



How can new horizons be explored profitably?

Annual Report 2008

Answers for India.

SIEMENS



Answers

We're tackling the toughest questions of our time.
And providing answers.

Our values

Responsible: Committed to ethical and responsible actions.

At Siemens, we are determined to meet - and wherever possible, exceed - all legal and ethical requirements. Our responsibility is to conduct all business according to the highest professional and ethical standards and practices: there must be no tolerance for non-compliant behavior.

The principles related to 'responsible' serve as the moral compass by which we navigate our way through our business decisions. We must also encourage business partners, suppliers and other stakeholders to adopt a similar standard of ethical behavior.

Excellent: Achieving high performance and excellent results.

We aim for excellence in all areas and we do everything to achieve this aim. Our vision defines this aim and inspires us to provide outstanding quality and impressive solutions for our customers. Always.

Excellence also means attracting the best people in the marketplace and giving them the skills and opportunities they need to become high achievers. This approach promotes a high-performance, profitable culture at our company.

How can we remain excellent in the future?

Excellence is about constantly challenging existing processes and defining a path of continuous improvements. It also requires us to be flexible and proactive and to embrace change so that we are always positioned to optimally leverage new business opportunities.

Innovative: Being innovative to create sustainable value.

Innovation is a cornerstone of our success. Research and development are vital elements of our business strategy. A holder of key patents, we are a strong partner for our customers in both established and emerging technologies. Our defined aim is to be a trendsetter in all of our businesses.

We are entrepreneurs whose innovations are successful around the world. We measure the success of our innovations by our customers' success. We are constantly revising our portfolio, and we act on our commitment to society. That's how we transform our innovations into sustainable value.

How can we remain innovative in the future?

We intend to support and nurture all of our employees, enabling them to unleash their full energy and creativity. Inventive, ingenious and creative, we embrace the new and different in empowering our people to achieve their best.

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Financial Highlights - Siemens Ltd.

	2007-08	2006-07	2005-06	2004-05	2003-04
* Orders received	87722	95720	82025	41233	30142
* Sales	82955	77268	45103	27485	17900
* Profit before tax	8918	8742	5055	3631	2299
As % of sales	11%	11%	11%	13%	13%
* Profit after tax	5933	5965	3601	2548	1514
As % of sales	7%	8%	8%	9%	8%
** Net worth per share [^]	61.37	94.37	64.48	47.12	182.92
** Earning per share	17.60	17.69	21.36	15.72	45.68
* Dividend	1011	809	641	481	298
Dividend %	150%	240%	190%	145%	90%
Debt/equity ratio	-	-	-	-	-
* Investment in fixed assets	1913	2574	843	277	314
No. of employees	6502	6505	5971	4777	4094
No. of shareholders	200389	100135	79118	31315	31842

* Rs. In millions

** Rupees

[^] From 2005 - 06 face value is Rs. 2 per share (Upto 2003-04 Face value was Rs.10 per share)

[^] Bonus shares issued in the year 2007-08.

Chairman's Statement



Dear Shareholders,

We are all poised at a moment in our history, where economies across the world are witnessing a series of changes that are unprecedented in the scale and extent of their impact. Indeed, the last 12 months must rank amongst the most eventful and transformational periods in recent times. Closer to home, for most part of the last year, India's economic prowess was a matter of awe for the international community. It was also a year where India has demonstrated its technical prowess in space, with the successful launch of a lunar probe.

To briefly reflect on the events that have unfolded, India had begun the fiscal year on a buoyant note, as it continued on its phase of amazing growth. The initial market parameters were encouraging and once again reflected the multifaceted and multidimensional strengths of our domestic economy. However, as the year unfolded, global markets were subject to developments such as volatility in the price of crude oil, inflationary pressures and later on, the sub-prime crisis in the US. This resulted in tight liquidity conditions in the market. Over the last six-months, an economic slowdown has enveloped the whole world. Needless to say, India has also been impacted and consequently, the markets have witnessed a moderation in growth. Against this backdrop, Siemens Ltd. was able to optimally stand up to the varied challenges and developments on its growth path.

Performance Highlights

During the year under review, Siemens recorded a steady growth, in accordance with the prevailing market trends.

In comparison to earlier years, if we were to take away the effect of large projects, the growth of our base businesses was impressive. Our company had based its operations on certain guiding principles. A lot of emphasis was laid on the quality of our results, with a sustained focus on operational excellence. It was also our consistent endeavor to book healthy orders and to ensure professional execution. Consequently, we were able to absorb additional cost impacts in certain large projects, and yet consolidate our market position with a healthy order pipeline.

For the year ended September 30, 2008, Sales Turnover increased by 7% and stood at Rs.82,955 million (Rs.8,296 crore), as compared to Rs.77,268 million (Rs.7,727 crore) in the corresponding period of the previous year. New Orders stood at Rs.87,182 million (Rs.8,718 crore) as compared to Rs.101,085 million (Rs.10,109 crore) in the corresponding period of the previous year, registering a drop of 14%. After adjusting the mega order impacts in the comparative fiscals, the Orders rose by 27%. The Unexecuted Order Value as of September 30, 2008 stood at a healthy Rs.98,338 million (Rs.9,834 crore), a rise of 5% over the previous fiscal.

The company's Profit Before Tax stood at Rs.8,918 million (Rs.892 crore) for the year ended September 2008, as compared to Rs.8,742 million (Rs.874 crore) in the previous year, registering an increase of 2%. Our Profit After Tax remained steady and stood at Rs.5,933 million (Rs.593 crore) as compared to Rs.5,965 million (Rs.597 crore) in the previous year. The effect on our profits was due to the additional cost impacts in large projects.

Nevertheless, in tune with our tradition, the Board of Directors have recommended a dividend of Rs.3/- (150%) for an equity share of Rs.2/- each for the financial year ended September 2008. During the previous fiscal, the Company had paid a dividend of Rs.4.80 (240%), for an equity share of Rs.2/- each.

Performance Analysis

In many ways, the markets had witnessed steep variations during the previous fiscal and it was a true test of resilience for the market players. On our part, some of the tough business decisions that Siemens took last year have made our company stronger, less complex and faster. These changes placed us in a situation where our company could anticipate unfolding scenarios and act accordingly in a proactive manner. Throughout, our focus was clearly on driving healthy growth, and on acquiring orders that gave us good results.

Our strategy was to focus on key growth areas - in domestic and export markets. One such example is Metals and Mining. We enhanced our local manufacturing competencies by setting up new capacities. For instance, our factories for Power Transformer and Instrument Transformers commenced operations during the year at Kalwa and Aurangabad respectively. Incidentally, in the Instrument Transformer segment, Siemens is the only manufacturer in India to offer SF6 Insulated Transformers

that are reliable, safe and explosion proof. During the year, we also introduced several high-end products and solutions in the Indian market.

Over the years, Siemens has developed a broad portfolio of solutions across diverse divisions. Following our structural re-organization at the global level, our businesses are now grouped into three sectors - Industry, Energy and Healthcare. This simple model, with its customer-focused structure and clear responsibilities has increased our efficiency and transparency. We are now able to approach our customers with the collective strengths of various divisions under one sector roof.

Keeping in line with our strategy of strengthening the customer-centric portfolio, the Board has approved the proposal of buying the balance 50% stake in Flender, which is currently held by Siemens AG. This business will then be integrated into Siemens Ltd. The Board has also approved the proposal of transferring the business of SIPS (our unit supporting back office operations) - to a 100% subsidiary of our parent company, Siemens AG. Continuing with its activities in Bangalore, SIPS will now focus on captive business to support global operations.

People Excellence

Our employees, who are fundamental force behind our success, continued to demonstrate their spirit of commitment and hard work. Their unrelenting determination to succeed, even in a tough and fiercely competitive market environment enabled us to build and sustain the financial stability of the company. During the year, we focused on excelling our workforce through several HR initiatives. A special emphasis was laid on training of business and technical skills across all levels from top management to workmen. Our resource management initiatives helped us control attrition to levels that were much lower than the industry average. This clearly proves the loyalty and pride expressed by our employees to be part of the Siemens Family.

The Road ahead - Outlook for Siemens

Taking a look at the present economic scenario, the Indian economy is going through a phase of moderation and several key sectors are experiencing a significant dip in growth. However, on an average, India should be able to achieve an economic growth of 7%, though the second half of the year looks bleaker. Going forward, to sustain economic growth, we need to aim at achieving higher growth across sectors. This definitely needs certain strong measures from the Government, coupled with a strategic operational focus from organizations that will help us weather tougher times. The investment in infrastructure is one such initiative that is crucial for our economy and we are sure that the Government will continue its commitment towards the same.

Maintaining our strategic focus on the infrastructure sector, we have put in place a definitive strategy to

optimally tap emerging opportunities and sustain profitable growth. Our company will continue to aim at key growth opportunities in the domestic as well as export markets. Further, Siemens in India will be leveraged for regional and global markets as a sourcing base of products and services including R&D. Further, our company has proactively leveraged on its inherent strengths to improvise our sourcing and purchasing capabilities. We have also toughened our compliance processes.

Conclusion

Dear Shareholders, over the years, Siemens has kept pace with the evolution of the Indian economy, and maintained a sustained rate of growth. As a result, the company is financially strong today. We continue to have a comfortable level of liquidity and enjoy a debt free status. This will stand in good stead in supporting our initiatives for profitable growth.

I am pleased to announce the arrival of a new member Mr. Sunil Mathur in to our family. Mr. Mathur, who has been the Executive Director since October 1, 2008, has also been appointed as the Chief Financial Officer (CFO) from December 1, 2008. His responsibilities of a Country CFO are in addition to his function of a Cluster CFO for the South Asia region comprising countries such as India, Sri Lanka, Bangladesh, Nepal, Bhutan and Maldives. Mr. Mathur comes with a rich international experience especially in Germany and England. He has served as a CFO in several business units of Siemens globally and we are sure that with his global experience and financial insights, he will bring tremendous value to our company.

Mr. Mathur has taken over from Mr. Patrick de Royer, who is now moving on to a new assignment in Siemens Netherlands. Mr. de Royer, during his three year tenure in India, had successfully managed growth with a clear focus on risk management, asset management and process improvement. He was also instrumental in leading our M&A projects. In 2007, Mr. de Royer was named the best CFO in an MNC by IMA (International Markets Assessment). We thank him for his valuable contribution to Siemens Ltd. and wish him the very best for his future.

At this juncture, I would also like to sincerely thank the Board, the management team and especially all the employees, who have time and again supported us in our growth journey. Looking into the future, with the commitment and zeal of all our employees, I am positive that Siemens will be able to meet the growth targets that the company has set for the coming fiscal.

Thank you.

Mumbai
December, 2008



Deepak S. Parekh
Chairman

Board of Directors

Non-executive Directors



Deepak S. Parekh
Chairman



D. C. Shroff
Director



Y. H. Malegam
Director



N. J. Jhaveri
Director



K. Dadiseth
Director



Pradip V. Nayak
Director



Joe Kaeser
Director



Wolfgang Dehen
Director

Committees and Organisation Structure

Committees

Committees of Directors

Audit Committee

Y. H. Malegam (Chairman)
Deepak S. Parekh
K. Dadiseth
Joe Kaeser / Dr. O. Schmitt
Ajai Jain (Secretary)

Investors Grievance Committee

D. C. Shroff (Chairman)
Pradip V. Nayak
Dr. Armin Bruck
Ajai Jain (Secretary)

Remuneration Committee

N. J. Jhaveri (Chairman)
D. C. Shroff
Deepak S. Parekh
Pradip V. Nayak
Ajai Jain (Secretary)

Corporate Governance Committee

K. Dadiseth (Chairman)
Deepak S. Parekh
Y. H. Malegam
Joe Kaeser / Dr. O. Schmitt
D. C. Shroff
Dr. Armin Bruck
Ajai Jain (Secretary)

Organisation Structure

Executive Management

Dr. Armin Bruck	A. K. Dixit
Sunil D. Mathur	D. Ragavan
V. V. Paranjape	Kavita Ghatge
V. B. Parulekar	Dr. K. Stadelmann

Business Segments

Energy Sector

A. K. Dixit ①
S. Krishnan ②

Industry Sector

V. V. Paranjape
R. Gala ②

Healthcare Sector

D. Ragavan ①
K. N. Prabhu ②

Corporate Resources

Reporting to CEO

Real Estate

A. S. Shikarwar

Corporate Communication

K. Ghatge

Corporate Planning & Business Excellence

R. Dalvi ®

Regional Compliance Office

A. Chopra

Legal

Dr. K. Stadelmann ^

Corporate Strategic Purchase & Logistics

S. Duttgupta

Siemens Ltd. Representative Office, Sri Lanka

S. Rajiv

Siemens One & Key Account Management

S. Ramakrishna

Corporate Security

A. S. Shikarwar

Notes: Bold numbers indicate reporting line to Corporate Management Members
 ® Also responsible for top+, Corporate Manufacturing Strategy, Corporate Quality and PM@Siemens
 # Also Export Control Officer
 ^ Takes over from 1st January 2009. Also responsible for Company Secretary.

Whole-time Directors and Corporate Management



Dr. O. Schmitt
Alternate Director
for Mr. Kaeser



S. Schneider
Alternate Director
for Mr. Dehen



Dr. Armin Bruck^①
Managing Director



P. de Royer
Executive
Director
(upto 31st Dec. '08)



Sunil D. Mathur^②
Executive Director
and Chief
Financial Officer



V. V. Paranjape
Whole-time
Director



V. B. Parulekar
Whole-time
Director

Committees of Management

Investment Committee

Y. H. Malegam (Chairman)
Deepak S. Parekh
Pradip V. Nayak
Joe Kaeser / Dr. O. Schmitt
P. de Royer
Sunil D. Mathur
Ajai Jain (Secretary)

Share Transfer Committee

Dr. Armin Bruck (Chairman)
P. de Royer
Sunil D. Mathur
Ajai Jain

Finance Committee

Sunil D. Mathur (Chairman)
P. de Royer
Dr. Armin Bruck
Ajai Jain

Delegation of Powers Committee

Dr. Armin Bruck (Chairman)
P. de Royer
Sunil D. Mathur
Ajai Jain

Company Secretary

Ajai Jain
Vice President (Legal) &
Company Secretary

Central Functions

Finance & Administration (F&A)

Sunil D. Mathur

Human Resources (HR)

Kavita Ghatge ①

Reporting to CFO

Corporate Finance

P. Bhambani

Corporate Accounting

P. Joglekar

Corporate Taxation

N. D. Rao

Performance Controlling

V. D. Kale

Chief Information Officer

N. Sharan

Import/Export Admin & Travel

P. Sant #

Reporting to Head HR

Corporate Compensation & Benefits

P. Choudhury

Corporate Recruitment

J. Prabhudesai

Corporate Learning & Development

Dr. M. Vyas

Corporate Industrial Relations

G. D'Silva

Occupational Safety & Environment

J. Rao

Medicare and Occupational Health

Dr. S. Sivaramakrishnan

International Delegation Centre

S. S. Jaswal

Notice

NOTICE is hereby given that the 51st Annual General Meeting of the Members of the Company will be held at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400 021 on Friday, 30th January, 2009, at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 30th September, 2008, Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Deepak S. Parekh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. D. C. Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Y. H. Malegam, who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs S. R. Batliboi & Associates, Chartered Accountants, Mumbai, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company in place of Messrs B S R & Co., Chartered Accountants, the retiring Auditors of the Company, on such remuneration as may be fixed by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to implement this resolution."

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification(s), the following resolutions:

7. **Addition of new Clause 124.A in the Articles of Association**

As a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions if any, of the Companies Act, 1956, the following new Clause 124.A with respect to implementation of Siemens Internal Regulations be inserted after the existing Clause 124 in the Articles of Association of the Company:

XVII.A Siemens Internal Regulations

124.A The Executive Management of the Company comprising of the Chief Executive Officer / Managing Director (the "CEO") and Head of Accounts and Finance, by whatever name called / Chief Financial Officer (the "CFO") are obliged to promptly implement all applicable Siemens Internal Regulations framed by Siemens Aktiengesellschaft, Germany, from time-to-time and monitor the compliance regularly."

8. **Appointment of Mr. Wolfgang Dehen as Special Director of the Company**

As an Ordinary Resolution:

"RESOLVED THAT Mr. Wolfgang Dehen, who was appointed by the Board of Directors as an Additional Director with effect from 19th December, 2008 under Section 260 of the Companies Act, 1956 and Article 110 of the Articles of Association of the Company and who holds Office upto the date of this Annual General Meeting and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under the provisions of Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director be and is hereby appointed as Special Director of the Company and shall not be liable to retire by rotation."

9. **Appointment of Mr. Sunil D. Mathur**

As an Ordinary Resolution:

a. As a Director of the Company

"RESOLVED THAT Mr. Sunil D. Mathur, who was appointed by the Board of Directors as an Additional Director with effect from 22nd July, 2008, under Section 260 of the Companies Act, 1956, and who holds Office upto the date of this

Annual General Meeting and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under the provisions of Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation."

As an Ordinary Resolution:

b. As a Whole-time Director and payment of remuneration

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the appointment of Mr. Sunil D. Mathur as an Executive Director (as Whole-time Director from 22nd July, 2008 to 30th September, 2008) of the Company for a period of five years with effect from 22nd July, 2008, on the terms and conditions including those relating to remuneration as set out under Serial No. 5 of the Explanatory Statement annexed to this Notice."

10. Re-appointment of Mr. Vijay V. Paranjape as a Whole-time Director and payment of remuneration

As an Ordinary Resolution:

a. Revision in remuneration (for the period 1st April, 2008 – 30th September, 2008)

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, the Company hereby accords its approval to the revision in remuneration payable to Mr. Vijay V. Paranjape, Whole-time Director with effect from 1st April, 2008 as set out under Serial No. 5 of the Explanatory Statement annexed to this Notice."

b. Re-appointment as a Whole-time Director and payment of remuneration

As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the re-appointment of Mr. Vijay V. Paranjape as a Whole-time Director of the Company for a period of two years with effect from 1st October, 2008, on the terms and conditions including those relating to remuneration as set out under Serial No. 5 of the Explanatory Statement annexed to this Notice."

