | | | | | |
| - Siemens AG | **16,948** | - | - | - | - | 26,174 | - | - | - |
| - Flender GmbH | - | **1,994** | - | - | - | - | 1,859 | - | - |
| - Siemens High Voltage Switchgear Co., Ltd., Shanghai | - | **95** | - | - | - | - | 1,549 | - | - |
| - Others | - | **11,565** | **172** | - | - | - | 11,029 | - | - |
| **Rent income** | | | | | | | | | |
| - Siemens Healthcare Pvt. Ltd. | - | **106** | - | - | - | - | 138 | - | - |
| - Siemens Financial Services Pvt. Ltd. | - | **83** | - | - | - | - | 81 | - | - |
| - Dresser-Rand India Pvt. Ltd. | - | **48** | - | - | - | - | 21 | - | - |
| - Siemens Technology and Services Pvt. Ltd. | - | **40** | - | - | - | - | 68 | - | - |
| - Others | - | **28** | - | - | - | - | 31 | - | - |
| **Interest income** | | | | | | | | | |
| - Siemens Financial Services Pvt. Ltd. | - | **557** | - | - | - | - | 616 | - | - |
| - Others | - | **62** | - | - | - | - | 51 | - | - |

* denotes figures less than a million

### 43.6 Related party transactions *(Continued)*

| Description | 2020 | | | | | 2019 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Ultimate Holding Company** | **Fellow Subsidiaries** | **Fellow Associates** | **Key managerial personnel** | **Others** | Ultimate Holding Company | Fellow Subsidiaries | Key managerial personnel | Others |
| **Bank guarantee charges** | | | | | | | | | |
| - Siemens AG | **114** | - | - | - | - | 102 | - | - | - |
| - Others | - | **3** | - | - | - | - | 1 | - | - |
| **Dividend paid (on payment basis)** | | | | | | | | | |
| - Siemens AG | **1,787** | - | - | - | - | 1,787 | - | - | - |
| - Siemens Metals Technologies Vermögensverwaltungs GmbH | - | **82** | - | - | - | - | 82 | - | - |
| **Purchase of fixed assets / investment property / capital work in progress** | | | | | | | | | |
| - Siemens AG | **40** | - | - | - | - | 64 | - | - | - |
| - Flender GmbH | - | **33** | - | - | - | - | 18 | - | - |
| - Siemens Mobility GmbH | - | **5** | - | - | - | - | 5 | - | - |
| - Flender Ltd., China | - | - | - | - | - | - | 88 | - | - |
| - Others | - | **8** | - | - | - | - | 14 | - | - |
| **Sale of fixed assets / investment property** | | | | | | | | | |
| - Dresser-Rand India Pvt. Ltd. | - | **63** | - | - | - | - | - | - | - |
| - Siemens Healthcare Pvt. Ltd. | - | - | - | - | - | - | * | - | - |
| **Remuneration **** | | | | | | | | | |
| - Mr. Sunil Mathur | | | | | | | | | |
| Short term employee benefits | - | - | - | **158** | - | - | - | 126 | - |
| Post-employment benefits | - | - | - | **6** | - | - | - | 6 | - |
| Share based payments | - | - | - | **77** | - | - | - | 3 | - |
| - Dr. Daniel Spindler | | | | | | | | | |
| Short term employee benefits | - | - | - | **52** | - | - | - | 3 | - |
| Share based payments | - | - | - | **4** | - | - | - | - | - |
| - Mr. Christian Rummel | | | | | | | | | |
| Short term employee benefits | - | - | - | - | - | - | - | 56 | - |
| Share based payments | - | - | - | - | - | - | - | 3 | - |
| - Mr. Ketan Thaker | | | | | | | | | |
| Short term employee benefits | - | - | - | **7** | - | - | - | 6 | - |
| Post-employment benefits | - | - | - | * | - | - | - | * | - |
| Share based payments | - | - | - | **2** | - | - | - | * | - |
| - Others | - | - | - | **3** | - | - | - | - | - |
| **Payment to Trusts** | | | | | | | | | |
| - Siemens India Ltd Indian Staff Provident Fund | - | - | - | - | **458** | - | - | - | 421 |
| - Siemens India Ltd Gratuity Fund | - | - | - | - | **403** | - | - | - | 379 |
| **Sitting fees to Independent /Non-executive Directors** | - | - | - | **4** | - | - | - | 3 | - |
| **Commission to Independent /Non-executive Directors** | - | - | - | **19** | - | - | - | 19 | - |
| **Loans / Inter Corporate Deposits given** | | | | | | | | | |
| - Siemens Financial Services Pvt. Ltd. | - | **5,740** | - | - | - | - | 5,970 | - | - |
| - Siemens Industry Software (India) Pvt. Ltd. | - | **1,125** | - | - | - | - | 414 | - | - |
| - Siemens Technology and Services Pvt. Ltd. | - | **437** | - | - | - | - | 2,258 | - | - |
| - Others | - | **450** | - | - | - | - | 770 | - | - |

* denotes figures less than a million

** Remuneration does not include the provisions made for gratuity, leave and medical benefits, as they are determined on an actuarial basis for the company as a whole. Remuneration in the form of stock awards are included only upon vesting.