11. Revision in remuneration of Dr. Armin Bruck, Managing Director

As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, the Company hereby accords its approval to the revision in remuneration payable to Dr. Armin Bruck, Managing Director with effect from 1st April, 2008 as set out under Serial No. 5 of the Explanatory Statement annexed to this Notice."

12. Revision in remuneration of Mr. Patrick de Royer, Executive Director

As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, the Company hereby accords its approval to the revision in remuneration payable to Mr. Patrick de Royer, Executive Director, with effect from 1st April, 2008 as set out under Serial No. 5 of the Explanatory Statement annexed to this Notice."

13. Revision in remuneration of Mr. K. R. Upili (former Whole-time Director)

As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, the Company hereby accords its approval to the revision in remuneration payable to Mr. K. R. Upili (former Whole-time Director of the Company) with effect from 1st April, 2008 upto 27th July, 2008 as set out under Serial No. 5 of the Explanatory Statement annexed to this Notice."

"RESOLVED FURTHER THAT the Company hereby accords its approval to the one-time special payment of Rs. 8,000,000 (Rupees Eight Million only) to Mr. Upili, who ceased to be the Whole-time Director and as Director of the Company with effect from 27th July, 2008."

14. Revision in remuneration of Mr. Vilas B. Parulekar, Whole-time Director

As an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, the Company hereby accords its approval to the revision in remuneration payable to Mr. Vilas B. Parulekar, Whole-time Director with effect from 1st April, 2008 as set out under Serial No. 5 of the Explanatory Statement annexed to this Notice.”

By Order of the Board of Directors

For **Siemens Ltd.**



Ajai Jain
Vice President (Legal) &
Company Secretary

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

Mumbai

Friday, 19th December, 2008

Notes:

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

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

- b. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business in the Notice is annexed hereto.
- c. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the 51st Annual General Meeting.
- d. Members / Proxies / Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
- e. Profile of the Directors seeking appointment / re-appointment, as required in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are annexed to this Notice.
- f. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 16th January, 2009 to Friday, 30th January, 2009, both days inclusive, for the purpose of payment of Dividend, if declared.
- g. The dividend, if declared at the 51st Annual General Meeting, will be paid at par on Wednesday, 25th February, 2009, to those Members who hold Shares in physical form and whose name appears on the Company's Register of Members as holders of Equity Shares on Friday, 30th January, 2009.

In respect of Shares held in electronic form, to the beneficial owners of the Shares as at the close of business hours on Thursday, 15th January, 2009, as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

- h. Members holding Shares in electronic form may please note that their bank details, as furnished by their respective Depository Participants to the Registrar and Share Transfer Agent – TSR Darashaw Ltd., will be mandatorily printed on their dividend warrants as advised by the Securities and Exchange Board of India. Further, instructions if any, given by them in respect of Shares held in physical form will not be automatically applicable to the dividend payable on Shares held in electronic form. Such Members are therefore requested to give instructions regarding bank accounts in which they wish to receive dividend, to their respective Depository Participants directly. The Company or its Registrar and Share Transfer Agent will not act on any direct request from such Members for change / deletion of such bank details.

i. Unclaimed / Unpaid Dividend:

Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed / unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

The status of Dividend remaining unclaimed / unpaid is given hereunder:

Dividend for the Financial Year	Contact	Action by Shareholder
Upto and including the Financial Year 1994-95	The Registrar of Companies Central Government Office Building, "A" Wing, 2 nd Floor, CBD Belapur, Navi Mumbai, Maharashtra- 400 614.	Application to be made in Form II prescribed by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978.
For the Financial Year 1995 - 96 and 1999 - 2000 <i>No Dividend was declared by the Company for the Financial Years 1996 - 97, 1997 - 98 and 1998 - 99</i>	Non-recoverable since the unpaid amount has been transferred to IEPF of the Central Government.	—
Financial Years 2000 - 01 and thereafter	TSR Darashaw Ltd., Registrar and Share Transfer Agent.	Request letter on plain paper.

The tentative dates for transfer to IEPF of the dividend remaining unclaimed / unpaid since Financial Year 2000 - 01 are provided hereunder:

Financial Year	Rate (%)	Date of declaration of dividend	Tentative date for transfer to IEPF
2000 - 01			
Dividend	40	17 th January, 2002	22 nd February, 2009
2001 - 02			
Interim Dividend	30	23 rd April, 2002	29 th May, 2009
Final Dividend	25	21 st January, 2003	26 th February, 2010
2002 - 03			
Interim Dividend	35	21 st July, 2003	26 th August, 2010
Final Dividend	40	21 st January, 2004	26 th February, 2011
2003 - 04			
Interim Dividend	40	22 nd April, 2004	28 th May, 2011
Final Dividend	50	27 th January, 2005	3 rd March, 2012
2004 - 05			
Interim Dividend	45	25 th April, 2005	31 st May, 2012
Final Dividend	100	27 th January, 2006	3 rd March, 2013
2005 - 06			
Interim Dividend [#]	10	23 rd December, 2005	28 th January, 2013
Final Dividend	190	18 th January, 2007	22 nd February, 2014
2006 - 07			
Dividend	240	31 st January, 2008	24 th February, 2015

[#] Declared by the erstwhile Siemens VDO Automotive Ltd. (since merged with the Company).

Members are requested to contact TSR Darashaw Ltd. / Investor Relations Team of the Company for encashing the unclaimed dividend standing to the credit of their account.

After transfer of the said amounts to IEPF, no claims in this respect shall lie against IEPF or the Company nor shall any payment be made in respect of such claims.

- j. Members holding Shares in more than one folio in the same name(s) are requested to send the details of their folios alongwith the Share Certificates so as to enable the Company to consolidate their holdings into one folio.
- k. The Annual Report 2008 of the Company circulated to the Members of the Company, will be made available on the Company's website at www.siemens.co.in and also on SEBI's EDIFAR website at www.sebidifar.nic.in
- l. Members desirous of getting any information about the Accounts of the Company are requested to write to the Company atleast seven days in advance of the Meeting, so that the information required can be made readily available at the Meeting.
- m. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12 noon upto the date of the 51st Annual General Meeting.

Explanatory Statement

As required by Section 173(2) of the Companies Act, 1956, in respect of the items of Special Business mentioned in the Notice.

1. Item No. 7

As part of global compliance programme initiated by the parent company Siemens Aktiengesellschaft (Siemens AG), all affiliated companies of Siemens AG are required to implement the Siemens Internal Regulations (hereinafter termed as "Internal Regulations"). The implementation of these principles would however depend on each country specific law. The obligations of the Chief Executive Officer and the Chief Financial Officer (termed as "Executive Management") have been defined by the Board of Directors of the Company at the meeting held on 31st January, 2008. The Internal Regulations would be published by way of Circulars or such other similar means as may be expedient. The Internal Regulations have been framed to facilitate corporate governance obligations and encourage synergies within the Siemens group across the boundaries.

In order to ensure effective implementation of the Internal Regulations, the Board proposes to incorporate the new clause relating to the Siemens Internal Regulations in the Articles of Association of the Company. Hence, the Board of Directors commends the Resolution No. 7 for your approval.

None of the Directors of the Company are interested in the said Resolution.

2. Item No. 8

As per Article 110 of the Articles of Association of the Company, Siemens AG is entitled to appoint its Nominee Director. Such Director shall be called 'Special Director' and shall not be liable to retire by rotation.

This position was previously occupied by Prof. Dr. Hermann Requardt who resigned from the Directorship of the Company with effect from 19th December, 2008. Consequently, Siemens AG has nominated Mr. Wolfgang Dehen as a Director in place of Prof. Dr. Requardt. The Board of Directors at their meeting held on 19th December, 2008, appointed Mr. Dehen as an Additional Director of the Company with effect from 19th December, 2008. As per Section 260 of the Companies Act, 1956, an Additional Director holds office upto the date of the Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956, from a Member signifying his intention to propose the appointment of Mr. Dehen as a Director of the Company.

Brief Profile of Mr. Dehen in terms of Clause 49 of the Listing Agreement, is provided elsewhere in this Notice. The Board of Directors are confident that his vast knowledge and experience will be of great value to the Company and hence commends the Resolution No. 8 for your approval.

None of the Directors of the Company, other than Mr. Dehen is interested in the said Resolution.

3. Item No. 9

At the meeting of the Board of Directors held on 22nd July, 2008, Mr. Sunil D. Mathur has been appointed as an Additional Director with effect from 22nd July, 2008, to hold office till the date of the next Annual General Meeting of the Company. At the same Board Meeting, the Board of Directors also approved the appointment and remuneration of Mr. Mathur as a Whole-time Director of the Company for a period of five years with effect from 22nd July, 2008.

The appointment and remuneration of Mr. Mathur as Executive Director (as Whole-time Director from 22nd July, 2008 to 30th September, 2008) is subject to the approval of the Members and the Central Government.

Brief Profile of Mr. Mathur in terms of Clause 49 of the Listing Agreement, is provided elsewhere in this Notice. The Board of Directors are confident that his vast knowledge and experience will be of great value to the Company and hence commends the Resolution No. 8 for your approval.

The terms and conditions with respect to the appointment of Mr. Mathur, including those relating to remuneration, are given under Serial No. 5 below.

4. Item No. 10

The Members at the 50th Annual General Meeting held on 31st January, 2008, appointed Mr. Vijay. V. Paranjape as a Whole-time Director of the Company with effect from 1st February, 2007 to 30th September, 2008. Considering his valuable contributions and his vast experience, the Board of Directors at their meeting held on 22nd July, 2008, re-appointed Mr. Vijay V. Paranjape as a Whole-time Director of the Company for a further period of two years from 1st October, 2008 on the existing terms and conditions including remuneration.

Brief Profile of Mr. Vijay V. Paranjape in terms of Clause 49 of the Listing Agreement, is provided elsewhere in this Notice.

The appointment and remuneration of Mr. Vijay V. Paranjape as a Whole-time Director are subject to the approval of the Members.

The terms and conditions with respect to the appointment of Mr. Vijay V. Paranjape, including those relating to remuneration, are given under Serial No. 5 below.

5. Item No. 11, 12, 13 and 14

In appreciation of the dedicated efforts and having regard to the increased responsibilities, the Remuneration Committee of Directors at its meeting held on 25th April, 2008 and 25th November, 2008, approved a revision in the remuneration of the Managing Director and all Whole-time Directors of the Company. Except for the revision in the Salary and the Salary Grades, there are no changes in the other terms and conditions of the remuneration, as approved by the Members at the 50th Annual General Meeting held on 31st January, 2008.

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

I. Remuneration:

Name of the Director	Salary per month (Rs.)	Salary Grade (Rs.)	Overseas / Special Allowance per month (Rs.)
Dr. Armin Bruck	753,500 (w.e.f. 1 st April, 2008) 806,300 (w.e.f. 1 st January, 2009)	250,000 -1,000,000	753,500* (w.e.f. 1 st April, 2008) 806,300* (w.e.f. 1 st January, 2009)
Mr. Patrick de Royer	535,500 (w.e.f. 1 st April, 2008)	200,000 - 750,000	535,500*
Mr. K.R. Upili	368,000 (w.e.f. 1 st April, 2008)	200,000 - 600,000	Not Applicable
Mr. Vilas B. Parulekar	328,000 (w.e.f. 1 st April, 2008)	200,000 – 600,000	Not Applicable
Mr. Vijay V. Paranjape	328,000 (w.e.f. 1 st April, 2008) 363,400 (w.e.f. 1 st January, 2009)	200,000 – 600,000	Not Applicable
Mr. Sunil Mathur	475,000 (w.e.f. 22 nd July, 2008) 489,500 (w.e.f. 1 st January, 2009)	200,000 – 750,000	475,000 (w.e.f. 22 nd July, 2008) 489,500 (w.e.f. 1 st January, 2008)

*Overseas Allowance;

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

II. Perquisites:

- i. In addition to the above, they shall also be entitled to perquisites like Rent - free furnished / semi - furnished accommodation / House Rent Allowance / Stay in a hotel; Medical Reimbursement; Hospitalisation Expenses; Encashment of Leave; Leave Travel Concession; Home Leave (only for Dr. Bruck and Mr. de Royer). In case it is proposed that the leave be spent in the home country instead of anywhere in India, return passage may be allowed for self and family in accordance with the Rules specified by the Company. Further, Income Tax on Home Leave to be borne by the Company; Club Fees; Long Service Award; Company maintained car with driver (only to Dr. Bruck, Mr. de Royer and Mr. Mathur) / maintenance cost of the car and reimbursement of fuel expenses at actuals; Communication facility (Personal long distance calls will be borne by them); Retirement benefits (only for Mr. Upili, Mr. Paranjape, Mr. Parulekar and Mr. Mathur).

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

- ii. Children's Education Expenses (only for Dr. Bruck, Mr. de Royer and Mr. Mathur):

For Children studying in or outside India, the Education Expenses shall be paid by the Company directly to the school / institutions.

Income Tax on Children's Education Expenses to be borne by the Company.

- iii. Holiday passage for children studying outside India / family staying abroad (only for Dr. Bruck, Mr. de Royer and Mr. Mathur):

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

- iv. Reimbursement of expenses incurred on returning to home country after completion of tenure (only for Dr. Bruck, Mr. de Royer and Mr. Mathur):

Actual expenses incurred on travel and on packing, forwarding, loading or unloading as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with the moving of personal effects for self and family for joining duty in India (only for Dr. Bruck, Mr. de Royer and Mr. Mathur) may be allowed in case these have not been claimed from the previous employer. After completion of the tenure, such expenses in connection with the moving of personal effects for self and family may be allowed if they are finally leaving the employment of the Company. In case they are joining another Siemens Group / Associate Company, the Company to which they are transferred should bear these expenses.

"Family" means the spouse and dependent children.

III. Performance Linked Incentive

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

IV. Compensation under Stock Option Plan(s) of Siemens AG

They shall also be entitled to payment of the cash equivalent of the fair market value of the Options / Awards as on Exercise Date, to which they may be entitled under the Stock Option Plan(s), as may be applicable from time-to-time of the parent company, Siemens AG, Germany.

V. Commission

They shall also be entitled to remuneration by way of Commission as may be decided by the Board of Directors / Remuneration Committee of Directors from time-to-time. The amount of it based on the net profits of the Company in a particular year shall be subject to the overall ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.

VI. Minimum Remuneration

Notwithstanding anything hereinabove, where, in any financial year during the currency of their tenure as Managing Director/ Executive Director/ Whole-time Director the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of Salary, Special Allowance / Overseas Allowance, Perquisites, Performance Linked Incentive and Compensation under Stock Option Plan(s) of Siemens AG, as minimum remuneration to them.

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

Pursuant to Section 302 of the Companies Act, 1956, the abstract of terms and Memorandum of Interest dated 16th May, 2008 and 8th August, 2008, were sent to the Members.

Approval of the Members under Sections 269, 309, 310 read with Schedule XIII to the Companies Act, 1956, is required for the appointment / re-appointment / revision of remuneration of Managing Director / Whole-time Directors and for the payment of remuneration to them. Hence, the Board of Directors commends the Resolution Nos. 9, 10 11, 12, 13 and 14 for your approval.

None of the Directors of the Company other than Dr. Bruck, Mr. de Royer, Mr. Upili, Mr. Parulekar, Mr. Paranjape and Mr. Mathur are interested in the said Resolutions.

By Order of the Board of Directors
For **Siemens Ltd.**



Ajai Jain
Vice President (Legal) &
Company Secretary

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

Mumbai
Friday, 19th December, 2008

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

Mr. Deepak S. Parekh

Mr. Parekh is a Director of the Company since 7th November, 2003 and the Chairman of the Board of Directors since 1st August, 2004. Mr. Parekh is due to retire by rotation at this Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

Mr. Parekh is 64 years of age. He is a member of The Institute of Chartered Accountants of India and also of The Institute of Chartered Accountants – England & Wales. He served in India and abroad with Ernst & Ernst Management Consultancy Services, ANZ Grindlays Bank and Chase Manhattan Bank. Currently, he is the Executive Chairman of Housing Development Finance Corporation Ltd. and on the Board of several prestigious companies. Mr. Parekh has also been a member of various committees set up by the Government of India on varied subjects. He was the youngest recipient of the Economic Times Life Time Achievement Award in 2003. He has won several other awards including 'Hall of Fame' award by Outlook Money Magazine in 2005 and Best Non Executive Director award by the Asian Centre for Corporate Governance in 2006. He was also conferred with the prestigious Padma Bhushan award in the year 2006. Mr. Parekh has also been honoured with the Lifetime Achievement award by Finance Asia in the year 2008.

Mr. Parekh and any of the other Directors of the Company do not have any inter se relationship.

Mr. Parekh holds 9,000 Equity Shares of the Company. He is a Member of the Audit Committee of Directors of the Company. His directorships and Committee memberships of other companies, as on date, are as follows:

Company	Position	Committee Memberships and Position	
		Committee	Position
Housing Development Finance Corporation Ltd.	Chairman	-	-
Infrastructure Development Finance Co. Ltd.	Chairman	-	-
GlaxoSmithKline Pharmaceuticals Ltd.	Chairman	Audit Committee Investors Grievance Committee	Chairman Chairman
HDFC Asset Management Co. Ltd.	Chairman	-	-
HDFC ERGO General Insurance Co. Ltd.	Chairman	-	-
HDFC Standard Life Insurance Co. Ltd.	Chairman	-	-
Hindustan Unilever Ltd.	Director	Audit Committee	Chairman
Mahindra & Mahindra Ltd.	Director	Audit Committee	Chairman
Hindustan Oil Exploration Co. Ltd.	Director	-	-
Castrol India Ltd.	Director	Audit Committee	Chairman
The Indian Hotels Co. Ltd.	Director	Audit Committee	Member
Borax Morarji Ltd.	Alternate Director	-	-
Zodiac Clothing Co. Ltd.	Alternate Director	-	-
Bharat Bijlee Ltd.	Alternate Director	-	-
Exide Industries Ltd.	Alternate Director	-	-
Lafarge India Pvt. Ltd.	Chairman	-	-

Mr. D. C. Shroff

Mr. Shroff is a Director of the Company since 20th February, 1997. Mr. Shroff is due to retire by rotation at this Annual General Meeting of the Company, and being eligible, has offered himself for re-appointment.