## 43.6 Related party transactions *(Continued)*

| Description | 2020 | | | | | 2019 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Ultimate Holding Company | Fellow Subsidiaries | Fellow Associates | Key managerial personnel | Others | Ultimate Holding Company | Fellow Subsidiaries | Key managerial personnel | Others |
| **Repayment of Loans / Inter corporate deposits given** | | | | | | | | | |
| - Siemens Financial Services Pvt. Ltd. | - | **6,650** | - | - | - | - | 6,500 | - | - |
| - Siemens Industry Software (India) Pvt. Ltd. | - | **1,125** | - | - | - | - | 414 | - | - |
| - Siemens Technology and Services Pvt. Ltd. | - | **437** | - | - | - | - | 2,258 | - | - |
| - Others | - | **270** | - | - | - | - | 475 | - | - |
| **Factoring of trade receivables ***** | | | | | | | | | |
| - Siemens Financial Services Pvt. Ltd. | - | **28** | - | - | - | - | 209 | - | - |
| - Siemens Factoring Pvt. Ltd. | - | - | - | - | - | - | 192 | - | - |
| **Outstanding Balances** | | | | | | | | | |
| **Receivables** | | | | | | | | | |
| - Siemens AG | **468** | - | - | - | - | 1,237 | - | - | - |
| - Siemens W.L.L. | - | **121** | - | - | - | - | 93 | - | - |
| - Flender Corporation | - | **78** | - | - | - | - | 3 | - | - |
| - Flender GmbH | - | **77** | - | - | - | - | 44 | - | - |
| - Siemens Proprietary Ltd. | - | **11** | - | - | - | - | 268 | - | - |
| - Siemens S.A., Colombia | - | ***** | - | - | - | - | 159 | - | - |
| - Others | - | **399** | **273** | - | - | - | 953 | - | - |
| **Payables** | | | | | | | | | |
| - Siemens AG | **4,984** | - | - | - | - | 5,483 | - | - | - |
| - Flender GmbH | - | **457** | - | - | - | - | - | - | - |
| - Siemens Mobility GmbH | - | **357** | - | - | - | - | - | - | - |
| - Siemens Electrical Drives (Shanghai) Ltd. | - | **224** | - | - | - | - | - | - | - |
| - Siemens Energy, Inc. (US) - Dist Gen (PS1) | - | - | - | - | - | - | 1,167 | - | - |
| - Siemens High Voltage Switchgear Co., Ltd., Shanghai | - | - | - | - | - | - | 887 | - | - |
| - Others | - | **1,189** | **3,499** | - | - | - | 2,891 | - | - |
| **Loans / Inter corporate deposits to related parties** | | | | | | | | | |
| - Siemens Financial Services Pvt. Ltd. | - | **6,700** | - | - | - | - | 7,610 | - | - |
| - Siemens Factoring Pvt. Ltd. | - | **1,000** | - | - | - | - | 820 | - | - |
| **Interest receivable on inter corporate deposits** | | | | | | | | | |
| - Siemens Financial Services Pvt. Ltd. | - | **57** | - | - | - | - | 50 | - | - |
| - Siemens Factoring Pvt. Ltd. | - | **8** | - | - | - | - | 4 | - | - |
| **Remuneration payable **** | | | | | | | | | |
| - Mr. Sunil Mathur | - | - | - | **87** | - | - | - | 64 | - |
| - Dr. Daniel Spindler | - | - | - | **21** | - | - | - | * | - |
| - Mr. Christian Rummel | - | - | - | - | - | - | - | 24 | - |
| - Mr. Ketan Thaker | - | - | - | ***** | - | - | - | 1 | - |

* denotes figures less than a million

** Remuneration does not include the provisions made for gratuity, leave and medical benefits, as they are determined on an actuarial basis for the company as a whole. Remuneration in the form of stock awards are included only upon vesting.

*** The Company has entered into factoring arrangement for certain trade receivables on a non recourse basis. Collections arising of the said arrangement amounting to ₹ 28 (2019: ₹ 394) have been adjusted.

All transactions entered into with related parties defined under the Companies Act, 2013 during the financial year, were on arm's length pricing basis.

**44 Disclosure pursuant to Accounting Standard - IND AS 19 'Employee Benefits' :**

**(i) Defined Contribution Plans**

Amount of ₹ 193 (2019: ₹ 186) is recognised as an expense and included in "Employee benefits expense" (Refer note 34) in the Statement of Profit and Loss.

**(ii) Defined Benefit Plans**

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

| | | Gratuity | | Pension | | Medical | | Retirement Gift | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| I | **Change in defined benefit obligation** | | | | | | | | |
| | Liability at the beginning of the year | **2,713** | 2,274 | **275** | 152 | **1,135** | 922 | **100** | - |
| | Expenses recognised in profit and loss account | | | | | | | | |
| | - Interest cost | **191** | 181 | **22** | 11 | **80** | 76 | **7** | - |
| | - Current service cost | **251** | 204 | **-** | - | **59** | 38 | **9** | 100 |
| | Recognised in Other Comprehensive Income | | | | | | | | |
| | Remeasurement (gains) / losses | | | | | | | | |
| | Actuarial (gain) / loss arising from | | | | | | | | |
| | i Change in demographic assumptions | **-** | - | **-** | - | **-** | - | **-** | - |
| | ii Change in financial assumptions | **(59)** | 333 | **7** | 18 | **492** | 181 | **(2)** | - |
| | iii Experience variance | **6** | 9 | **(9)** | 131 | **97** | (20) | **2** | - |
| | Disbursements from Plan Assets | **(57)** | (288) | **-** | (37) | **-** | (62) | **-** | - |
| | Disbursements directly paid by the employer | **(85)** | - | **(36)** | - | **(68)** | - | **(3)** | - |
| | Less : Transferred to discontinued operation | **(131)** | - | **-** | - | **(39)** | - | **(5)** | - |
| | Liability at the end of the year | **2,829** | 2,713 | **259** | 275 | **1,756** | 1,135 | **108** | 100 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| II | **Fair value of plan assets** | | | | | | | | |
| | Fair value of plan assets at the beginning of the year | **1,937** | 1,712 | **-** | - | **-** | - | **-** | - |
| | Expenses recognised in profit and loss Account | | | | | | | | |
| | - Return on plan assets | **153** | 149 | **-** | - | **-** | - | **-** | - |
| | Remeasurement gains / (losses) | | | | | | | | |
| | - Actuarial gain / (loss) on plan assets | **164** | (16) | **-** | - | **-** | - | **-** | - |
| | Contributions | **403** | 378 | **-** | - | **-** | - | **-** | - |
| | Benefits paid | **(57)** | (286) | **-** | - | **-** | - | **-** | - |
| | Less : Transferred to discontinued operation | **(115)** | - | **-** | - | **-** | - | **-** | - |
| | Fair value of plan assets at the end of the year | **2,485** | 1,937 | **-** | - | **-** | - | **-** | - |

## 44 Disclosure pursuant to Accounting Standard - IND AS 19 'Employee Benefits' : *(Continued)*

| | | Gratuity | | Pension | | Medical | | Retirement Gift | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| **III** | **Actual return on plan assets** | | | | | | | | |
| | Return on plan assets | **153** | 149 | **-** | - | **-** | - | **-** | - |
| | Actuarial gain / (loss) on plan assets | **164** | (16) | **-** | - | **-** | - | **-** | - |
| | Less : Transferred to discontinued operation | **(14)** | - | **-** | - | **-** | - | **-** | - |
| | Actual return on plan assets | **303** | 133 | **-** | - | **-** | - | **-** | - |
| **IV** | **Amount recognised in the balance sheet** | | | | | | | | |
| | Defined benefit obligation at the end of the year | **2,829** | 2,713 | **259** | 275 | **1,756** | 1,135 | **108** | 100 |
| | Fair value of plan assets at the end of the year | **2,485** | 1,937 | **-** | - | **-** | - | **-** | - |
| | (Surplus) / Deficit | **344** | 776 | **259** | 275 | **1,756** | 1,135 | **108** | 100 |
| | Effect Of Asset Ceiling | **-** | - | | | **-** | - | **-** | - |
| | Current portion of the above | **344** | 776 | **33** | 35 | **65** | 62 | **1** | 2 |
| | Non Current portion of the above | **-** | - | **226** | 240 | **1,691** | 1,073 | **107** | 98 |
| **V.a** | **Expenses recognised in the statement of profit and loss** | | | | | | | | |
| | Net Interest Expense | **38** | 32 | **22** | 11 | **80** | 76 | **7** | - |
| | Current service cost | **251** | 204 | **-** | - | **59** | 38 | **9** | 100 |
| | Past service cost | **-** | - | **-** | - | **-** | - | **-** | - |
| | Less : Transferred to discontinued operation | **(12)** | - | **-** | - | **(4)** | - | **(1)** | - |
| | Expense recognised in Statement of Profit and Loss | **277** | 236 | **22** | 11 | **135** | 114 | **15** | 100 |
| **V.b** | **Included in other comprehensive income** | | | | | | | | |
| | Return on plan assets excluding net interest | **(164)** | 16 | **-** | - | **-** | - | **-** | - |
| | Net actuarial (gain) / loss recognised | **(53)** | 343 | **(2)** | 149 | **589** | 161 | ***** | - |
| | Actuarial (Gain) or Loss recognised in OCI | **(217)** | 359 | **(2)** | 149 | **589** | 161 | ***** | - |
| **VI** | **Actuarial Assumptions** | | | | | | | | |
| | Discount Rate | **6.72%** | 7.23% | **6.72%** | 7.23% | **6.72%** | 7.23% | **6.72%** | 7.98% |
| | Attrition rate: | | | | | | | | |
| | up to 30 years | **15.00%** | 15.00% | **-** | - | **15.00%** | 15.00% | **15.00%** | 15.00% |
| | 31-50 years | **3.00%** | 3.00% | **-** | - | **3.00%** | 3.00% | **3.00%** | 3.00% |
| | above 50 years | **2.00%** | 2.00% | **-** | - | **2.00%** | 2.00% | **2.00%** | 2.00% |
| | Salary Escalation / Pension increase rate / Medical cost increase rate | **0% for current year 8% for future year** | 8.00% | **5.00%** | 5.00% | **5.00%** | 3.50% | **0% for current year 8% for future year** | 8.00% |

* denotes figures less than a million

**44 Disclosure pursuant to Accounting Standard - IND AS 19 'Employee Benefits' : *(Continued)***

| | | Gratuity | | Pension | | Medical | | Retirement Gift | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| **VII** | **Sensitivity** | | | | | | | | |
| | Change in Liability for 0.5% decrease in discount rate | **160** | 150 | **7** | 8 | **161** | 87 | **7** | 6 |
| | Change in Liability for 0.5% increase in discount rate | **(147)** | (138) | **(7)** | (7) | **(142)** | (77) | **(6)** | (6) |
| | Change in Liability for 0.5% decrease in salary/ medical inflation rate | **(134)** | (138) | **(7)** | (7) | **(124)** | (65) | **(6)** | (6) |
| | Change in Liability for 0.5% increase in salary/ medical inflation rate | **158** | 149 | **7** | 7 | **141** | 72 | **7** | 6 |