Mr. Shroff, a B.A (Hons), LLB, Attorney-at-Law is 64 years of age. He is a Solicitor and Advocate and a Senior Partner of the well-known law firm M/s. Crawford Bayley & Co., who are also one of the solicitors of the Company. He has over 40 years of experience in the legal profession.

Mr. Shroff and any of the other Directors of the Company do not have any inter se relationship.

Mr. Shroff holds 9,000 Equity Shares of the Company. He is the Chairman of the Investors Grievance Committee of Directors of the Company. His Directorships and Committee Memberships of other companies, as on date, are as follows:

Company	Position	Committee Memberships and Position	
		Committee	Position
Avi-Oil India Pvt. Ltd.	Director	-	-
Bayer Material Science Private Ltd.	Director	-	-
Bayer Polychem (India) Ltd.	Director	-	-
CMP Pvt. Ltd.	Director	-	-
Kulkarni Power Tools Ltd.	Director	-	-
GMM Pfaudler Ltd.	Director	Audit Committee Investors' Grievance Committee	Member Member
Ingersoll – Rand (I) Ltd.	Director	Audit Committee Share Transfer – cum – Investors' Grievance Committee	Member Chairman
SKF India Ltd.	Director	Audit Committee Investors' Grievance Redressal/Share Transfer Committee	Chairman Member
Lubrizol India Pvt. Ltd.	Director	-	-
Professional Oral Care Products Pvt. Ltd.	Chairman	-	-
Swiss Re Services India Pvt. Ltd.	Director	-	-
Unifrax India Ltd.	Director	-	-
UTV Software Communications Ltd.	Director	-	-
Warner Bros. Pictures India Pvt. Ltd.	Director	-	-

Mr. Y. H. Malegam

Mr. Malegam, is on the Board of the Company since 1st April, 1998. Mr. Malegam is due to retire by rotation at this Annual General Meeting of the Company, and being eligible, has offered himself for re-appointment.

Mr. Malegam is 75 years of age. He is a member of The Institute of Chartered Accountants of India and also of The Institute of Chartered Accountants – England & Wales. Until 2004, he was the senior partner of M/s. S. B. Billimoria & Co., a leading firm of Chartered Accountants in India. Mr. Malegam is also a Member the Central Board & Western Area Local Board of the Reserve Bank of India. He has served as Chairman / Member on many important Committees set up by the Reserve Bank of India and the Securities and Exchange Board of India.

Mr. Malegam and any of the other Directors of the Company do not have any inter se relationship.

Mr. Malegam holds 6,250 Equity Shares of the Company. He is the Chairman of the Audit Committee of Directors of the Company. His Directorships and Committee Memberships of other companies, as on date, are as follows:

Company	Position	Committee Memberships and Position	
		Committee	Position
ABC Bearings Ltd.	Director	-	-
Bharatiya Reserve Bank Note Mudran Ltd.	Director	Audit Committee	Chairman
The Clearing Corporation of India Ltd.	Director	-	-
FirstSource Solutions Ltd.	Director	Audit Committee	Chairman
Hindustan Construction Co. Ltd.	Director	-	-
Piramal Healthcare Ltd.	Director	Audit Committee	Member
National Stock Exchange of India Ltd.	Director	Audit Committee	Member
National Securities Clearing Corporation Ltd.	Director	Audit Committee	Chairman
Tata Tea Ltd.	Director	Audit Committee	Chairman

Mr. Wolfgang Dehen

Mr. Wolfgang Dehen is 54 years of age. He is a member of Siemens AG's (SAG) Managing Board since January 2008. Mr. Dehen joined SAG in the year 2002. He is also the CEO of the Energy Sector of SAG. He studied Business Administration at the University of Siegen, Germany and has Dipl.-Kfm. Mr. Dehen has held various senior level positions during his association with SAG including Group President of Siemens VDO Automotive AG.

Mr. Dehen and any of the other Directors of the Company do not have any inter se relationship.

Mr. Dehen does not hold any Equity Shares in the Company. He does not hold any other directorships in India.

Mr. Sunil Mathur

Mr. Mathur is 45 years of age. He is a member of The Institute of Chartered Accountants of India. He has been working with Siemens for over 20 years and has held various senior level positions in Siemens group and was the CFO of Siemens Electrium Ltd., UK.

Mr. Mathur and any of the other Directors of the Company do not have any inter se relationship.

Mr. Mathur does not hold any Equity Shares in the Company. His Directorships and Committee Memberships of other companies, as on date, are as follows:

Company	Position	Committee Memberships and Position	
		Committee	Position
Siemens Information Systems Ltd.	Director	Audit Committee	Member
Siemens Information Processing Services Pvt. Ltd.	Director	-	-
Siemens Building Technologies Pvt. Ltd.	Director	Audit Committee	Member

Mr. Vijay V. Paranjape

Mr. Paranjape is 60 years of age. He was an Executive Vice President and Head of Automation & Drives Division of the Company, before he became a Director. He has done B.E. and has been with the Company for nearly 37 years.

Mr. Paranjape and any of the other Directors of the Company do not have any inter se relationship.

Mr. Paranjape holds 4,200 Equity Shares of the Company. His Directorships and Committee Memberships of other companies, as on date, are as follows:

Company	Position	Committee Memberships and Position	
		Committee	Position
Flender Ltd.	Chairman	-	-

Directors' Report

Dear Members,

The Directors have pleasure in presenting the 51st Annual Report of your Company and the Audited Accounts for the year ended on 30th September, 2008.

1. Financial Performance

(Rs. in million)

	2007-08	2006-07	Growth %
Gross Profit before Interest, Depreciation and Exceptional Income	8,329.78	8,453.17	-1.46
Less: Interest	20.54	2.12	
Depreciation	637.34	492.28	
Profit before Tax and Exceptional Income	7,671.90	7,958.77	-3.60
Add : Exceptional Income			
Profit on sale of Information and Communication Division	-	524.20	
Profit on sale of long term investment	-	259.25	
Profit on sale of SBT Division	10.64	-	
Profit on sale of SVDO Division	1,235.15	-	
Profit before Tax	8,917.69	8,742.22	2.01
Less: Tax	3,493.16	2,660.45	
Deferred Tax	(629.04)	3.37	
Fringe Benefit Tax	120.30	113.00	
Profit after Tax	5,933.27	5,965.40	-0.54
Amount available for appropriation	5,933.27	5,965.40	
Appropriations:			
General Reserve	4,577.25	5,018.70	
Net deficit on account of amalgamation of erstwhile Siemens Industrial Turbomachinery Services Private Ltd.	172.64	-	
Proposed Dividend	1,011.48	809.18	
Dividend Distribution Tax	171.90	137.52	

2. Operations

The performance of the Company during the year was satisfactory and the base business grew strongly.

The Turnover of the Company increased by 7.36% and stood at Rs.82,955 million as compared to Rs.77,268 million in the previous year. While all the businesses contributed to the growth, the key drivers were Power, Automation & Drives and Industrial Solutions and Services business.

The profit after tax remained steady at Rs. 5,933 million, compared to Rs. 5,965 million during 2006-07 mainly due to additional cost impacts in certain large projects. The new orders booked during the Financial Year were on a healthy note.

In line with Siemens Global strategy and in order to achieve better portfolio synergy, the Company's businesses have been classified into three new 'Sectors' namely Industry, Energy and Healthcare.

3. Bonus Issue

Pursuant to the approval of the Members given at the 50th Annual General Meeting held on 31st January, 2008, for the 1:1 Bonus Issue, the Company issued and allotted 168,580,100 Equity Shares of Rs.2 each on 12th March, 2008 to those Shareholders who held Shares as on 3rd March, 2008 (the Record Date). Consequently, the Paid-up Share Capital of the Company increased to Rs.674,320,400.

4. Dividend

Considering the performance and to appropriately reward the Members while conserving the resources to meet the future financial requirements, the Board of Directors recommends a dividend of Rs.3 per Equity Share of Rs.2 each (150%). This dividend is subject to the approval of the Members at the forthcoming Annual General Meeting. The dividend will entail an outflow of Rs.1,011,480,600 on the Paid-up Equity Share Capital of Rs.674,320,400.

In the previous year, the Company paid a dividend of Rs.4.80 per Equity Share of Rs.2 each (240%).

Directors' Report (continued)

5. Management's Discussion and Analysis

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

6. Mergers, Divestments and Acquisitions

a. Merger of Siemens Industrial Turbomachinery Services Pvt. Ltd. (SITS)

The Hon'ble High Court of Karnataka vide its Order dated 25th September, 2008, sanctioned the 'Scheme of Amalgamation' of SITS, a wholly-owned subsidiary, with the Company. As per the Scheme of Amalgamation, the 'Appointed Date' is 1st April, 2008. Thus, with effect from 1st April, 2008, SITS stands merged with the Company and the legal entity of SITS stands dissolved without winding-up. Further, the entire business and undertaking of SITS gets transferred to and vested in the Company.

b. Acquisition of balance 50% stake in Flender Ltd., Kolkata

The Company has decided to acquire the balance 50% stake in Flender Ltd. comprising of 2,160,000 Equity Shares of Rs. 10/- each from A.Friedr.Flender AG (a Siemens AG company). With this acquisition, Flender Ltd. would be a 100% subsidiary of the Company.

Further, it is proposed to merge Flender Ltd. with the Company, subject to all statutory and regulatory approvals in this regard.

c. Divestment of 51% stake in Siemens Information Processing Services Pvt. Ltd. (SIPS) Bangalore

The Company has decided to divest its 51% stake in SIPS comprising of 2,123,800 Equity Shares of Rs. 10/- each to Siemens Corporate Finance Pvt. Ltd., Mumbai (a Siemens AG Company).

7. Subsidiary companies

a. Siemens Information Systems Ltd., Mumbai (SISL) - a 100% subsidiary

SISL is a systems integrator and total solutions provider, having extensive domain expertise and technology specialisation. For the year ended on 30th September, 2008, SISL reported a total income of Rs.10,182 million and a Net Profit of Rs.339 million. For the year ended on 30th September, 2008, the Board of Directors of SISL has recommended a dividend of 3100%.

b. Siemens Information Processing Services Pvt. Ltd., Bangalore (SIPS) - a 100% subsidiary

The Company holds 51% equity stake in SIPS. The balance 49% is held by SISL, a 100% subsidiary of the Company. Thus, SIPS is a 100% subsidiary of the Company. SIPS provide back-office and customer contract services to Siemens companies in India and other countries, with the necessary technology and process competence. For the year ended on 30th September, 2008, SIPS reported a total income of Rs. 1,105 million and a Net Profit of Rs. 117 million. For the year ended on 30th September, 2008, the Board of Directors of SIPS has recommended a dividend of 550%.

c. Siemens Building Technologies Pvt. Ltd., Chennai (SBTPL) - a 79.32% subsidiary

SBTPL is engaged in the Building Technologies business providing a range of products and services comprising of building automation systems, fire safety solutions, security solutions, etc. For the year ended on 30th September, 2008, SBTPL recorded a total income of Rs. 2,228.97 million and a Net Profit of Rs. 93.33 million.

During the period under review, the SBT Group consisting of SBTPL, Vista Security Technics Pvt. Ltd., Chennai, iMetrex Technologies Pte Ltd., Singapore, Avenues Hong Kong Ltd., Hongkong and iMetrex Technologies Ltd., Ireland posted a consolidated turnover of Rs.3,169 million and a Net Profit of Rs.90.75 million.

d. Siemens Nixdorf Information Systems Pvt. Ltd., Mumbai (SNISL) - a 100% subsidiary

SNISL is a 100% subsidiary of SISL and being a subsidiary of a subsidiary, SNISL is considered as a subsidiary of the Company. SNISL ceased its commercial activities since 2000-01. It has been decided to merge this company within the Siemens Group, subject to all statutory and regulatory approvals.

e. Siemens Rolling Stock Pvt. Ltd. (SRSPL) - a 100% subsidiary

SRSPL was incorporated on 4th July, 2008 and is engaged in the manufacture of Railway Rolling Stock.

All the above subsidiary companies are non-material, non-listed subsidiary companies as defined under Clause 49 of the Listing Agreement with the Stock Exchanges (Listing Agreement).

The Company has obtained exemption from the Ministry of Corporate Affairs, Government of India, New Delhi, under Section 212(8) of the Companies Act, 1956, from annexing to this report, the Annual Reports of the above subsidiary companies for the year ended 30th September, 2008. However, if any Member of the Company or subsidiary companies so desires, the Company will make available copies of Annual Accounts of the above subsidiary companies and related information, free of cost. The Annual Accounts of the said subsidiaries are also available for inspection by any investor at the Registered Office of the Company and of the subsidiary companies concerned, between 10.00 a.m. and 12 noon on any working day of the Company and of the respective subsidiary companies, upto the date of the 51st Annual General Meeting.

Consolidated Accounts

The Annual Audited Consolidated Accounts and Cash Flow Statement, comprising of Siemens Ltd. and its subsidiary / associate companies, appear in this Report in the section 'Siemens Group'. The Auditors' Report on the Consolidated Accounts is also attached. The Consolidated Accounts have been prepared in accordance with the Accounting Standards prescribed by The Institute of Chartered Accountants of India in this regard.

8. Foreign Exchange Earnings and Expenditure

Details concerning Foreign Exchange Earnings and Expenditure have been given under the Notes to the Accounts.

9. Conservation of Energy and Technology Absorption

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

10. Employees

Your Directors place on record their deep appreciation for the exemplary contribution of the employees at all levels. Their dedicated efforts and enthusiasm has been integral to your Company's growth. Our industrial relations continue to be cordial.

The total number of permanent employees of the Company as on 30th September, 2008, was 6,502 (as on 30th September, 2007: 6,505).

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

11. Corporate Governance

We adhere to the principles of Corporate Governance mandated by the Securities and Exchange Board of India and have implemented all the prescribed stipulations. As required by Clause 49 VI of the Listing Agreement, a detailed report on Corporate Governance forms part of this Report as **Annexure III**. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company, is attached to the Corporate Governance Report.

12. General Shareholder Information

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

13. Health and Safety

In keeping with the Corporate Safety, Health & Environment Policy of Siemens Ltd., various safety & environmental initiatives are implemented through the concept of '*Education, Engineering & Enforcement*'. Our Safety, Health & Environment Policy has been revised to incorporate necessary changes as per legal & international standards like ISO 14001:2004 & OHSAS 18001:2007. In the year 2007-08, we enhanced our focus on Safety at Siemens Construction Projects in addition to our Manufacturing Units.

In the year 2007-08, total 860 employees were imparted safety and environment training. Additionally, the Company released safety hand books, organised Siemens Asia-Pacific Environment & Safety Conference and conducted Emergency Drills at various locations.

The Company continued its system of Safety Tool Box Talk and successfully covered our contract employees through 1,711 safety tool box talks.

14. Directors' Responsibility Statement

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
2. appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th September, 2008 and of the profit of the Company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the annual accounts have been prepared on a going concern basis.

Directors' Report (continued)

15. Directors

Mr. Sunil D. Mathur was appointed as an Additional Director as well as a Whole-time Director of the Company with effect from 22nd July, 2008 to 21st July, 2013. Mr. Mathur has been re-designated as an Executive Director with effect from 1st October, 2008. He is also the Chief Financial Officer of the Company with effect from 1st December, 2008. The terms and conditions of his appointment, including his remuneration, are subject to the approval of the Members.

Mr. Vijay V. Paranjape has been re-appointed as a Whole-time Director of the Company for a further period of two years with effect from 1st October, 2008. The terms and conditions of his appointment, including his remuneration, are subject to approval of the Members.

Mr. Wolfgang Dehen has been appointed as a Special Director (Siemens AG's nominee) with effect from 19th December, 2008. Mr. Dehen is the Chief Executive Officer of Energy Sector and a member of the Managing Board of Siemens AG, Germany.

Mr. Stephan Schneider has been appointed as an Alternate Director for Mr. Wolfgang Dehen with effect from 19th December, 2008.

Prof. Dr. Klaus Wucherer resigned as a Director, with effect from 31st March, 2008. Consequent to the said resignation, Mr. Stephan Schneider, also ceased to be an Alternate Director for Prof. Dr. Wucherer, effective same date. Mr. K. R. Upili, on completion of his term, ceased to be a Whole-time Director and Director of the Company with effect from 27th July, 2008. Mr. Patrick de Royer would be taking up a new assignment with Siemens Netherlands and hence he has resigned as an Executive Director and Director of the Company with effect from 1st January, 2009. Prof. Dr. Hermann Requardt who was appointed as a Special Director with effect from 1st April, 2008, resigned from the Board of Directors of the Company with effect from 19th December, 2008. Consequent to the said resignation, Mr. Stephan Schneider, also ceased to be an Alternate Director for Prof. Dr. Requardt, effective same date.

The Board places on record its appreciation for the services rendered by Prof. Dr. Wucherer, Mr. Upili, Mr. de Royer and Prof. Dr. Requardt during their respective tenures.

At the 51st Annual General Meeting, Mr. Deepak S. Parekh, Mr. Y. H. Malegam and Mr. D. C. Shroff retire by rotation and being eligible, offer themselves for re-appointment.

The above appointments and re-appointments (other than appointment of Mr. Schneider as an Alternate Director) forms part of the Notice of the 51st Annual General Meeting and the respective resolutions are recommended for your approval.

Profile of these Directors as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are given in the Notice of the 51st Annual General Meeting.

16. Auditors

The present Auditors of the Company, Messrs B S R & Co., Chartered Accountants, have expressed their unwillingness to be re-appointed as Auditors of the Company on their retirement at the forthcoming Annual General Meeting. The Board records its appreciation for the assistance and guidance provided by them during their long tenure with the Company. The Board recommends the appointment of Messrs S. R. Batliboi & Associates, Chartered Accountants, as Auditors of the Company from the conclusion of the 51st Annual General Meeting until the conclusion of the 52nd Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.