| **VIII** | **Maturity Profile of Defined Benefit Obligation (Undiscounted amount)** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Year 1 | **156** | 120 | **34** | 36 | **70** | 64 | **5** | 2 |
| | Year 2 | **144** | 182 | **33** | 35 | **72** | 66 | **4** | 6 |
| | Year 3 | **201** | 169 | **32** | 34 | **75** | 69 | **6** | 5 |
| | Year 4 | **184** | 235 | **31** | 33 | **79** | 71 | **5** | 7 |
| | Year 5 | **213** | 219 | **29** | 31 | **82** | 73 | **6** | 6 |
| | Years 6 to 10 | **1,588** | 1,585 | **118** | 128 | **497** | 420 | **53** | 51 |

| **IX** | **Weighted Average Duration of Defined Benefit Obligation** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Duration (Years) | **10.49** | 11.20 | **5.80** | 5.80 | **14.20** | 15.10 | **13.10** | 13.30 |

b) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligations a result of reasonable changes in key assumptions occurring at the end of the reporting year 2019-20 and the method of assumption used in preparing sensitivity analysis did not change compared to previous year.

c) The fund formed by the Group manages the investments of the Gratuity fund. Expected rate of return on investments is determined based on the assessment made by the Group 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 Group expects to contribute ₹ 399 (2019: ₹ 120) to gratuity fund in 2020-21.

The investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. Generally it aims to have a portfolio mix of equity instruments and debt instruments to minimise the risk exposed to investment.

d) 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.

e) The Group has contributed ₹ 562 (2019: ₹ 551) towards provident fund during the year ended 30 September 2020. The said amount is excluding of amounts recognised by discontinued operation. The Guidance note issued by the Institute of Actuaries of India 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 has accordingly provided a valuation and based on the assumptions provided below there is no shortfall as at 30 September 2020.

**44 Disclosure pursuant to Accounting Standard - IND AS 19 'Employee Benefits' : *(Continued)***

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

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| Present value of benefit obligation at year end | **14,372** | 11,852 |
| Fair value of plan assets at year end | **14,376** | 12,121 |
| Shortfall / (Surplus) | **(4)** | (269) |
| Effect due to Asset Ceiling | **4** | 269 |

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

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| Government of India securities (GOI) bond yield | **6.72%** | 7.23% |
| Remaining term of maturity (in years) | **10.49** | 13.63 |
| Expected guaranteed interest rate | **8.00%** | 8.60% |

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

**I Gratuity Plan**

Gratuity is payable to all eligible employees of the Group on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Group's Scheme whichever is more beneficial. Under the act, employee who has completed five years of service is entitled to the benefit. The level of benefits provided depends on the members length of service and salary at retirement age.

**II Medical**

Post retirement medical benefit is paid to the retired employees and their spouse till their survival and after their death, benefits are available to the employee's spouse. It consists of 3 components, which is health insurance, Domiciliary medical allowance and Group support in case the expenses incurred are more than the health insurance coverage subject to the ceiling limit as per the grades.

**III Pension**

Pension is paid to management cadre employees of the Group, who retired before March 1998. Pension is paid on monthly basis. In case of death in retirement, 100 percent pension is paid to the spouse for first six months and then 60 percent thereafter.

**IV Retirement Gift**

Retirement gift is paid, as a token of appreciation to the permanent employees who are separating on their retirement from the Company.

**(iv) Broad category of Fair value of plan assets & as a percentage of total plan assets of the Gratuity plan**

| | **2020** | | 2019 | |
|---|---|---|---|---|
| **Particulars (Unquoted)** | **Amount** | **%** | Amount | % |
| Equity Instruments | **59** | **2.38%** | 31 | 1.60% |
| Debt Instruments | **2,426** | **97.62%** | 1,907 | 98.40% |
| **Total Plan Assets** | **2,485** | **100.00%** | 1,938 | 100.00% |

**45 Earnings per share:**

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| Weighted average number of equity shares outstanding during the year | **356,120,255** | 356,120,255 |
| Profit after tax from continuing operations | **7,695** | 11,356 |
| **Basic and diluted earnings per share from continuing operations** | **21.62** | 31.90 |
| Profit after tax from discontinued operations | **(9)** | (362) |
| **Basic and diluted earnings per share from discontinued operations** | **(0.03)** | (1.02) |
| Total Profit for the year | **7,686** | 10,994 |
| **Basic and diluted earnings per share from total operations** | **21.59** | 30.88 |

**46 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006**

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

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| Principal amount due to suppliers under MSMED Act. | **1,429** | 2,142 |
| Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid.# | ***** | 3 |
| Payment made to suppliers (other than interest) beyond the appointed day during the year. | **4,203** | 9,757 |
| Interest due and payable towards suppliers under MSMED Act towards payments already made. | **149** | 159 |
| Interest accrued and remaining unpaid at the end of the accounting year. | **152** | 162 |

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 Group.

# Interest accrued is considered due upon claim from vendors.

* denotes figures less than a million

**48 Share-based payment transactions**

Share matching plan (SMP) and Siemens Stock Awards (SSA) at Siemens Ltd are classified as cash-settled transactions. The employees of the Company are eligible for the Ultimate Holding Company's share awards, i.e. SMP and SSA. Under SMP the employee may invest a specified part of their compensation in the Ultimate Holding Company's shares and at the end of 3 years (vesting period) employee gets one free share for every three shares purchased.

Under SSA, the Company grants stock awards of the Ultimate Holding Company's shares to the Chief Executive Officer, Chief Financial Officer, members of senior management and other eligible employees. The vesting period is 4 years, after which the beneficiary gets certain number of shares which is tied to the performance of the employee in case of CEO Special Allocation scheme and performance of Ultimate Holding Company in case of Performance Oriented Siemens Stock Awards.