17. Cost Auditors

The Central Government's Cost Audit Order dated 17th March, 1993, requires audit of Cost Accounting records of the Company for the product "Electric Motors", for every financial year. Messrs R. Nanabhoy & Co., Cost Accountants, Mumbai, have been conducting this audit since 1972.

18. Acknowledgments

The Board of Directors wishes to express its sincere appreciation for the excellent support and co-operation extended by Siemens AG - the parent company, members, customers, suppliers, bankers and other business associates.

On behalf of the Board of Directors

For Siemens Ltd.



Deepak S. Parekh
Chairman

Mumbai
Friday, 19th December, 2008

Annexure I to the Directors' Report Conservation of Energy, etc. u/s 217(1)(e)

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

A. Conservation of Energy

1. Measures taken

- Deployment of very low power consumption controller.
- Deployment of Low Power Consumption TFT monitors.
- Additional capacitor banks installed at sub-station and at administration building.
- Improved natural illumination done to reduce power consumption.
- Replacement of existing lamps with lower wattage power saver lamps in Circuit Breaker assembly area.
- Use of timers to automatically shut-off the lights during lunch time.
- Use of Heavy Duty Corrugated Box for the packing of Export panels and Galvanium Roofing Sheets instead of Asbestos Makes.
- Implementation of 200W Metal Halide Overhead Lamp Project in Traction Motors manufacturing, Fettling Shop, Billing and Dispatch Centre.
- Energy & Time Efficient process for preheating of wound stator packets.
- Provision of translucent sheets in the roof of the factory shed.
- Introduction of FRP blades on cooling towers.
- Replacement of 400w MV lamps with 200w MV lamps in Plastic Shop.
- Re-circulation of quenching water for Ind Brazing process.
- Use of Energy saving luminaries for Lighting.
- Introduction of timer for well water pump.
- Introduction of LOGO (Logic Programmer) for lights in Bus Parking area.
- Introduction of CT Fan Controller for compressor cooling tower fan.
- Use of 14W CFL instead of tube lights for night lamp.
- Use of motion detectors at toilet & washing area for light control.

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

- One-time investment of Rs.0.2 million for energy conservation measures.
- Fixation of transparent sheets on the roof to allow sunlight thereby reducing energy consumption.
- Additional investment is planned for Aluminum roofing for further reducing the environmental impact by consumption of wood / plywood.
- Implementation of 200W Metal Halide Overhead Lamp Project.
- Replacement of 36 / 40W conventional tube lights by 20W CFLs in office area.
- Introduction of efficient power factor controller to maintain power factor within 0.99 lag.
- Reduce utilisation of compressor during shifts.
- Replace sodium vapour lamps with energy efficient lamps.
- Install timers for lights and fans in canteen and cycle stands.

3. Impact of Measures undertaken

- Optimisation of energy consumption
- Savings in energy and fuel cost
- Environment Protection

B. Research and Development (R&D)

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

- Use of Linux based embedded controllers with no moving parts like Hard-drives or fans.
- Implemented latest virtualisation concepts for migration of DCS engineering system to align with the Linux environment.
- Development of I/O Modules with increased density to accommodate more field inputs.
- Development of energy efficient range of motors, conforming to IS:12615 – for energy conservation / reduction in atmospheric heating.
- Design, development and manufacturing of 1.35MW, 6-pole 3 phase induction motor.
- Development of Dual Indicator HRC Fuse Links.
- 800A HRC Fuselink / Fuse base in size 3.
- 4-IN-1 25A, appliance Protector.
- Betagard DBS.
- Simbox MB.

Annexure I to the Directors' Report (continued) Conservation of Energy, etc. u/s 217(1)(e)

- Water cooled convertor and controls for shovels used in mining industry for local as well as export market.
- Introduction of compact LED indicating lamps with low power consumption.

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

- Overall cost reduction.
- Reduced time to market the product.
- Re-use of existing code and domain expertise.
- Increased market penetration through energy efficient products.
- In-house competency for higher capacity motors.
- Complement existing products and thereby increase in market share
- Lower lifetime costs for customers.

3. Further Plan of action:

- Re-vamp of Work Bench features to provide Unified Work bench throughout the Plant Personnel hierarchy.
- Design development of 1.8MW generator is in progress and expected to be ready by end January 2009.
- Development of 690V fuses, low cost fuses for PD market, development of RCCBs and RCBOs.
- Enhancement of R&D resources.
- Two global R&D projects taken-up for development of new generation of contactors for the world market.
- Development of compact push button series.

4. Expenditure on R&D:

- Capital Expenditure: Rs.1.05 million
- Revenue Expenditure: Rs.44.05 million
- Total Expenditure: Rs.45.10 million

C. Technology Absorption & Innovation

1. Efforts undertaken:

- Integrated AVR Generator controls as part of DCS.
- Adapted Virtualisation techniques as part of Engineering Work Bench.
- Localised ST Technology for SST 300V Blading.
- Introduction of Medium Voltage motor 1LA4 series.
- Introduction of depth manufacturing of Diesel Electric Motors for Indian Railways locomotives WDG4 / WDP4.

- Manufacturing of Traction motor with form windings.
- Automated calibration and testing MCBs.

2. Benefits derived from the above:

- Better cost position.
- Plant-wide integrated solutions.
- Increased market coverage.
- Offering the complete product basket to end-customers.
- Meeting the demand of Indian Railways.
- Higher productivity of personnel.
- Higher precision in adjustment products.
- Reduced defect levels.

3. Imported Technology:

Technology Imported	Year of Import	Has the technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action
Localisation of upto 45MW in Steam Turbines	2007-08	V Blade-yes C Blade-by end of September 2009	C Blading Engineering yet to localise. Training planned for the same to complete the implementation by end of September 2009.
Technology to manufacture 800kV GCB	2007-08	No	Development work-in-progress. Manufacturing to commence after Type Testing.
Product design and testing	2007-08	Yes	Not Applicable

On behalf of the Board of Directors

For **Siemens Ltd.**



Deepak S. Parekh
Chairman

Mumbai
Friday, 19th December, 2008

Annexure II to the Director's Report Management's Discussions and Analysis

General Performance Review

During 2007-08, the Indian economy continued to expand at a robust pace, recording an impressive 9% growth, making it the third successive year in a row where the economy grew at that rate. This impressive growth was powered by improved productivity from a buoyant agricultural sector, which grew by 4.5%, whereas, Industry and Services sectors grew at 8.5% and 10.8% respectively. The manufacturing sector grew by a moderate 8.8% vis-à-vis the strong 12% growth clocked last year. India also attracted investments to the tune of 37.5% of its GDP. In many ways, this economic performance was a reflection of India's strong internal growth dynamics, and also signaled a process of India's integration into the global economy that is still continuing.

However, during the first quarter of FY 2008-09 (April-June), the economic growth tapered down to about 7.9%. The most noticeable dip was in the industry segment, which was dragged down by a halving in the manufacturing growth rate. The weakening of the global economy coupled with the rise in inflation, high interest rates and liquidity crunch, further decelerated growth.

One of the biggest beneficiaries of India's growth has been its infrastructure sector, which has been expanding to sustain this progress. During 2007-08, the growth in the six core sectors - crude oil, cement, electricity, coal, petroleum refinery products and finished steel - were registered at 5.6%. In the Energy sector, the total increase in power generating capacity was 9,732 MW, 8% more than the 9,042 MW commissioned in 2006-07. However, the power generation has not kept pace and in April-June 2008-09, power generation increased by a mere 2.3%. On the other hand, the Transmission and Distribution sector registered a growth of 10% during the fiscal 2007-08. The continued focus by the Government in the power reforms coupled with the growth in the industrial sector augured well for the overall power sector. The Siemens Energy Sector performed as expected. While the Power Generation Division showed satisfactory performance, the Power Transmission and Distribution registered good growth.

The Industry segment witnessed a change in its growth momentum during 2007-08, as it grew by 8.5%, a marked decline from the previous year. The cumulative growth for the period, April-September of FY 2008-09 stood at 4.9%,

while the corresponding period last year saw a growth of 9.5%. Nevertheless, the investments continued for the capacity additions and modernizations in Infrastructure, Buildings, Automotive and Food & Beverages. In particular, the Transportation sector showed good growth with the freight and passenger segments growing rapidly. The project-related industrial activities also remained buoyant. Against this backdrop of positive market growth, Siemens Industry Sector grew at a healthy 35%.

During the last fiscal, the Healthcare equipment market grew by around 10-12%. The Government continued its focus on the overall development of the healthcare segment. During the year, the private sector also continued its investment to acquire, modernize and set up new healthcare facilities. However, during the last quarter there was a marginal slowdown in investments, due to hardening of credit and spiraling of interest rates. With huge opportunities in the market, the healthcare industry witnessed intense competition between the major players. Leveraging the market growth, Siemens Healthcare Sector strengthened its market dominance and recorded healthy profitable growth.

The Indian IT market continued to grow rapidly over the last year, with the Indian IT-BPO industry growing by 33% during FY 2008. The Software and Services segment grew by 28% (currency-adjusted) over FY 2007. The growth showed strong signs of increasing sophistication, with enterprise IT infrastructure and application, networking and communications becoming key priorities for India Inc. In this business environment and keeping in mind the internal change of a business model at Siemens Information Systems Ltd. (SISL) and Siemens Information Processing Services Pvt. Ltd. (SIPS), their performance was as expected.

To sum up, despite the inflationary and cost pressures, foreign currency fluctuations and volatile markets, the Indian Economy continued to witness one of the most promising growth trajectories across the globe, fuelled by a buoyant domestic market. In view of this opportune market, Siemens continued with its satisfactory performance and grew profitably.

Further reviews on each of Siemens' businesses are given separately in the following paragraphs:

Annexure II to the Director's Report (continued) Management's Discussions and Analysis

Industry

Automation and Drives (A&D)



In the year 2007-08, the Automation and Drives (A&D) market grew healthily by 17% due to sustained investments towards capacity additions and modernizations in Infrastructure, Buildings, Automotive and Food & Beverages. The increased focus on renovation and modernization of assets was also a key contributor fuelling the market growth. However, costs were under pressure due to volatility in key raw material costs.

The business volume of A&D grew significantly over the last year. The division further consolidated its leadership position in most of its market segments with a customer focused strategy, supported by a mix of indigenous manufacturing of core components & outsourcing of the non-core components. For the year 2007-08, the Order value witnessed faster than the market growth at 36% as compared to the previous year, while the Turnover grew at 27% on a comparable basis and profits rose by 57%.

During 2007-08, some important milestones of the A&D Division were: launch of a series of innovative products such as Sivacon S8 panels, indigenous CHAMPION Series motors, compact LED indicating lamps with low power consumption, water cooled convertor and controls for shovels used in mining industry for local as well as export market. A significant R&D achievement was the successful testing of the 8PU 0.5 series panels. The Division also successfully launched the Siemens brand of geared motors, which were added to its portfolio following the acquisition of a 50% stake in Flender Ltd.

Outlook: The A&D market is expected to grow at a moderate pace due to the uncertainties in the global

financial markets. This in-turn will result in the reduction of raw material prices. A&D will continue to strengthen their portfolio with focus on energy efficient products and solutions that will create sustainable value for the customers. The division will further evaluate the potential of carbon credits for the energy efficient product range. This will give an added dimension to the divisional strategy in the coming years and also offer a substantial business potential.

Industry Solutions (IS) Division



The overall market for Industry Solutions remained optimistic throughout 2007-08 and was driven by new projects and major expansions. The last fiscal also witnessed the completion of a number of turnkey projects in almost all sectors and project-related industrial activity remained upbeat. Investments in major as well as base-line projects proceeded as envisaged in the beginning of 2007-08. The overall market grew by 57%.

IS recorded a spectacular performance in 2007-08 by registering a healthy 54% increase in its Order value, a 26% growth in its Turnover and a rise of 62% in its Profit. The Division led the market in several sectors, including metals, mining, automotive and airports by winning and executing several key projects. IS also marked its foray into Water Technologies and Discontinuous Mining technology segments by bagging some key orders. Further, its venture into the export market of Africa was successful.

Outlook: For IS, the market is expected to continue its upward trend, however some corrections are expected corresponding to the corrections in the global economy. Consequently, this might lead to slight delays in the decision making process of select projects. With its

dominant market position and domain expertise, IS is well positioned to leverage the market opportunities. The key growth drivers for the division would be Metals, Industrial Technologies, Mining and Water Technologies.

Transportation System (TS / Mobility)



High GDP growth over the last few years which has resulted in a rise in the demand for rail based transportation and overall investment in the infrastructure sector by the Government drove the market for TS. The inflationary trends and global economic slowdown decelerated the progress for some time. Nonetheless, the basic need for transport infrastructure drove the growth for freight and passenger segments especially in urban areas. To aid this growth, Indian railways initiated significant efforts such as improving resource management for reducing unit costs, rationalising of tariffs to attract more customers, focusing on enhancing operating performance, segregating freight and passenger traffic, modernising railway stations to enhance passenger amenities and capacity addition for rolling stock manufacture in Public Private Partnership (PPP) projects.

TS strengthened its market position with its state-of-the-art technologies and competent local manufacturing capabilities. In 2007-08, it registered a sharp rise of 93% in Sales, whereas order intake declined by 23%. Margins were under pressure due to an unprecedented cost increase in raw materials incurred on the EMU project. Last year, TS embarked upon continuous quality improvement programs, effective project management and various cost reduction measures to strengthen operations.

During the last fiscal, TS successfully commissioned 58 sets of IGBT propulsion for diesel electric locomotives, while 20 trains equipped with Siemens electrics commenced operations in Mumbai.

Outlook: The sound financial situation of the Indian Railways is expected to support new project initiatives for capacity augmentation such as Dedicated Freight Corridors, Doubling the third and fourth lines, Automatic Signaling Works, Procurement of Rolling Stock, etc. Further, the Indian Railways has announced the second phase of Mumbai suburban project and new factories to manufacture diesel locomotives, electric locomotives and modern passenger cars. Additionally, city authority in Mumbai, Bengaluru and Hyderabad are setting up Rail based mass transit public transport service. To further augment the inter-city passenger traffic, the Indian Railways have taken up the feasibility study of select high speed corridors. Such measures present ample growth opportunities for TS. These developments will support the Division's growth plans through active participation in the upcoming projects.

Energy

Power Generation (PG)



With the ambitious targets of capacity addition in the 11th five year plan (2007-12), multiple new power projects were ordered, resulting in a buoyant market. Coal based projects continued to dominate with an increased demand for supercritical technology. Overall, power generation installed capacity grew by about 9.7 GW during 2007-08. In the captive power plant segment, the cement sector continued to remain steady, while the metal sector showed great improvement this fiscal. The sugar sector also looked promising with both private and cooperative sugar factories, increasing their requirements.

Siemens Power Generation witnessed satisfactory performance during the fiscal. After adjusting the one-time impact of a large order bagged in 2006-07, Turnover rose by 9% and Order value remained steady. The Division

Annexure II to the Director's Report (continued) Management's Discussions and Analysis

gained back its leadership position in the overall industrial turbine segment, whereas Siemens Automation group remained in the top scale due to product differentiation led by a high rate of innovation, local value creation and addition.

Siemens not only won several significant orders but also added numerous new customers in 2007-08. Further, the division also introduced high-efficient technologies such as wide range of powerful I/O modules with increased density to accommodate more field inputs, Field Interface Modules for global use, Integrated AVR Generator controls as part of DCS, etc.

Outlook: Numerous greenfield power plants are expected to be commissioned in the 11th Plan period. Additionally, emphasis on renovation and modernization of old power plants will increase. The growth opportunities for captive power plants are expected to continue. However, the recessionary global trends may temper the overall market growth. Besides laying emphasis on the service and export business, the Division will also continue to invest into expanding manufacturing capacities and widening the spectrum of its high-tech products and solutions wherever required to meet market needs.

Power Transmission & Distribution (PTD)



The growth of the power and the industry segments resulted in a positive year for the Transmission and Distribution (T&D) sector, which grew at about 10% per annum. The Government continued to pursue reforms with vigor. This augured well for the industry, especially for private sector participation. Significant progress was made towards setting up of a National Grid, targeting an inter-regional grid capacity of 37,000 MW by 2012 and the setting up a new APDRP program for meeting the loss

reduction targets. The continued distribution reforms and the rural electrification targets set by the Government gave further impetus to the turnkey project business.

Siemens Power Transmission and Distribution (PTD) recorded good growth during the year and has achieved the top position in the T&D market. Its Sales increased by 9%, while Profits rose by 15% over the previous year. After excluding the impact of a large order received in the fiscal 2006-07, the Order value on the comparable basis increased by more than 40%. During the fiscal, the Division commenced operations at two of its factories - Power Transformers at Kalwa, Mumbai and Instrument Transformers at Aurangabad.

Outlook: With the progressive targets set by the Government and continuing investment in the distribution sector coupled with the overall industry growth, the T&D sector is expected to show steady growth. However, the general economy slowdown will have its implications on the market. PTD plans to continue with the healthy growth in its performance parameters against the backdrop of the sector growth. To cater to the market demands, the Division will strengthen the product portfolio and re-jig the manufacturing processes to optimize the outputs.

Healthcare



The healthcare equipment market grew by 10-12% last year with Cardiology and Oncology continuing to be the key growth drivers. The Molecular Imaging segment also witnessed an impressive growth in the market. Many leading private healthcare players invested in acquiring hospitals, modernizing existing units and setting up new facilities. However, hardening of credit and spiraling of interest rates, with appreciation of the USD against the Indian Rupee, led to a slowdown in healthcare investments

in the last quarter. The healthcare industry witnessed intense competition between all the major players.

Siemens Healthcare grew profitably amidst a stiff competitive market situation and maintained an overall leadership position in most of the segments. The Order value of the Division grew by 17%, with significant growth coming from Special Products, Oncology Care and Angiography Systems. Turnover also grew by a healthy 15% and Profits rose by 197% over the last fiscal.

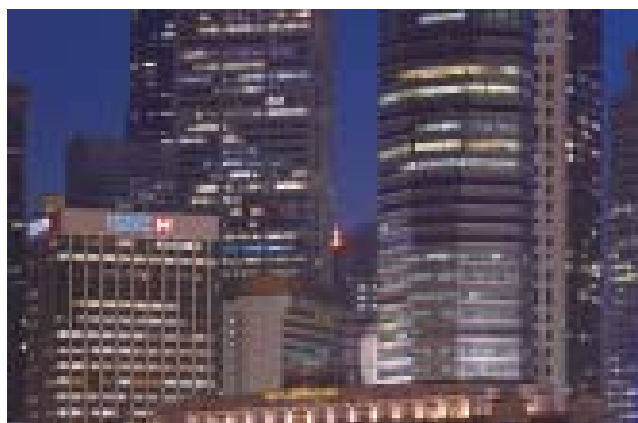
During the year, the Healthcare Division launched a number of new products and was credited with many 'firsts' in the Indian Market. For instance, Asia's (outside Japan) first 128 slice Definition AS+ CT scanner, Asia's first high definition PET CT and India's first open 3T MRI was installed. Another breakthrough was the launch of world's smallest and India's first handheld pocket size ultrasound device, ACUSON P10. The technological innovations by Siemens Healthcare also made a mark in the market. A solution called "hanging magnet on rail" in Interventional MRI was introduced in India. Also for the first time in the country, Luminous dRF, a flat panel detector with both digital radiography and fluoroscopy system was installed. Some key multi modality orders were also won by the division, like 7 units of digital mammography, 10 lithotripsy units, 4 linear accelerators, and many others.

Strongly believing in customer service, Siemens Healthcare has introduced 24X7 @ 365 days service response, which is a first in the industry. Further, 500 Syngo systems installed across the country have been connected on Siemens Remote Service. This remote sensing tool with reactive and proactive monitoring, results in higher uptime for the customer.

Outlook: *The appreciation of the USD against the Indian Rupee and the high interest cost is likely to slow down the investments from the private sector. At the same time, there are indications of higher investments by the Government and the Corporate healthcare groups. The market is expected to grow at 10-12%, with Oncology and Cardiology segments driving the markets. The Tier II and Tier III cities will also see big growth. To extract the high growth business potential, Siemens' strategy will focus on emerging markets and high potential areas. In addition to customer-centric service initiatives, the division will also continue to introduce newer technologies and products. Siemens continues to make R&D investments at its Goa factory for development of new products and components.*

Group Companies of Siemens Ltd.

Siemens Building Technologies Pvt. Ltd. (SBTPL)



During 2007-08, the Building Technologies segment grew by approximately 10%, driven primarily by growth in the industry and infrastructure segments apart from IT. The Indian building automation, fire safety and security market, which offer a potential of US \$3 billion by 2012, continued to witness positive growth.

In April 2007, Siemens Ltd. acquired a 77% equity stake in iMetrex Technologies and integrated its existing division in this domain into the acquired entity, which was renamed Siemens Building Technologies Pvt. Ltd. The fiscal 2007-08 marked the successful integration of iMetrex business within Siemens. In view of this, the performance of SBTPL was particularly important. The company witnessed profitable growth and gained significant market share. While its Security segment retained its dominant position, the Building Automation segment recorded a growth of over 45% in Order value.

One of the major achievements for SBTPL was the launch of its next generation intrusion platform (Intrunet SPC) in the global markets. This product line is manufactured at its Pondicherry factory and is now supplied globally. SBTPL also made considerable investments in the areas of developing the next generation security products and integrated security management applications. Last year, SBTPL invested approximately Rs 200 million in R&D. The company also upgraded its manufacturing plant in terms of equipment and processes to enable manufacturing of RoHS (Restriction of Hazardous substance) compliant products.

Outlook: *It is expected that the building industry will suffer a temporary setback given the real estate down turn, largely due to global economic outlook and lack of liquidity*

Annexure II to the Director's Report (continued) Management's Discussions and Analysis

in the market. However, the growth expected to continue in Oil & Gas, Power and Transportation segments will give fillip to the sector. SBTPPL business is expected to grow with a renewed focus on vertical markets and smarter value packages.

Siemens Rolling Stock Pvt. Ltd. (SRSPL)

To cater to the booming transportation sector, Siemens Ltd has incorporated a 100% subsidiary in the name of "Siemens Rolling Stock Pvt. Ltd.". The new subsidiary is engaged into manufacturing of railway rolling stock.

Siemens Information Systems Limited (SISL)



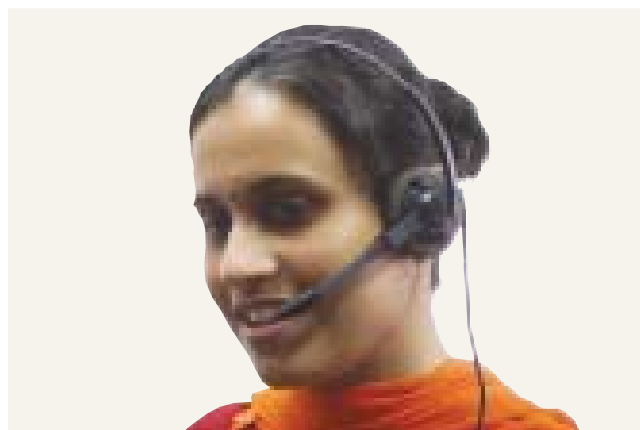
In the last fiscal, Siemens worldwide bundled its IT solutions and services business, resulting in SISL's businesses getting closely aligned with its Parent group, Siemens IT Services and Solutions (SIS). SISL has now become a prime offshore development center for SIS globally. The order inflow increased by about 14%. However, due to the change in the business model, there were adjustments in profit to the new model. Profit was also impacted by some one time charges and forex loss.

The Indian IT market continued to grow rapidly over the last year, where technology adoption in the domestic market remained steady with an estimated growth of 43%. This growth showed strong signs of increasing sophistication, as building enterprise IT infrastructure and application, networking and communications becoming key priorities for India Inc. The last year saw big customers outsourcing large IT deals, providing opportunities to bigger players with full IT service capabilities, especially in the Telecom and BFSI sectors. The industry saw a shift from custom application to IT solutions, based on standard software packages with Government and PSUs catching the

IT solutions bandwagon. SISL continued to work only in niche areas and focus on specific verticals. SISL's export business including the business with other Siemens companies constituted about 74% of the revenues.

Outlook: According to Gartner, India's IT end-user spending is expected to grow at a Compounded Annual Growth Rate (CAGR) of 14.8% from 2007 through 2012. However, the present trend of economic slowdown may impact the overall business. In the coming fiscal, in addition to enhancing its capabilities and productivity as a global offshore development center, SISL, together with its Parent Group SIS will further align its strategies and portfolio with the Global Industry, Energy and Healthcare Sectors in Siemens.

Siemens Information Processing Services Pvt. Ltd. (SIPS)



Indian IT-BPO sector grew by 33% in FY 2008 to reach US \$64 billion in aggregate revenue, thus revalidating its strong fundamentals, despite concerns of a slowing US economy and supply constraints. Direct employment in Indian IT-BPO sector crossed the 2 million mark, an increase of about 389,000 professionals over FY 2007; indirect job creation is estimated about 8-9 million. BPO services exports up by 30% (USD) account for over 1/4th of the export aggregate. This is the fastest growing segment across software and services exports driven by scale, as well as scope. A large talent pool, sustained cost competitiveness, an enabling business environment and superior execution capabilities have helped establish India as the preferred sourcing destination. However, in the last quarter, there was a trend reversal due to the meltdown in the global financial markets, which has partially impacted the BPO operations.

Siemens Information Processing Services Pvt. Ltd. (SIPS), a Siemens Ltd. subsidiary, is engaged mainly in the business of providing back office and customer contact services to Siemens companies in USA and third parties. During the last fiscal, SIPS recorded a satisfactory performance with Sales recording a growth of 6% and Orders remaining steady. SIPS added Procurement Services in its portfolio for Siemens Healthcare, USA and also strengthened its partnership with Siemens Energy Services PLC, UK for Utility Services to more than 300 seats from 150 seats in the previous fiscal. Further, SIPS set up a customer service contact center for Siemens Healthcare and Energy sectors in India, providing 24x7@365 days service. SIPS also won contract from Global Shared Services (GSS), Germany for running their Global Delivery Center for the Application Management.

Outlook: *From a fundamental viewpoint, the drivers for global sourcing are likely to remain strong in the near future. Most environmental factors affecting global sourcing also look favorable despite concerns of a possible economic slowdown. Globally, as a consequence of the challenging times, the organizations will continue looking for more cost-effective measures and SIPS expects to leverage these opportunities by focusing on existing products and verticals and further extending its geographical domain in Europe and Asia Pacific Regions. Also, with cost reduction measures taken by Siemens globally, SIPS has emerged as a preferred partner. SIPS would continue to work as a strategic partner of GSS, specifically in the areas of HR, Procurement and Logistics and also expand in the areas of customer services and transactional services in domestic market.*

Corporate Functions Review

Internal Control Systems

The Internal Control Systems of Siemens Ltd. is responsible for the financial reporting, assets, adherence to management policies, international agreements and conventions wherever applicable, as well as to promote ethical conduct within the organisation. The company has appointed an Audit Committee that regularly reviews the internal control systems with the management, external and internal auditors.

The Company has independent Internal Auditors for conducting internal audits of the financial reporting and operations of the company, the individual divisions, as well as its group and subsidiary companies in India. The audits

are planned and covered systematically within the framework of an Audit Charter set by the Audit Committee and Corporate Management. This department directly reports to the Independent Audit Committee.

The Internal Auditors conducts risk-based financial, operational, regulatory, compliance audits and Information Technology audits to ensure compliance with company's policies and standards as well as the international agreements and conventions that are applicable to the company. They also identify areas of improvement and risk exposures.

The audit reports having recommendations and suggestions along with the implementation responsibilities and time plans are reviewed by the Corporate Management. In addition, follow-up audits are conducted after a reasonable period of time for monitoring the implementation of the recommendations.

Safety & Environment

Siemens Ltd. is committed to have continual improvement in Safety, Health & Environment management and performance. This year, our Safety, Health & Environment Policy has been revised to incorporate necessary changes as per legal and international standards like ISO 14001:2004 & OHSAS 18001:2007.

Besides policies, Siemens also strongly believes that training is one of the greatest tools in accident prevention. As a result, in the year 2007-08, a total of 860 employees were trained on various relevant topics of Safety & Environment. Contractor employees training was also one of the key focus areas this year, wherein a total of 1,711 Safety Tool-Box talks were conducted covering 18,781 persons.

To verify the effectiveness of existing infrastructure, to handle an emergency and to check the response of employees, routine emergency drills were conducted at various Siemens' offices and factories. To further ensure safety at work, Kalwa Works underwent considerable changes. New workstations were provided to meet ergonomics requirements, thus minimizing physical strain on employees. With respect to environment, the energy efficient CFL lighting utilized in these workstations has reduced energy consumption. Also, old cranes were replaced by newer ones in the Motor Unit, thus reporting no accidents. Lastly, in order to ensure the compliance of Pollution Control Board's norms, a 500 m³ Sewage Treatment Plant is under construction at Kalwa Works,

Annexure II to the Director's Report (continued) Management's Discussions and Analysis

which has an eco-friendly technology of filterable Phytorid Treatment System.

The Baroda Works on the other hand, took a new initiative of preparing a Safety Handbook to educate employees on necessary safety requirements, helpful for accident prevention. For the third time, Siemens Asia-Pacific Environment & Safety Conference was organized, where Dr. Wolfgang Bloch (Global Head of Corporate Environmental Affairs & Technical Safety, Siemens AG) explained Siemens' Environmental Strategy, ES Principles & Policy.

The safety performance of all production units of Siemens Ltd. has shown significant improvement with 36% reduction in man-days lost due to accidents. Further, Nashik Works has achieved 8.5% of energy savings, which helped increase the turnover value of the factory.

Human Resource Initiatives

During the last fiscal, HR undertook several initiatives towards development, enhancement and retention of workforce. Over 1,330 new employees including 308 Graduate Trainee Engineers joined Siemens Ltd. during 2007-08.

Over 80 training programs were undertaken primarily for development and capabilities building of employees; this included induction programs for new joiners which helped them to integrate in the organization setup. For instance, to enhance the leadership skills of managers, various programs such as Programs for Business Managers, Strategy Leadership Programs and programs for Leadership Enhancement through Excellence in People skills were organized. Programs like Manufacturing and Finance Excellence Training were also conducted under functional excellence program.

In addition, over 90 training programs for graduate trainee engineers (GTEs) were organized, which focused on imparting various functional and behavioral inputs. The average training man-days spent by employees were approximately 5.5.

To facilitate performance excellence, several initiatives were undertaken including the Pay Performance scheme. As a company committed to employee welfare, various employee wellness schemes such as the Life cover scheme and Welfare scheme introduced in 2006-07 continued this year as well. Further continuing with our commitment of giving back to the society, the employees actively participated in all the Social Responsibility programs of the company.

Amidst all pressures of the growing business, Industrial Relations continued to be cordial with our Unions.

Outlook for Siemens Ltd.

Over the past four years, India's economy had been growing at a phenomenal GDP rate of between 8-9%. However, during the last two quarters the financial meltdown in the US has impacted the economies of the world to differing degrees. The Indian economy too felt mild tremors and is presently witnessing signs of cooling down with growth dipping after a period of accelerated growth for four consecutive years. Currently, growth forecasts are being revised and according to a recent CMIE report, India's GDP is projected to grow at 8.2% for the financial year 2008-09.

While India's growth prospects in the long-term remain promising, the economy is presently going through an expected consolidation. As such, the prospects in the immediate future remain less predictable, in the face of soaring interest rates on project financing and tight credit conditions. On their part, the Indian government has been reaffirming its commitment to ensure that the economy is least affected by this crisis. The process of providing resources for developmental expenditure and offering assistance to the Indian industry and trade continues to be the Government's focus.

India's financing requirements for the Infrastructure sector alone are estimated at \$500 billion in the next five years, of which at least 30% is expected to come from the private sector. The Government has plans to expand investment in infrastructure and is examining ways of doing it. Although India's economic growth has shifted into a lower gear, the demand for new power facilities and electricity continues to outstrip supply and there is a huge shortage of power across the country, with the peak power deficit amounting to over 15%. As a result, the Government has revised its target of power capacity addition to 90,000 MW in the 11th five-year plan (2007-12), up by 11,423 MW from the earlier estimate of 78,577 MW. Siemens Energy sector, with its competencies in power technologies and in the captive power business, intends to further consolidate its market position by optimally tapping opportunities in this sector.

India's Industrial performance exhibited a rebound during September 2008. Nonetheless, all the prevalent market factors - such as the global slowdown, the tight credit situation and the decline in domestic demand - will have an impact on industrial production. Despite deferred expansion plans in the market, Siemens Industry sector will explore potential growth areas, look to leverage its domain expertise and create sustainable value propositions for its

customers with its range of innovative products, systems and solutions.

Over the next few years, Indian Railways will be investing significantly in schemes aimed at the construction of dedicated freight corridors, world-class railway stations and in setting up units for the manufacture of locomotives and coaches. Siemens Mobility segment with its rich experience in this domain is in a competitive position to leverage the market opportunities and contribute to the sector's requirements.

The growth in the Indian Healthcare industry is expected to remain steady. Leading private hospital chains are planning expansions to have a pan-India presence in three to five years. The Government is also planning new medical colleges and hospitals in six state capitals as well as in some semi-urban and rural locations. The investments will however be impacted by the on-going dip in credit availability. Siemens Healthcare is actively strengthening its presence in healthcare technologies. Several products are being introduced to address the needs of various market segments.

The Indian software business is presently growing at the rate of 21-24% every year. Despite concerns of a possible economic slowdown, most environmental factors affecting global sourcing look favorable. However, the IT industry would need to look beyond the US market and explore opportunities in other countries, including the emerging economies. Siemens Information Systems Ltd. (SISL) and Siemens Information Processing Services Pvt. Ltd. with their new mandate to support global operations more extensively, will capitalize on their strong knowledge base and diverse domain expertise to tap the emerging opportunities in the IT and ITES industry.

While the immediate economic outlook is slightly conservative, India has the resilience to sustain its growth momentum in the long run. The larger issue now is to maintain the investment and demand momentum that has

driven the high-growth trajectory of the Indian economy over the past five years. The fundamentals of the Indian economy continue to remain strong - the banking system and financial institutions are well capitalized and secure. The Government of India will need to play the role of a key partner in this journey of change and development. The policy accent will eventually shift to support growth initiatives. According to projections by the Government, it is anticipated that India will be able to tide over the global financial crisis, as a result of its inherent strengths. Siemens, with its strategic focus on core infrastructure development, which is a crucial sector, is well positioned to leverage the opportunities and sustain the growth.

Note: This report contains forward-looking statements based on the 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 the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different, including amongst others, changes in the general economic and business conditions, changes in the currency exchange rates and interest rates, introduction of competing products, lack of acceptance of new products or services and changes in business strategy. Actual results may vary materially from those projected here. Siemens does not intend to assume any obligation to update these forward-looking statements.

On behalf of the Board of Directors

For Siemens Ltd.



Deepak S. Parekh
Chairman

Mumbai
Friday, 19th December, 2008

Annexure III to the Directors' Report Corporate Governance Report

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

I. Company's philosophy on Corporate Governance

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

II. Board of Directors (Board)

• Composition

The Board comprises of 13 experts (excluding Alternate Directors) drawn from diverse fields / professions. The Board has an optimum combination of Executive and Non-executive Directors, which is in conformity with the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges (Listing Agreement) in this regard. The Chairman of the Board is a Non-executive and Independent Director. All Directors, except the Managing Director and Special Director, are liable to retire by rotation.