At the end of each reporting period, the Company recognises the fair value of the liability and the expense at each reporting period at the market price of the Ultimate Holding Company's share.

**Details of liabilities arising from the share-based payment transactions are as follows:**

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| Other current financial liabilities | **196** | 207 |
| Other non-current financial liabilities | **387** | 238 |
| Total carrying amount of the liabilities | **583** | 445 |

Effect of Share-based payment transaction on the profit & loss, shown under the head Employee benefit expense is ₹ 371 (2019: ₹ 110)

## 48 Derivative Instruments

### a) Forward Contracts and Option contracts

The Group uses forward contracts and options to mitigate its risks associated with foreign currency fluctuations having underlying transaction and relating to firm commitments or highly probable forecast transactions. The Group does not enter into any forward and options contracts which are intended for trading or speculative purposes. The forward exchange and options contracts are fair valued at each reporting date with the resultant gains / losses thereon being recorded in Statement of Profit and Loss.

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

| Currency | Buy | | | Sell | | |
|---|---|---|---|---|---|---|
| | Number of contracts | Amount | Indian rupees equivalent | Number of contracts | Amount | Indian rupees equivalent |
| **US Dollar** | | | | | | |
| **30 Sept 2020** | **257** | **68** | **5,002** | **429** | **247** | **18,212** |
| 30 Sept 2019 | 342 | 113 | 8,036 | 442 | 294 | 20,864 |
| **Euro** | | | | | | |
| **30 Sept 2020** | **587** | **183** | **15,851** | **401** | **173** | **14,923** |
| 30 Sept 2019 | 657 | 199 | 15,385 | 338 | 151 | 11,690 |
| **Qatari Riyal** | | | | | | |
| **30 Sept 2020** | **3** | **1** | **10** | **6** | **37** | **753** |
| 30 Sept 2019 | 2 | 1 | 17 | 2 | 30 | 584 |

### b) Significant unhedged exposures in various foreign currencies as at the year end:

**Payables**

| | Foreign currency | | Indian rupees | |
|---|---|---|---|---|
| | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| Bangladesh Taka | **126** | 71 | **110** | 59 |
| Sri Lankan Rupee | **447** | 335 | **178** | 130 |

**Receivables and bank balances**

| | Foreign currency | | Indian rupees | |
|---|---|---|---|---|
| | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| Bangladesh Taka | **144** | 152 | **126** | 128 |
| Sri Lankan Rupee | **409** | 365 | **163** | 142 |
| Qatari Riyal | **4** | 15 | **89** | 293 |
| Nepalese Rupee | **18** | - | **12** | - |

The forward contracts have been converted in Indian rupees, at the spot rates, as at 30 September 2020 to facilitate reading purposes only.

The Group has a policy of hedging its foreign currency exposure on a net basis.

**48 Derivative Instruments *(Continued)***

**c) Commodity Contracts**

The Group uses Commodity Future Contracts to hedge against fluctuation in commodity prices. The following are outstanding future contracts entered into by the Group as at the year end.

| Year | Commodity | Number of Contracts | Buy / Sell |
|---|---|---|---|
| **Sept 2020** | **Copper** | **1,365** | **Buy** |
| | **Aluminium** | **194** | **Buy** |
| | **Silver** | **74** | **Buy** |
| Sept 2019 | Copper | 1,376 | Buy |
| | Aluminium | 1,561 | Buy |
| | Silver | 152 | Buy |

**Note:** Each contract of copper is of 2,500 kg, Aluminium is of 5000 kg (2019: 1000 kg) and silver is of 30 kg

**49 Capital management**

For the purpose of the Group's capital management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Group. The Group manages its capital to optimise returns to the shareholders and makes adjustments to it in light of changes in economic conditions or its business requirements. The Group's objectives are to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Group funds its operations through internal accruals. The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders.

**50 Financial instruments**

**A) Accounting classifications and Fair values**

**i) Category-wise classification for applicable financial assets:**

| Particulars | Notes | Carrying value / Fair value | |
|---|---|---|---|
| | | **Sept 2020** | Sept 2019 |
| **I. Measured at fair value through Profit or Loss (FVTPL):** | | | |
| (a) Derivative contracts not designated as cash flow hedges | 8 & 17 | **505** | 693 |
| **Total I** | | **505** | 693 |
| **II. Measured at amortised cost:** | | | |
| (a) Trade Receivables | 6 & 13 | **32,226** | 38,841 |
| (b) Loans | 7 & 16 | **7,782** | 8,513 |
| (c) Cash and cash equivalents and other bank balances | 14 & 15 | **57,096** | 50,019 |
| (d) Other assets (excluding derivative contracts) | 8 & 17 | **2,552** | 2,724 |
| **Total II** | | **99,657** | 100,097 |
| **III. Measured at fair value through Other Comprehensive Income (FVTOCI):** | | | |
| (a) Derivative contracts designated as cash flow hedges | 17 | **150** | 24 |
| **Total III** | | **150** | 24 |
| **Total (I+II+III)** | | **100,312** | 100,814 |

**50 Financial Instruments *(Continued)***

**ii) Category-wise classification for applicable financial liabilities:**

| Particulars | | Notes | Sept 2020 | Sept 2019 |
|---|---|---|---|---|
| **I.** | **Measured at fair value through Profit or Loss (FVTPL):** | | | |
| (a) | Derivative contracts not designated as cash flow hedges | 23 & 26 | **344** | 651 |
| (b) | Liabilities related to share based payments | 23 & 26 | **583** | 445 |
| (c) | Lease liabilities | | **2,084** | - |
| **Total I** | | | **3,011** | 1,096 |
| **II.** | **Measured at amortised cost:** | | | |
| (a) | Trade payables | | **28,028** | 33,069 |
| (b) | Other liabilities (excluding derivative contracts) | 23 & 26 | **2,063** | 2,508 |
| **Total II** | | | **30,091** | 35,577 |
| **III.** | **Measured at fair value through Other Comprehensive Income (FVTOCI):** | | | |
| (a) | Derivative contracts designated as cash flow hedges | 26 | **15** | - |
| **Total III** | | | **15** | - |
| **Total (I+II+III)** | | | **33,117** | 36,673 |

The carrying amounts of financial instruments such as cash and cash equivalents, other bank balances, short term loans, trade receivables, trade payables, current security deposits and other current financial assets and liabilities (except derivative financial instrument those being measured at fair value through other comprehensive income) are considered to be same as their fair values due to their short term nature.

**B) Fair Value Hierarchy**

The following table provides fair value measurement hierarchy of financial instruments as referred in note (A) above:

**Quantitative disclosures fair value measurement hierarchy as at 30 September 2020:**

| | | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Assets at Fair value** | | | | | |
| **I.** | **Fair values through profit and loss** | | | | |
| (a) | Derivative contracts not designated as cash flow hedges | - | 505 | - | **505** |
| **II.** | **Fair value through Other Comprehensive Income** | | | | |
| (a) | Derivative contracts designated as cash flow hedges | - | 150 | - | **150** |
| **Liabilities at Fair value** | | | | | |
| **I.** | **Fair values through profit and loss** | | | | |
| (a) | Derivative contracts not designated as cash flow hedges | - | 344 | - | **344** |
| (b) | Liabilities related to share based payments | - | 583 | - | **583** |
| **II.** | **Fair value through Other Comprehensive Income** | | | | |
| (a) | Derivative contracts designated as cash flow hedges | - | 15 | - | **15** |

**50 Financial Instruments *(Continued)***

**Quantitative disclosures fair value measurement hierarchy as at 30 September 2019:**

| | | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **Assets at Fair value** | | | | | |
| **i)** | **Fair values through profit and loss** | | | | |
| (a) | Derivative contracts not designated as cash flow hedges | - | 693 | - | **693** |
| **ii)** | **Fair value through Other Comprehensive Income** | | | | |
| (a) | Derivative contracts designated as cash flow hedges | - | 24 | - | **24** |
| **Liabilities at Fair value** | | | | | |
| **i)** | **Fair values through profit and loss** | | | | |
| (a) | Derivative contracts not designated as cash flow hedges | - | 651 | - | **651** |
| (b) | Liabilities related to share based payments | - | 445 | - | **445** |

The Group enters into foreign exchange forward contracts, which are valued using valuation techniques that employs the use of market observable inputs.

There have been no transfers between Level 1 and Level 2 during the period.

**51 Financial Risk Management**

The Group's principal financial liabilities comprise of trade payable, security deposits and other financial liabilities. The Group's principal financial assets include trade and other receivables, cash and cash equivalents and other financial assets that arise from its operations. The Group also enters into hedging transactions to cover foreign exchange exposure risk. The Group's operating business is exposed to market risk, credit risk and liquidity risk. In order to optimize the allocation of the financial resources across the segments , as well as to achieve its aims, the Group identifies, analyses and manages the associated market risks. The Group seeks to manage and control these risks primarily through its regular operating activities and uses derivative financial instruments when deemed appropriate. All derivative activities for risk management purposes are carried out by teams that have the appropriate skills, experience and supervision. The Group has a Risk Management Committee, which ensures that the Group's financial risk taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and mitigated in accordance with the Group's policies and overall risk appetite.

**A Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency rate risk and interest rate risk. Financial instrument affected by market risks includes deposits, derivative financial instruments, trade receivables, trade payables and other financials assets.

**Foreign Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes on foreign exchange rate. The Group operates internationally and transacts in several currencies and has foreign currency trade receivables and trade payables. Hence, the Group is exposed to foreign exchange risk. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

**Foreign currency sensitivity**

The following table demonstrate the sensitivity to a reasonably possible change in major currencies like US Dollar and Euro with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies is not material.

## 51 Financial Risk Management *(Continued)*

| Particulars | | Effect on profit before tax | | Effect on equity (net of tax) | |
|---|---|---|---|---|---|
| | | **Sept 2020** | Sept 2019 | **Sept 2020** | Sept 2019 |
| US Dollar | + 5% | **507** | 599 | **-** | - |
| | - 5% | **(507)** | (599) | **-** | - |
| Euro | + 5% | **188** | 31 | **-** | - |
| | - 5% | **(188)** | (31) | **-** | - |

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Consequently, could have unforeseen impact on Group's cost of borrowing or returns thus impacting the profit and loss. The Group does not have any borrowings. Surplus funds are invested in deposits at fixed interest rates. The tenure of the deposits is managed to match with the liquidity profile of the Group.

### B Credit risk

Credit risk is defined as an unexpected loss in financial instruments if the contractual partner is failing to discharge its obligations in full and on time. The Group is exposed to credit risk from its operating and financing activities like trade receivables, deposits with banks, foreign exchange transactions and other financial instruments.

**Receivables**

The major exposure to credit risk at the reporting date is primarily from receivables comprising of trade and project unbilled receivables (net).