Particulars	Composition of the Board		Minimum Requirement as per Clause 49
	No. of Directors	% of Total Directors	
Non-executive Directors (therein Independent Directors)	8 (6)	61.54 (46.15)	50% (33.33%)
Whole-time Directors	5	38.46	-
Total	13	100	

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

There is no relationship between the Directors inter-se.

The Composition of the Board, Directorship / Committee positions in other companies as on 30th September, 2008, the changes during the year under review, number of Meetings held and attended during the year are as follows:

Name	Category ⁽¹⁾	Board Meetings during 2007-08		Attendance at last AGM held on 31.01.08	Other Directorships in India ⁽²⁾	Other Committee positions in India ⁽³⁾	
		Held ⁽⁵⁾	Attended			Member	Chairman
1 Mr. Deepak S. Parekh (Chairman)	NED (I)	8	8	Yes	16	1	5
2 Mr. D. C. Shroff	NED (I)	8	8	Yes	14	4	2
3 Mr. Y. H. Malegam	NED (I)	8	7	Yes	9	2	3
4 Prof. Dr. K. Wucherer ^{(4) / (6)} (Nominee of Parent Company, Siemens AG)(upto 31.03.2008)	NED	5	2	No	Nil	N.A.	N.A.
5 Prof. Dr. H. Requardt ^{(4) / (6)} (Nominee of Parent Company, Siemens AG)(from 01.04.2008)	NED	3	2	N.A.	Nil	N.A.	N.A.
6 Mr. Stephan Schneider ^{(4) / (7)} (Alternate for Prof. Dr. H. Requardt from 22.07.2008)	NED	2	1	Yes	Nil	N.A.	N.A.
7 Mr. N. J. Jhaveri	NED (I)	8	8	Yes	15	5	5
8 Mr. K. Dadiseth	NED (I)	8	6	Yes	8	1	1
9 Mr. P. V. Nayak	NED (I)	8	8	Yes	4	2	1
10 Mr. J. Kaeser ⁽⁴⁾	NED	8	4	No	Nil	N.A.	N.A.
11 Dr. O. Schmitt ⁽⁴⁾ (Alternate for Mr. J. Kaeser)	NED	8	2	Yes	1	Nil	Nil

	Name	Category ⁽¹⁾	Board Meetings during 2007-08		Attendance at last AGM held on 31.01.08	Other Directorships in India ⁽²⁾	Other Committee positions in India ⁽³⁾	
			Held ⁽⁵⁾	Attended			Member	Chairman
12	Dr. A. Bruck (WTD upto 31.12.2007 and Managing Director from 01.01.2008)	WTD	8	7	Yes	3	1	Nil
13	Mr. Patrick de Royer (Executive Director)	WTD	8	8	Yes	4	Nil	2
14	Mr. V. V. Paranjape	WTD	8	7	Yes	1	Nil	Nil
15	Mr. V. B. Parulekar	WTD	8	7	Yes	Nil	Nil	Nil
16	Mr. Sunil Mathur (WTD from 22.07.2008 to 30.09.2008 and Executive Director from 01.10.2008)	WTD	2	2	N.A.	Nil	N.A.	N.A.
17	Mr. J. Schubert (upto 31.12.2007)	WTD	3	2	N.A.	N.A.	N.A.	N.A.
18	Mr. K. R. Upili (upto 26.07.2008)	WTD	7	7	Yes	N.A.	N.A.	N.A.

Notes:

- (1) Category: WTD - Whole-time Director, NED – Non-executive Director, NED (I) – Non-executive Director and Independent.
- (2) Includes Alternate Directorships and Directorships in private companies.
- (3) Includes only Audit Committee and Investors Grievance Committee of Public Companies.
- (4) In the whole-time employment of Parent Company, Siemens AG, Germany.
- (5) Details provided for the period for which the individuals held Directorship of the Company.
- (6) *Special Director* as per Article 110 of the Articles of Association of the Company and as such is not bound to retire by rotation.
- (7) Ceased to be the Alternate Director for Prof. Dr. K. Wucherer w.e.f. 1st April, 2008. From 1st October, 2007 to 31st March, 2008, he attended 1 Board Meeting as an Alternate Director for Prof. Dr. K. Wucherer.

- **Board Meetings**

During the Financial Year 2007-08, 8 Meetings were held on 1st October, 2007, 22nd November, 2007, 20th December, 2007, 31st January, 2008, 26th March, 2008, 25th April, 2008, 22nd July, 2008 and 30th September, 2008.

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

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

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

Annexure III to the Directors' Report (continued)

Corporate Governance Report

III. Committees of Directors

A Mandatory Committees

i. Audit Committee of Directors (Audit Committee)

Composition

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

Name	From	No. of meetings during 2007-08	
		Held	Attended
Mr. Y. H. Malegam, Chairman	15.12.2000	5	5
Mr. Joe Kaeser / Dr. O. Schmitt (Alternate Director for Mr. J. Kaeser)	01.10.2006	5	5*
Mr. Deepak S. Parekh	22.11.2004	5	4
Mr. Keki Dadiseth	01.02.2006	5	5

* Mr. Kaeser attended 3 Meetings and Dr. Schmitt attended 2 Meetings.

During the Financial Year 2007-08, 5 Meetings were held on 21st November, 2007, 31st January, 2008, 25th April, 2008, 8th July, 2008 and 22nd July, 2008.

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

Terms of reference

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

The terms of reference are briefly described below:

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

In addition to the above, the following disclosures are made to the Audit Committee, as and when applicable:

- Basis of related party transactions;
- Disclosure of Accounting Treatment; and
- Utilisation / application of proceeds from public issues, rights issues, preferential issues, etc., if any.

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

The Chairman of the Audit Committee was present at the 50th Annual General Meeting held on 31st January, 2008.

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

Composition

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

Name	Tenure		No. of meetings during 2007-08	
	From	To	Held	Attended
Mr. D. C. Shroff, Chairman	15.12.2000	-	2	2
Mr. J. Schubert	15.12.2000	31.12.2007	1	0
Mr. P. V. Nayak	01.02.2006	-	2	2
Dr. A. Bruck	01.01.2008	-	1	1

During the Financial Year 2007-08, the Committee met on 20th December, 2007 and 23rd July, 2008.

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

Details of Investor Complaints

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

The details of Complaints received, cleared / pending during the Financial Year 2007-08 is given below:

Nature of Complaints	Received	Cleared	Pending
Non-receipt of Share Certificates duly transferred	36	36	0
Non-receipt of dividend warrants	18	18	0
Letters from SEBI	12	12	0
Letters from Stock Exchanges	6	6	0
Total	72	72	0

Number of complaints received during the year as a percentage of total number of Members as on 30th September, 2008 is 0.04%.

Annexure III to the Directors' Report (continued)

Corporate Governance Report

B. Non-Mandatory Committees

Remuneration Committee of Directors (Remuneration Committee)

Composition

Name	From	No. of meetings during 2007-08	
		Held	Attended
Mr. N. J. Jhaveri, Chairman	15.12.2000	3	3
Mr. D. C. Shroff	15.12.2000	3	3
Mr. Deepak S. Parekh	01.10.2004	3	3
Mr. P. V. Nayak	23.07.2007	3	3

During the Financial Year 2007-08, the Committee met on 22nd November, 2007, 20th December, 2007 and 25th April, 2008. All the Members attended the said meetings.

Terms of reference

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

Remuneration Policy

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

1. For Whole-time Directors

The Board of Directors / the Remuneration Committee of Directors is authorised to decide the remuneration of the Whole-time Directors, subject to the approval of the Members and Central Government, if required. The remuneration structure comprises of Salary, Perquisites, Retirement Benefits, Performance Linked Incentive (PLI), Commission and Compensation under Stock Option Plan(s) of Siemens AG, Germany, parent company. Annual increments are decided by the Remuneration Committee within the salary grade approved by the Members.

In addition to the above remuneration, Expatriate Directors are paid Overseas Allowance and certain other Perquisites as per the Rules of the Company. However, they are not entitled to the Company's Retirement Benefits.

PLI, Compensation under Stock Option Plan(s) of Siemens AG and Commission constitute the variable component of remuneration. PLI is computed on the basis of specific targets set for each Whole-time Directors every year. PLI is paid to the Whole-time Directors on achievement of the said targets. Under Compensation under Stock Option Plan(s) of Siemens AG, the cash equivalent of the fair market value of the Options / Awards on the Exercise Date, multiplied by the number of Options / Awards, to which the Whole-time Directors are entitled, will be paid to them in cash by the Company.

Commission is determined on the basis of the Net Profits of the Company in a particular Financial Year, subject to the overall ceiling as stipulated in Sections 198 and 309 of the Companies Act, 1956.

Remuneration paid / payable to the Whole-time Directors for the Financial Year 2007-08

(Amount in Rs.)

	Dr. Bruck	Mr. de Royer	Mr. Mathur ⁽¹⁾	Mr. Paranjape	Mr. Parulekar	Mr. Upili ⁽²⁾	Mr. Schubert ⁽³⁾
Salary	8,931,000	6,273,000	1,108,333	3,840,000	3,840,000	3,572,000	2,250,000
Perquisites ⁽⁴⁾	20,806,311	8,813,130	3,494,097	3,852,537	4,349,478	6,992,161	9,709,339
Performance Linked Incentive	22,400,000	18,578,000	2,950,000	7,680,000	6,144,000	7,144,000	Nil
Compensation under Stock Option Plan(s) of Siemens AG	Nil	Nil	Nil	Nil	Nil	Nil	40,744,899
Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	52,137,311	33,664,130	7,552,430	15,372,537	14,333,478	17,708,161	52,704,238
Tenure							
From	01.10.2007	01.02.2006	22.07.2008	01.02.2007	01.02.2007	27.01.2006	01.10.1996
To	30.09.2012	31.12.2008	21.07.2013	30.09.2010	30.09.2009	26.07.2008	31.12.2007
Shares of Rs.2 each held as on 30.09.2008	Nil	Nil	Nil	4,200	5,000	N.A.	N.A.

Notes:

- (1) Pro-rata payment from the date of appointment i.e. 22.07.2008 to 30.09.2008
- (2) Pro-rata payment from 01.10.2007 to 26.07.2008. Considering his long association with the Company, the Board sanctioned a lumpsum gratuitous payment of Rs. 8,000,000. This payment is subject to the approval of the Members of the Company at the forthcoming 51st Annual General Meeting to be held on 30.01.2009.
- (3) Pro-rata payment from 01.10.2007 to 31.12.2007.
- (4) Perquisites include Company's contribution to Provident and Superannuation Funds for Indian Directors and Overseas Allowance for Expatriate Directors viz. Mr. Schubert, Mr. de Royer and Dr. Bruck. Perquisites paid to Mr. Mathur include Special Allowance.

No severance fees are payable to the Directors on termination of employment. The Company does not have its own scheme for stock options either for the Directors or the employees. However, under the Compensation under Stock Option Plan(s) of Siemens AG, Germany, the Whole-time Directors and certain other Senior Managers of the Company are entitled to cash equivalent of the fair market value of Options / Awards, as explained above.

2. For Non-executive Directors

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

Sitting Fees

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

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

Annexure III to the Directors' Report (continued)

Corporate Governance Report

Commission

In terms of the Members' approval given at the 47th Annual General Meeting held on 27th January, 2005, Commission is payable at a rate not exceeding 1% per annum of the Net Profits of the Company computed in the manner referred to in Section 309 of the Companies Act, 1956. The actual amount of Commission payable to each Non-executive Director is decided by the Board on the following criteria:

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

Remuneration paid / payable to the Non-executive Directors for the Financial Year 2007-08

Name	Sitting Fees for Board/ Committee Meetings attended (Rs.)	Commission ⁽¹⁾ (Rs.)	Total (Rs.)	Number of Shares of Rs.2 each held as on 30.09.07
Mr. Deepak S. Parekh	280,000	3,800,000	4,080,000	9,000
Mr. Y. H. Malegam	240,000	1,900,000	2,140,000	6,250
Mr. D. C. Shroff	210,000	2,100,000	2,310,000	9,000
Mr. N. J. Jhaveri	190,000	2,200,000	2,390,000	5,000
Mr. K. Dadiseth	220,000	1,450,000	1,670,000	Nil
Mr. P. V. Nayak	220,000	2,050,000	2,270,000	Nil
Mr. J. Kaeser ⁽²⁾	N.A.	N.A.	N.A.	Nil
Dr. O. Schmitt	80,000	500,000	580,000	Nil
Prof. Dr. K. Wucherer ⁽²⁾	N.A.	N.A.	N.A.	Nil
Mr. Stephan Schneider ⁽²⁾	N.A.	N.A.	N.A.	Nil
Prof. Dr. H. Requardt ⁽²⁾	N.A.	N.A.	N.A.	Nil

Notes:

(1) Subject to the approval of Annual Accounts for the Financial Year 2007-08 by the Members at the 51st Annual General Meeting to be held on 30th January, 2009.

(2) Opted not to accept any Sitting Fees or Commission.

Mr. D. C. Shroff is a Senior Partner of M/s. Crawford Bayley & Co., Solicitors & Advocates, who have a professional relationship with the Company. The professional fees of Rs.1,245,269/- paid to M/s. Crawford Bayley & Co., during the Financial Year under review, is not considered material enough to impinge on the independence of Mr. Shroff.

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

C. Other Committees of Directors

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

The Committee has been constituted inter-alia to consider, review and decide the matters relating to Corporate Governance as per the Listing Agreement and applicable Laws & Regulations and recommending best practices

in the areas of Board Governance, Corporate Governance & disclosure policies considering the interest of the stakeholders.

Composition

Name	From	To
Mr. K. Dadiseth, Chairman	1.06.2007	-
Mr. Deepak S. Parekh	1.06.2007	-
Mr. Y. H. Malegam	1.06.2007	-
Mr. D. C. Shroff	23.07.2007	-
Mr. Joe Kaeser / Dr. O. Schmitt (Alternate Director for Mr. J. Kaeser)	1.06.2007	-
Mr. J. Schubert	1.06.2007	31.12.2007
Dr. A. Bruck	1.01.2008	-

The Corporate Governance Committee Meetings are held as and when required.

ii. Investment Committee of Directors (Investment Committee)

The Committee was constituted on 23rd July, 2007, inter-alia to review guidelines for investing surplus funds of the Company.

Composition

Name
Mr. Deepak S. Parekh
Mr. Y. H. Malegam
Mr. P. V. Nayak
Mr. Joe Kaeser / Dr. O. Schmitt (Alternate Director for Mr. J. Kaeser)
Mr. Patrick de Royer

The Members of the Investment Committee will elect a Chairman from amongst themselves. The Investment Committee Meetings are held as and when required.

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

i. Share Transfer Committee (STC)

Composition

Name	Tenure		Position
	From	To	
Mr. J. Schubert	01.01.2001	31.12.2007	Chairman
Dr. A. Bruck	01.01.2008	-	
Mr. Patrick de Royer	01.02.2006	-	Member
Mr. Ashok Jangid	01.01.2001	31.07.2008	Member and Secretary
Mr. Ajai Jain	01.08.2008	-	

The STC notes and takes on record the transfer / transmission / transposition of shares and consolidation / splitting of folios, issue of share certificates in exchange for sub-divided, consolidated, defaced, etc., as approved by the authorised officers of the Company. The STC also notes the dealings in the Shares by the designated employees under the Company's Code of Conduct for Prevention of Insider Trading. The STC Meetings are held as and when required, usually fortnightly. 24 Meetings of the STC were held during the Financial Year 2007-08.

Annexure III to the Directors' Report (continued) Corporate Governance Report

ii. Finance Committee (FC)

Composition

Name	Tenure		Position
	From	To	
Mr. Patrick de Royer	01.02.2006	-	Chairman
Mr. J. Schubert	01.01.2001	31.12.2007	Member
Dr. A. Bruck	01.01.2008	-	
Mr. Ashok Jangid	01.01.2001	31.07.2008	Member and Secretary
Mr. Ajai Jain	01.08.2008	-	

The FC authorises opening / closing of bank accounts, availing of credit facilities, giving of loans, intercorporate deposits, guarantees, investment in mutual funds, commodity hedging etc. The FC Meetings are held as and when required. 7 Meetings of the FC were held during the Financial Year 2007-08.

iii. Delegation of Powers Committee (DPC)

Composition

Name	Tenure		Position
	From	To	
Mr. J. Schubert	01.01.2001	31.12.2007	Chairman
Dr. A. Bruck	01.01.2008	-	
Mr. Patrick de Royer	01.02.2006	-	Member
Mr. Sunil Mathur	22.07.2008	-	
Mr. K. R. Upili	01.02.2006	26.07.2008	
Mr. Ashok Jangid	01.01.2001	31.07.2008	Member and Secretary
Mr. Ajai Jain	01.08.2008	-	

The DPC issues / revokes Powers of Attorney, fixes the procedures for signing authority, grants authority for various purposes to the employees, etc. The DPC Meetings are held as and when required. 14 Meetings of the DPC were held during the Financial Year 2007-08.

V. Subsidiary companies

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. Paid-up Capital and Free Reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year ended on 30th September, 2008.

The Company monitors the performance of its subsidiaries, inter alia, by the following means:

- The Financial Statements, in particular the investments made by the unlisted subsidiary companies, are reviewed by the Company's Audit Committee as well as by the Board.
- The Minutes of Board Meetings of the subsidiaries are noted at the Board Meetings of the Company.
- Details of significant transactions and arrangements entered into by the unlisted subsidiary companies are placed before the Company's Board, as and when applicable.

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

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

VII. Risk Management Framework

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

VIII. Business Conduct Guidelines (BCGs)

The Company has adopted BCGs as the Code of Conduct for Directors, including Non-executive Directors and Senior Management of the Company, as per the requirement of Clause 49 I D of the Listing Agreement. The Company has received confirmations from all the Directors and Senior Management of the Company regarding compliance with the BCGs for the year ended on 30th September, 2008. A certificate from Dr. A. Bruck, Managing Director, to this effect, is attached to this report. The BCGs can be viewed on the website of the Company www.siemens.co.in.

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

The Company is committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to report unethical behaviour and actual or suspected frauds, the Company has adopted the Whistleblower Policy with effect from 1st February, 2005.

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

X. Code of Conduct for Prevention of Insider Trading

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

XI. General Body Meetings

a. Details of venue, date and time of the last three Annual General Meetings held:

Financial Year	AGM No.	Venue	Day and Date	Time
2006 - 07	50 th	Yashwantrao Chavan Pratishthan Auditorium Y. B. Chavan Centre General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400 021	Thursday, 31 st January, 2008	3.00 p.m.
2005 - 06	49 th		Thursday, 18 th January, 2007	3.30 p.m.
2004 - 05	48 th		Friday, 27 th January, 2006	3.30 p.m.

b. Special Resolutions passed at the last three Annual General Meetings (AGM):

- i. At 50th AGM held on 31st January, 2008 –
 - (a) Approving Amendment to the Articles of Association of the Company pertaining to the Authorised Share Capital of the Company.
 - (b) Appointment of Ms. Mukta Paranjape, d/o Mr. V. V. Paranjape, Whole-time Director, to an office or place of profit.
- ii. At 49th AGM held on 18th January, 2007 – Approving change in place of keeping Register and Index of Members, etc.
- iii. At 48th AGM held on 27th January, 2006 – Approving Amendment to the Articles of Association of the Company to provide that a Director need not hold qualification shares.

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

Annexure III to the Directors' Report (continued)

Corporate Governance Report

XII. Disclosures

- a. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed elsewhere in this Annual Report.
- b. The Company has not entered into any other transaction of a material nature with the Promoters, Directors or the Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large.
- c. With regard to matters related to capital markets, the Company has complied with all requirements of the Listing Agreement as well as SEBI regulations and guidelines. No penalties were imposed or strictures passed against the Company by the Stock Exchanges, SEBI or any other statutory authority during the last three years in this regard.
- d. Disclosures have also been received from the senior managerial personnel relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, none of these transactions have potential conflict with the interests of the Company at large.
- e. The Company has adopted a Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistleblowers and has established the necessary mechanism in line with Clause 7 of Annexure I D to Clause 49 of the Listing Agreement. No personnel have been denied access to the Audit Committee.

XIII. Means of Communication

- a. The Quarterly / Annual Financial Results of the Company are published in The Times of India and Maharashtra Times.
- b. The following are also promptly displayed on the Company's website www.siemens.co.in :
 - Financial Results, Shareholding Pattern, Annual Report and the Presentations, as and when made, to the media and analysts in the 'Investor Relations' Section.
 - Official press releases in the 'Press' Section.
 - Letters / intimation to Stock Exchanges in the 'Notices for Corporate Development' Section under the 'Investor Relations' Section.
- c. Information about the Financial Results, Shareholding Pattern and other specified details are now electronically filed through the Corporate Filing and Dissemination System (CFDS) as required under the Listing Agreement. Investors can view this information by visiting the website www.corpfiling.co.in.
- d. The Management's Discussion and Analysis forms part of the Directors' Report as **Annexure II**.

XIV. General Shareholder Information

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

XV. Status of compliance with non-mandatory requirements

1. The Company has constituted a Remuneration Committee of Directors comprising of Non-executive and Independent Directors.
2. The Company has adopted a Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistleblowers.
3. The Company is in the regime of unqualified financial statements.

For **Siemens Ltd.**



Deepak S. Parekh
Chairman

Mumbai
Friday, 19th December, 2008

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

In accordance with Clause 49 I D of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Business Conduct Guidelines (Code of Conduct), as applicable to them, for the Financial Year ended on 30th September, 2008.

For Siemens Ltd.



Dr. Armin Bruck
Managing Director

Mumbai
24 November 2008

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

To the Board of Directors of Siemens Ltd.,

Dear Sirs,

- a) We have reviewed the financial statements and the cash flow of Siemens Limited ('the Company') for the year ended 30 September 2008 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 by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit committee :
 - i) Significant changes in the internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed suitably in the notes to the financial statements;
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours truly



P. de Royer
Executive Director / CFO

Mumbai
24 November 2008



Dr. Armin Bruck
Managing Director / CEO

Certificate of Compliance

To the Members of Siemens Limited

We have examined the compliance of conditions of corporate governance by Siemens Limited ("the Company") for the year ended on 30 September 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

For B S R & Co.
Chartered Accountants

Mumbai
19 December 2008

Akeel Master
Partner
Membership No: 046768

Annexure IV to the Directors' Report

General Shareholder Information

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

1. 51st Annual General Meeting

Day, date and time	Friday, 30 th January, 2009 at 3.00 P.M.
Venue	Yashwantrao Chavan Pratishthan Auditorium Y. B. Chavan Centre General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400 021

2. Financial Calendar

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

For the Financial Year 2008-09, Financial Results will be announced as per the following tentative schedule:

1 st quarter ending 31 st December, 2008	Last week of January, 2009
2 nd quarter ending 31 st March, 2009	Last week of April, 2009
3 rd quarter ending 30 th June, 2009	Last week of July, 2009
Year ending 30 th September, 2009	Last week of November, 2009

3. Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Friday, 16th January, 2009 to Friday, 30th January, 2009 (both days inclusive).

4. Dividend

Dividend will be paid at par on Wednesday, 25th February, 2009.

5. Listing on Stock Exchanges

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

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

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

The Company has paid the listing fees for the year 2008-09 to the aforesaid Stock Exchanges.

With effect from 27th June, 2006, the Company forms part of '**S&P CNX Nifty Index**' of NSE. S&P CNX Nifty represents the Shares of 50 elite companies in the Country from across 21 sectors of the Economy. BSE has permitted trading of the Company's Shares in the '**A Group**'. The Company's Shares are also available for trading in the Futures & Options segment. The market lot for trading in the Company's Shares in this segment is 376.

6. 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

7. Custodial Fees to Depositories

The annual custodial fees for the Financial Year 2008-09 has been paid to National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Annexure IV to the Directors' Report (continued) General Shareholder Information

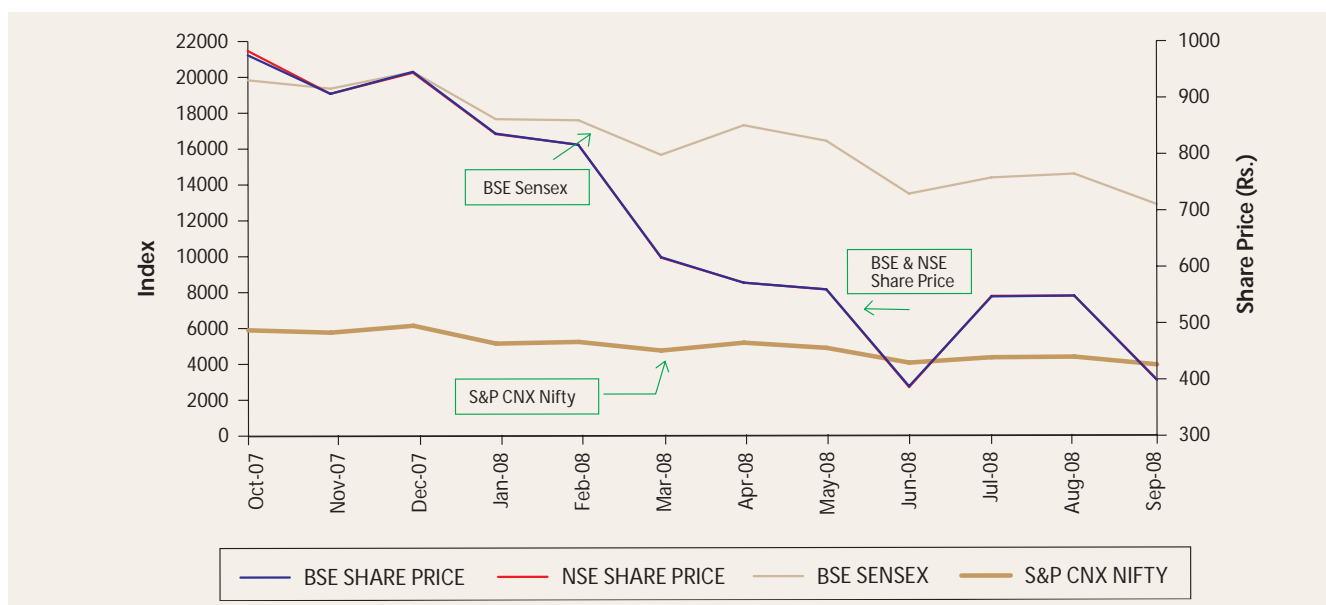
8. Market Price Data

- (1) The market price and volume of the Company's Shares traded on BSE and NSE during each month of the last Financial Year from 1st October, 2007 to 30th September, 2008 are as follows:

Face Value of Share of Rs. 2 each

	BSE			NSE		
	High Rs.	Low Rs.	Volume Nos.	High Rs.	Low Rs.	Volume Nos.
October 2007	2,025.00	1,270.00	2,604,263	2,020.00	1,290.00	7,854,822
November 2007	2,250.00	1,660.00	1,963,153	2,285.00	1,658.00	6,447,464
December 2007	1,979.00	1,830.00	1,214,738	1,979.00	1,830.00	5,336,745
January 2008	2,094.40	1,600.00	2,027,077	2,096.00	1,630.05	7,681,187
February 2008	1,727.00	807.00	2,875,932	1,735.00	805.00	11,003,099
March 2008	812.00	605.00	3,147,997	817.05	607.00	12,798,270
April 2008	677.00	543.10	5,284,980	681.00	542.00	17,290,370
May 2008	599.90	524.00	2,598,939	599.90	550.55	9,657,961
June 2008	568.00	376.25	2,144,251	568.00	375.00	7,823,345
July 2008	569.00	363.00	4,526,993	568.00	360.15	13,712,886
August 2008	597.70	531.25	2,383,537	600.00	527.70	7,663,365
September 2008	579.40	363.50	3,450,046	591.80	363.00	12,015,203

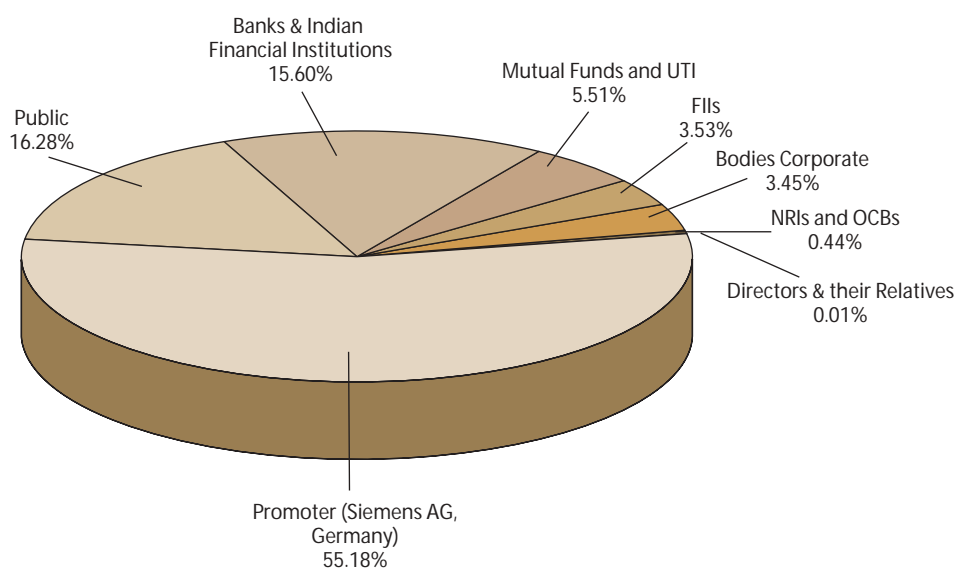
- (2) Company's Closing Share price movement during the financial year 2007-08 on BSE and NSE vis-à-vis respective indices:



9. Distribution of Shareholding as on 30th September, 2008

Number of Shares held (Face Value of Rs.2 each)	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	182,113	90.88	10,617,126	3.15
501-1000	7,426	3.71	5,725,212	1.70
1001-2000	4,900	2.44	7,384,328	2.19
2001-3000	2,175	1.09	5,517,426	1.64
3001-4000	1,313	0.66	4,674,518	1.39
4001-5000	605	0.30	2,804,911	0.83
5001-10000	1,027	0.51	7,267,213	2.15
10001 & above	830	0.41	293,169,466	86.95
Total	200,389	100.00	337,160,200	100.00

10. Shareholders' Profile as on 30th September, 2008



No. of Shareholders as on 30 th September	2008	2007
		200,389

Annexure IV to the Directors' Report (continued) General Shareholder Information

11. Top Ten Shareholders of the Company as on 30th September, 2008

Sr. No.	Name of the Shareholder	Category	Number of Shares of Rs.2 each	% of total Capital*
1	Siemens Aktiengesellschaft, Germany	Promoter	186,041,090	55.18
2	Life Insurance Corporation of India	Financial Institution	39,687,695	11.77
3	HDFC Standard Life Insurance Company Limited	Body Corporate	3,688,817	1.09
4	Bharat Bijlee Limited	Body Corporate	2,825,160	0.84
5	General Insurance Corporation of India	Financial Institution	2,452,830	0.73
6	Azim Hasham Premji	Resident Individual	2,273,018	0.67
7	Reliance Capital Trustee Co. Ltd. A/C Reliance Diversified Power Sector Fund	Mutual Fund	2,005,783	0.59
8	HDFC Trustee Company Limited - HDFC Equity Fund	Mutual Fund	1,686,904	0.50
9	Housing Development Finance Corporation Limited	Body Corporate	1,570,664	0.47
10	The New India Assurance Company Limited	Financial Institution	1,314,530	0.39
Total			243,546,491	72.23

* Total Paid-up Share Capital is Rs. 674,320,400 comprising of 337,160,200 Equity Shares of Rs.2 each.

12. Dematerialisation of Shares & Liquidity

The details of Equity Shares dematerialised and those held in physical form as on 30th September, 2008 are given hereunder:

Particulars of Equity Shares	Equity Shares of Rs.2 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialised form				
NSDL	322,473,658	95.64*	143,734	71.73*
CDSL	6,908,795	2.05	46,312	23.11
Sub-total	329,382,453	97.69*	190,046	94.84*
Physical Form	7,777,747	2.31	10,343	5.16
Total	337,160,200	100	200,389	100

* Including 55.18% holding of Siemens AG, Germany.

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

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

13. Registrar and Share Transfer Agent

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

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

Time: 10 a.m. to 3.30 p.m. (Monday to Friday)

Phone: +91 (022) 6656 8484 Fax: +91 (022) 6656 8494

Email: csg-unit@tsrdarashaw.com

Website: www.tsrdarashaw.com

14. Share Transfer System

Transfer of Shares in physical form are effected and Share Certificates are despatched within an average period of 20 - 23 days from the date of receipt of request, provided the relevant documents are complete in all respects.

15. Plant Locations

Location	Address
Maharashtra	
Aurangabad Works	E-76, Waluj, MIDC Area, Aurangabad – 431 136
Nashik Works	Plot No. C-1, Additional Industrial Area, MIDC, Ambad, Nashik - 422 010
Kalwa Works	Post Box No.85, Thane - Belapur Road, Thane - 400 601
Transformer Works Kalwa	Post Box No.8, Airoli Post Office, Thane - Belapur Road, Airoli, Navi Mumbai – 400 708
Goa	
Goa Works	L-6, Verna Industrial Area, Panjim-Margao Highway, Verna – 403 722
Gujarat	
Vadodara Works	Maneja Village, Opp. Makarpura Railway Station, Vadodra – 390 013
Andhra Pradesh	
Hyderabad Works	Plot No. 89 & 90, IDA, Gandhinagar, Post Balanagar, Hyderabad – 500 037
Karnataka	
Bangalore Works	Devanahalli Road, Off Old Madras Road, Virgonagar Post, Bangalore - 560 049

16. Address for correspondence

Registered and Corporate Office:

Siemens Ltd.
130, Pandurang Budhkar Marg
Worli, Mumbai - 400 018, India
Phone: +91 (022) 2498 7000 Fax: +91 (022) 2498 7500
Website: www.siemens.co.in

Investor Relations Team:

Contact Person: Mr. Ketan Thaker
E-mail: Corporate-Secretariat.in@siemens.com
Phone: +91 (022) 2498 7547 Fax: +91 (022) 2498 7043.
Time: 10 a.m. to 12 noon and 2 p.m. to 4 p.m. on all working days of the Company. (Saturday and Sunday closed).
The Investor Relations Team of the Legal Department is located at the Registered Office. For the convenience of our investors, transfer requests, etc. are accepted at the Registered Office also.

Annexure IV to the Directors' Report (continued) General Shareholder Information

17. Other Corporate Information

Bankers

- Citibank N. A.
- Deutsche Bank AG
- HDFC Bank Ltd.
- The Hongkong and Shanghai Banking Corporation Ltd.
- Standard Chartered Bank
- State Bank of India
- Calyon Bank

Auditors

B S R & Co.

Cost Auditors

R. Nanabhoy & Co.

Solicitors

- Crawford Bayley & Co.
- Mulla & Mulla & Craigie, Blunt & Caroe
- Negandhi Shah & Himayatullah

On behalf of the Board of Directors


For **Siemens Ltd.**



Deepak S. Parekh
Chairman

Mumbai
Friday, 19th December, 2008

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



SCHOOL

**How can disease be detected
before it strikes?**

The Siemens answer: Early detection and prevention.

Our innovations combine state-of-the-art laboratory diagnosis, imaging technologies and IT for an earlier prevention and more specific diagnosis thus enhancing patient care.

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Answers for life.

SIEMENS



How can you power a planet hungry for electricity without damaging it?

The Siemens answer: Efficient energy supply.

Our innovations efficiently generate and distribute the power we need while at the same time drastically reducing CO₂ emissions.

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Answers for the environment.

SIEMENS



How can you manufacture customized products at affordable prices?

The Siemens answer: The digital factory.

Our innovations combine virtual product planning with state-of-the-art factory automation for more flexible production. This also allows individual customer wishes to be realized cost efficiently.

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Answers for industry.