Credit risk on receivables is limited due to the Group's large and diverse customer base which includes public sector enterprises, state owned companies and private corporates. The effective monitoring and controlling of credit risk through credit evaluations and ratings is a core competency of the Group's risk management system.

For receivables, as a practical expedient, the Group computes expected credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The ECL is calculated on rating and default probability percentage arrived from the historic default trend. In order to determine the default probability percentage, a simple average of customer wise specific allowances or actual bad debts incurred in succeeding year (derived rates) (whichever is higher) for the preceding three years is considered as a percentage of gross receivables positions for each grading i.e. rating and division of each customer as at reporting date.

**The reconciliation of ECL is as follows:**

| **Particulars** | **Sept 2020** | Sept 2019 |
|---|---|---|
| Balance at the beginning of the year | **1,947** | 1,830 |
| Loss allowance based on ECL | **(67)** | 117 |
| Balance at the year end | **1,880** | 1,947 |

**Other financial assets**

Credit risk from cash and cash equivalents, term deposits and derivative financial instruments is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds, temporarily, are made only with approved counter parties and within credit limits assigned to each counterparty. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

**51 Financial Risk Management *(Continued)***

**C Liquidity risk**

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group regularly monitors the rolling forecasts and actual cash flows, to ensure it has sufficient funds to meet the operational needs.

**The table below summarise the maturity profile of the Group's financial liabilities based on contractually agreed undiscounted cash flows :**

| Particulars | Notes | Total | Payable within 1 year | More than 1 year |
|---|---|---|---|---|
| **As at 30 Sept 2020** | | | | |
| Trade Payables | | 28,028 | 27,871 | 157 |
| Derivative contracts | 23 & 26 | 359 | 330 | 29 |
| Other financial liabilities | 23 & 26 | 2,646 | 2,259 | 387 |
| | | **31,033** | **30,460** | **573** |
| Lease liabilities | 41 | 2,379 | 876 | 1,503 |
| | | **33,412** | **31,336** | **2,076** |
| **As at 30 Sept 2019** | | | | |
| Trade Payables | | 33,069 | 33,052 | 17 |
| Derivative contracts | 23 & 26 | 651 | 567 | 84 |
| Other financial liabilities | 23 & 26 | 2,952 | 2,714 | 238 |
| | | **36,672** | **36,333** | **339** |

# Notes to the Consolidated Financial Statements *(Continued)* for the year ended 30 September 2020 (Currency: Indian rupees millions)

## 52 Information required for Consolidated Financial Statements pursuant to Schedule III of The Companies Act, 2013

| Name of the entity in the | 30th September 2020 | | | | | | | | 30th September 2019 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Net Assets | | Share in Profit and Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | | Net Assets | | Share in Profit and Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount |
| **Parent** | | | | | | | | | | | | | | | | |
| Siemens Ltd. | **99.5%** | **94,740** | **98.4%** | **7,565** | **100.6%** | **(167)** | **98.4%** | **7,398** | 99.6% | 90,436 | 98.9% | 10,869 | 99.7% | (482) | 98.8% | 10,387 |
| **Subsidiary** | | | | | | | | | | | | | | | | |
| Siemens Rail Automation Pvt. Ltd. | **0.5%** | **448** | **1.6%** | **121** | **-0.6%** | **1** | **1.6%** | **122** | 0.4% | 327 | 1.1% | 125 | 0.3% | (2) | 1.2% | 123 |
| **Sub total** | | **95,188** | | **7,686** | | **(166)** | | **7,520** | | 90,763 | | 10,994 | | (484) | | 10,510 |
| Inter Company Elimination & Consolidation Adjustments | | **(268)** | | - | | - | | - | | (269) | | - | | - | | - |
| **GRAND TOTAL** | **100%** | **94,920** | **100%** | **7,686** | **100%** | **(166)** | **100%** | **7,520** | 100% | 90,494 | 100% | 10,994 | 100% | (484) | 100% | 10,510 |

## 53 Discontinued operations

The Board of Directors of the Holding Company at its meeting held on 26 August 2020, approved the sale and transfer of the Group's Mechanical Drives (MD) business (included in Portfolio Companies Segment of the Group) to Flender Drives Pvt. Ltd., a subsidiary of Flender GmbH, which in turn is a subsidiary of Siemens AG, Germany as a going concern on a slump sale basis, with effect from 1 January 2021, for a consideration of ₹ 4,400 million, subject to adjustment for the change in net current assets and capital expenditure, subsequent to 30 June 2020 upto the date of actual transfer of the MD business. This is subject to receipt of requisite statutory and regulatory approvals, as applicable and fulfilment of conditions precedent as agreed between the parties.

Accordingly, the operations of MD have been reclassified as discontinued operations for the year ended 30 September 2019 and comparative information in the Statement of Profit and Loss account is represented as if the operation had been discontinued from the start of the comparative period.

**Revenue, expenses and net cash flows relating to discontinued operations is as follows:**

| | **Sept 2020** | Sept 2019 |
|---|---|---|
| **Income** | | |
| Revenue from operations | **6,713** | 6,833 |
| Other Income | **2** | 7 |
| **Total income** | **6,715** | 6,840 |
| **Expenses** | | |
| Raw materials consumed | **3,859** | 4,362 |
| Purchase of traded goods | **268** | 635 |
| Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods | **601** | 456 |
| Project bought outs and other direct costs | **204** | 216 |
| Employee benefits expense (refer note 55) | **609** | 561 |
| Finance costs | **4** | 1 |
| Depreciation and amortisation expense (refer note 55) | **205** | 194 |
| Other expenses (refer note 55) | **978** | 962 |
| **Total expenses** | **6,728** | 7,387 |
| **Loss before tax** | **(13)** | (547) |
| Tax credit / (expense) | **4** | 185 |
| **Loss after tax** | **(9)** | (362) |
| Net cash used in operating activities | **(68)** | (1,211) |
| Net cash used in investing activities | **(148)** | (88) |
| Net cash used in financing activities | **(1)** | (1) |

**Assets and liabilities of discontinued operations**

| **Assets** | **Sept 2020** |
|---|---|
| Property, plant and equipment | **1,289** |
| Capital work-in-progress | **127** |
| Right-of-Use assets | **5** |
| Intangible assets | **9** |
| Non - current Financial assets | **5** |
| Other non-current assets | **182** |
| Inventories | **1,705** |
| Current Financial assets | **2,269** |
| Other current assets | **334** |
| | **5,925** |

**53 Discontinued operations *(Continued)***

| **Liabilities** | **Sept 2020** |
|---|---|
| Non - current Financial liabilities | **8** |
| Long term provisions | **51** |
| Current Financial liabilities | **1,265** |
| Contract liabilities | **176** |
| Other current liabilities | **46** |
| Short term provisions | **441** |
| | **1,987** |

**54** Siemens Limited ("The Holding Company") has entered into definitive agreements for the acquisition of 99.22% (approximately) of the paid-up equity share capital of C&S Electric Limited from its promoters for an estimated value of ₹ 21,200 subject to adjustments and receipt of requisite regulatory approvals and fulfilment of conditions precedent as agreed between the parties.

**55** The Group has assessed the impact of COVID-19 on its financial statements based on the internal and external information upto the date of approval of these financial statements and expects to recover the carrying amounts of its investments, intangible assets, trade receivable, project work-in-progress and inventories. The Group will continue to monitor the future economic conditions and update its assessment. The expenses incurred during shutdown and partial shutdown in respect of factories and project sites for continuing operations and discontinued operations were as under:

| | | Continuing operations | Discontinued operations |
|---|---|---|---|
| i) | Employee benefits expense | 1,689 | 153 |
| ii) | Depreciation and amortization expense | 609 | 81 |
| iii) | Other expenses | 549 | 101 |
| | | **2,847** | **335** |

**56** Detailed disclosures pertaining to expenditure on Corporate Social Responsibilities activities are provided in Director's Report.

As per our report of even date

**For B S R & Co. LLP**

Chartered Accountants
ICAI Firm Registration Number:- 101248W/W-100022

**Farhad Bamji**
Partner
Membership No: 105234

Mumbai
Date: 25 November 2020

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

**Deepak S. Parekh**
*Chairman*
DIN: 00009078

**Sunil Mathur**
*Managing Director and Chief Executive Officer*
DIN: 02261944

**Daniel Spindler**
*Executive Director and Chief Financial Officer*
DIN: 08533833

**Yezdi H. Malegam**
*Director and Chairman of Audit Committee*
DIN: 00092017

**Ketan Thaker**
*Company Secretary*
ACS No. 16250

Mumbai / Jamnagar
Date: 25 November 2020

In the midst of this global health crisis, here are some shining examples of colleagues who kept business-critical functions, live and operational, technical experts at customer project sites and provided remote support to both customers and colleagues. They epitomize a winning attitude, thus enabling customers to keep their operations reliable, employees safe, and deliver to the groups they serve in.

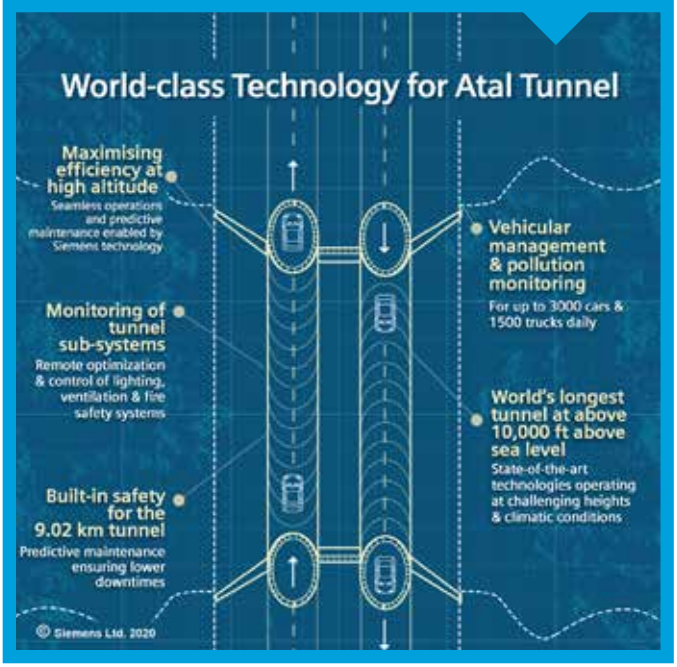
# Notes

# Notes

Siemens to acquire C&S Electric in India to meet growing electrification needs.

Siemens cloud-based data analytics applications for transmission industry showcased at Elecrama 2020.

Siemens implemented state-of-the-art automation technologies for the Atal Tunnel.



Siemens signed Declaration of Intent with MSDE, BMZ for high-quality vocational training.

Siemens successfully implemented an efficient power supply system with advanced passenger safety features for Kolkata Metro Rail Corporation Limited (KMRCL).

**Siemens Limited**
CIN: L28920MH1957PLC010839

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