SIEMENS

Siemens Ltd.
Fiftyfirst Annual Report
for the year ended 30 September 2008

Auditors' Report to the Members of Siemens Limited

We have audited the attached balance sheet of Siemens Limited ('the Company') as at 30 September 2008, the profit and loss account and the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, ('the Act') we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) 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;
- (iii) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
- (v) on the basis of the written representations received from the directors of the Company, as at 30 September 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 30 September 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
- (vi) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at 30 September 2008;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **B S R & Co.**
Chartered Accountants

Akeel Master
Partner
Membership No: 046768

Mumbai
Date : 25 November 2008

Annexure to the Auditors' Report

Referred to in our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.
- (b) The procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under section 301 of the Act.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Act in respect of electrical motors and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 30 September 2008 for a period of more than six months from the date they became payable.

There were no dues on account of cess under section 441A of the Act since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Wealth tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.

According to the information and explanations given to us, the following dues of Sales tax, Service tax, Excise duty and Customs duty have not been deposited by the Company on account of disputes.

Name of the statute	Nature of the dues	Amount (Rs. in thousands)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944 and Service Tax	Duty and penalty	7,440	1993/94, 1994/95, 1995/96 1996/97, 1989/90 to 1999/00, 2000/01 & 2002/03	Commissioner (Appeals)
		52,367	1980/81, 1994/95, 1995/96, 1996/97 to 1998/99, 2001/02 to 2006/07	Customs, Excise, Service Tax Appellate Tribunal
State and Central Sales Tax Acts, Work Contract Tax Acts, Entry Tax	Tax, interest and penalty	46,286	1967/68, 1968/69, 1970/71, 1973/74, 1979/80, 1980/81, 1982/83 to 1984/85, 1987/88 to 1989/90, 1995/96, 1996/97, 1998/99 to 2006/07	Assistant Commissioner
		65,560	1996/97, 1974/75 to 1977/78, 1986/87, 1987/88, 1989/90, 1991/92, 1992/93, 1993/94, 1995/96, 1996/97, 1998/99 to 2007/08	Deputy Commissioner
		13,175	1986/87, 1989/90, 1990/91, 1992/93 1993/94, 1994/95 to 1999/00, 2000/01, 2001/02 & 2002/03	Sales Tax Tribunal
		56,442	1996/97, 2001/02, 2006/07 to 2007/08	High Court
Customs Act, 1962	Duty	120,000	1998/99	High Court

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the

funds raised on short-term basis have not been used for long-term investment.

- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues.
- (xxi) During the course of our audit management has noticed and reported certain instances of frauds relating to theft by third party and employees amounting to Rs 4,518 thousand. The investigations relating to these cases are in progress and the amounts have either been recovered or the Company is adequately covered by insurance. According to information and explanations given to us, no fraud by the Company has been noticed or reported during the course of our audit.

For **B S R & Co.**
Chartered Accountants

Akeel Master
Partner
Membership No: 046768

Mumbai
Date : 25 November 2008

Balance sheet
as at 30 September 2008
(Currency : Indian rupees thousands)

	Schedule	2008	2007
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	5	674,320	337,160
Reserves and surplus	6	20,016,524	15,571,636
		<u>20,690,844</u>	<u>15,908,796</u>
Loan funds			
Unsecured loans	7	10,614	15,323
		<u>20,701,458</u>	<u>15,924,119</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	8	9,910,985	8,701,239
Accumulated depreciation		<u>(4,339,333)</u>	<u>(4,063,785)</u>
Net block		5,571,652	4,637,454
Capital work-in-progress		870,136	932,931
		<u>6,441,788</u>	<u>5,570,385</u>
Investments	9	5,236,464	4,675,878
Deferred tax assets, net	10	910,247	273,251
Current assets, loans and advances			
Inventories	11	7,621,143	7,490,509
Sundry debtors	12	34,327,991	22,242,830
Cash and bank balances	13	9,130,895	4,636,219
Loans and advances	14	6,173,220	6,617,594
		<u>57,253,249</u>	<u>40,987,152</u>
Current liabilities and provisions			
Current liabilities	15	(41,868,243)	(30,299,176)
Provisions	16	(7,272,047)	(5,283,371)
		<u>(49,140,290)</u>	<u>(35,582,547)</u>
Net current assets		<u>8,112,959</u>	<u>5,404,605</u>
		<u>20,701,458</u>	<u>15,924,119</u>

Significant accounting policies

1

Schedules to the financial statements

2 - 36

The schedules referred to above form an integral part of the balance sheet.

As per our report attached.

For B S R & Co.

Chartered Accountants

Akeel Master

Partner

Membership No: 046768

Mumbai

25 November 2008

For and on behalf of Board of Directors

Deepak S. Parekh

Dr. Armin Bruck

Patrick de Royer

Sunil Mathur

Yezdi H. Malegam

Ajai Jain

Chairman

Managing Director

Executive Director

Executive Director

Director & Chairman

of Audit Committee

Vice President (Legal) &

Company Secretary

Mumbai

25 November 2008

Profit and loss account for the year ended 30 September 2008 (Currency : Indian rupees thousands)

	Schedule	2008	2007
INCOME			
Sales and services (gross)		85,588,746	80,014,157
Excise duty		(3,085,118)	(3,236,119)
Sales and services (net)		<u>82,503,628</u>	<u>76,778,038</u>
Commission income		451,826	490,018
		<u>82,955,454</u>	<u>77,268,056</u>
Interest income, net	17	451,402	443,055
Other operating income, net	18	621,790	392,092
Other income	19	67,214	593,166
		<u>84,095,860</u>	<u>78,696,369</u>
EXPENDITURE			
Cost of sales and services	20	67,972,123	62,667,020
Personnel costs	21	4,475,751	4,044,981
Depreciation/amortisation	8	637,344	492,279
Other costs, net	22	3,338,742	3,533,321
		<u>76,423,960</u>	<u>70,737,601</u>
Profit before tax before exceptional income		7,671,900	7,958,768
Exceptional income:			
- Profit on sale of Information and Communication division		-	524,196
- Profit on sale of Building Technologies division		10,635	-
- Profit on sale of Automotive division		1,235,151	-
- Profit on sale of long term investment		-	259,253
Profit before tax		<u>8,917,686</u>	<u>8,742,217</u>
Consists of:			
- Discontinued operations	4	8,232	276,169
- Continuing operations		8,909,454	8,466,048
		<u>8,917,686</u>	<u>8,742,217</u>
Provision for tax			
Current tax		(3,493,161)	(2,660,447)
Fringe benefit tax		(120,296)	(113,000)
Deferred tax credit/(charge)		629,037	(3,368)
Profit after tax		<u>5,933,266</u>	<u>5,965,402</u>
Consists of:			
- Discontinued operations	4	5,434	182,300
- Continuing operations		5,927,832	5,783,102
Amount available for appropriation		<u>5,933,266</u>	<u>5,965,402</u>
Appropriations:			
Proposed dividend		1,011,481	809,184
Tax on proposed dividend		171,901	137,521
Net deficit on account of amalgamation of erstwhile Siemens Industrial Turbomachinery Services Private Ltd.	3	172,640	-
Transfer to general reserve		4,577,244	5,018,697
		<u>5,933,266</u>	<u>5,965,402</u>
Earnings per share ('EPS')			
(Equity share of face value Rs 2 each)			
- Basic and diluted	34	17.60	17.69
Significant accounting policies	1		
Schedules to the financial statements	2 - 36		

The schedules referred to above form an integral part of the profit and loss account.
As per our report attached.

For B S R & Co.

Chartered Accountants

Akeel Master

Partner

Membership No: 046768

Mumbai

25 November 2008

For and on behalf of Board of Directors

Deepak S. Parekh

Dr. Armin Bruck

Patrick de Royer

Sunil Mathur

Yezdi H. Malegam

Ajai Jain

Chairman

Managing Director

Executive Director

Executive Director

Director & Chairman

of Audit Committee

Vice President (Legal) &
Company Secretary

Mumbai

25 November 2008

Cash flow statement

for the year ended 30 September 2008

(Currency : Indian rupees thousands)

	Schedule	2008	2007
Cash flow from operating activities			
Profit before tax		8,917,686	8,742,217
Adjustments for:			
Interest expense	17	20,535	2,118
Bad debts	22	34,943	1,860
Provision for doubtful debts/advances, net	22	311,643	81,229
Depreciation and amortisation	8	637,344	492,279
Profit on sale of fixed assets, net	18	(259,256)	(136,660)
Profit on sale of investments in subsidiary company		-	(259,253)
Profit on sale of Information and Communication division	4	-	(524,196)
Profit on sale of Building Technologies division	4	(10,635)	-
Profit on sale of Automotive division	4	(1,235,151)	-
Unrealised exchange gain, net		(234,373)	(952,374)
Interest income	17	(471,937)	(445,173)
Dividend income	19	(67,214)	(593,166)
Operating profit before working capital changes		7,643,585	6,408,881
Increase in inventories		(396,396)	(2,720,275)
Increase in sundry debtors and other receivables		(10,568,557)	(12,904,611)
Increase in sundry creditors and other current liabilities		10,393,344	6,381,619
Increase in provisions		1,814,926	1,783,971
Net change in working capital		1,243,317	(7,459,296)
Cash generated from operations		8,886,902	(1,285,642)
Direct taxes paid, net		(3,969,992)	(2,675,116)
Net cash provided by operating activities		4,916,910	(3,960,758)
<i>of which discontinued operations</i>	4	(104,951)	81,074
Cash flow from investing activities			
Purchase of fixed assets		(1,946,909)	(1,964,989)
Proceeds from sale of fixed assets		290,309	184,761
Purchase of investments		-	-
- In subsidiary companies (total consideration is in cash or cash equivalent)		(250,000)	(1,899,531)
- In mutual funds	9A	(962,215)	(2,339,279)
Sale of investments		-	1,898,775
- In subsidiary company (total consideration is in cash or cash equivalent)		-	2,493,139
- In mutual funds	9A	744,889	70,000
- In government securities		-	-
Dividend received		-	513,888
- From subsidiary company		-	79,278
- From mutual funds	19	67,214	437,406
Interest received		482,513	(100,000)
Inter corporate deposits given		(425,000)	-
Sale of Information and Communication division (total consideration is in cash or cash equivalent)	4	-	609,171
Sale of Automotive division (total consideration is in cash or cash equivalent)	4	1,700,000	-
Net cash used in investing activities		(299,199)	(17,381)
<i>of which discontinued operations</i>	4	(42,358)	(468,998)
Cash flow from financing activities			
Interest paid	17	(20,535)	(2,118)
Dividend paid (including tax thereon)		(945,555)	(728,722)
Decrease in long term borrowings	7	(4,709)	(4,709)
Net cash used in financing activities		(970,799)	(735,549)
<i>of which discontinued operations</i>	4	-	-
Net increase in cash and cash equivalents		3,646,912	(4,478,460)
Cash and cash equivalents at beginning of the year		4,636,219	9,394,447
Cash and cash equivalents acquired on amalgamation	3	114,609	-
Cash and cash equivalents on demerger of the Automotive division	4	76,492	-
Effect of exchange gain/(loss) on cash and cash equivalents		656,663	(279,768)
Cash and cash equivalents at the end of the year	13	9,130,895	4,636,219

Note: Cash and cash equivalents at the end of the period include current account balances with banks of Rs 11,007 (2007: Rs 9,857) which are restricted in use.

For B S R & Co.

Chartered Accountants

Akeel Master

Partner

Membership No: 046768

Mumbai
25 November 2008

For and on behalf of Board of Directors

Deepak S. Parekh

Dr. Armin Bruck

Patrick de Royer

Sunil Mathur

Yezdi H. Malegam

Ajai Jain

Mumbai
25 November 2008

Chairman

Managing Director

Executive Director

Executive Director

Director & Chairman

of Audit Committee

Vice President (Legal) &

Company Secretary

Schedules to the financial statements for the year ended 30 September 2008 (Currency : Indian rupees thousands)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the accounting standards specified in the Companies (Accounting Standards) Rules 2006, issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of Companies Act, 1956 ('the Act'), to the extent applicable.

1.2 Use of estimates

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

1.3 Fixed assets and depreciation

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

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

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

Asset	Rate
Land	
- Freehold land	-
- Lease hold	Over the lease period
Buildings	
- Factory buildings	3.34%
- Other buildings	2-2.5%
Plant and machinery	
- Assets at project sites	Over the life of the project
- Special machine tools	10%
- Other plant and machinery	10-25%
Furniture, fittings and office equipment	20%-33 1/3%
Vehicles	25%

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

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

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and estimated net realizable value and are disclosed separately in the financial statements. Any expected loss is recognised in the profit and loss account through an accelerated depreciation charge.

Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date and advances paid to acquire capital assets before the balance sheet date.

1.4 Intangible assets

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

Asset	Useful life
Goodwill	60 months
Technical know-how	60 – 84 months

Schedules to the financial statements (*continued*) for the year ended 30 September 2008 (Currency : Indian rupees thousands)

1.5 Impairment of assets

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

1.6 Investments

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

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

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Excise duty is included in the value of finished goods inventory.

Custom duty on goods where title has passed to the Company is included in the value of inventory. Stores and spares are charged to the profit and loss account in the year of purchase.

The net realisable value of work-in-progress is determined with reference to the selling price 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 Revenue recognition

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

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

Income from fixed price construction contracts is recognised by reference to the estimated overall profitability of the contract under the percentage of completion method. Percentage of completion is determined as a proportion of the costs incurred upto the reporting date to the total estimated contract costs. Provision for expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

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

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

Interest income is recognised on the time proportion basis.

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

1.9 Leases

Lease payments under an operating lease, are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

1.10 Employee benefits

(a) Short term employee benefits

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

(b) Post-employment benefits

- (i) **Defined Contribution Plans:** The Company's approved superannuation scheme and employee state insurance scheme are defined contribution plans. The Company's contribution paid/payable under the schemes is recognised as expense in the profit and loss account during the period in which the employee renders the related service.
- (ii) **Defined Benefit Plans:** The Company's provident fund, gratuity, leave wages, pension, silver jubilee and medical benefits schemes are defined benefit plans. The present value of the obligation under such defined benefit plans is 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.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Profit and loss account.

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 profit and loss account 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 profit and loss account.

Derivative instruments

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

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

1.12 Taxation

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

Provision for fringe benefit tax (FBT) is made on the basis of applicable FBT on the taxable value of specified expenses of the Company as prescribed under the Income Tax Act 1961.

1.13 Earnings per share

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

Schedules to the financial statements (*continued*) for the year ended 30 September 2008 (Currency : Indian rupees thousands)

1.14 Provision for contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes it has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Contingent assets are not recognized in the financial statements.

2. Issue of bonus shares

Pursuant to the approval of shareholders, the Committee of Directors for allotment of bonus shares, at their meeting on 12 March 2008 issued bonus shares aggregating Rs 337.16 million by capitalization of securities premium. Consequent to the allotment of the bonus shares, the paid up share capital of the Company has increased from 168,580,100 equity shares of Rs 2 each, fully paid up to 337,160,200 shares of Rs 2 each, fully paid up.

3. Amalgamation of Siemens Industrial Turbomachinery Services Private Limited ('SITS')

Pursuant to the scheme of amalgamation ('the scheme') of the erstwhile SITS with the Company as approved in the Board Meeting held on 22 November 2007 and subsequently sanctioned by the Honorable High Court of Karnataka on 26 September 2008, the assets and liabilities of the erstwhile SITS were transferred to and vested in the Company with effect from 1 April 2008. Accordingly, the scheme has been given effect to in these accounts.

The operations of SITS include overhauling and servicing of gas turbines.

The amalgamation has been accounted for under the "pooling of interests" method as prescribed by AS - 14 "Accounting for Amalgamations". Accordingly, the assets, liabilities and other reserves of the erstwhile SITS as at 1 April 2008 have been taken over at their book values.

Net deficit of Rs 172,640 being the difference between the equity shares of SITS and the value of investment in SITS by the Company, has been debited to the profit and loss account.

In view of the aforesaid amalgamation with effect from 1 April 2008, the figures for the current year are not strictly comparable to those of the prior year.

4. Discontinued operations

(a) Building Technologies:

The Board of Directors of the Company at its meeting held on 23 April 2007 approved a detailed formal plan for the discontinuance of its business activities pertaining to "Building Technologies" ('SBT') segment of the Company.

During the previous year, the shareholders pursuant to the provisions of section 293(1)(a) and section 192A of the Act approved the sale and transfer of SBT segment to 'Siemens Building Technologies Private Limited' ('SBTPL'), a subsidiary of the Company. Accordingly, the Company entered into a business transfer agreement with SBTPL to transfer the business of SBT segment on a slump sale basis as a going concern for a total consideration of Rs 275,000 with effect from 1 October 2007. The Company recognised a pre-tax profit of Rs 10,635 on account of sale of the SBT segment. The income tax expense on the profit on sale of SBT segment business is Rs 1,969.

As per the business transfer agreement, the Company has received 380,887 shares of SBTPL as consideration for sale of the SBT segment.

The assets and liabilities transferred to SBTPL as at 1 October 2007 and revenue and expenses are as follows:

	For the year ended 30 September 2007
Revenue	984,319
Expenditure	(891,116)
Profit before tax	93,203
Profit after tax	61,524
	As at 1 October 2007
Total assets	450,568
Total liabilities	(161,559)

(b) Automotive

The Board of Directors of the Company at its meeting held on 23 April 2007 approved a detailed formal plan for the discontinuance of its business activities pertaining to "Automotive" ('SVDO') segment of the Company.

During the previous year, the shareholders pursuant to the provisions of section 293(1)(a) and section 192A of the Act approved the sale and transfer of SVDO segment to "Continental Automotive Components (India) Private Limited" (formerly Siemens VDO Automotive Components Private Limited) ('CACPL'). Accordingly, the Company entered into a business transfer agreement with CACPL to transfer the business of SVDO segment on a slump sale basis as a going concern for a total consideration of Rs 1,700 million with effect from 1 December 2007. The Company received the consideration during the year end and recognised a pre-tax profit of Rs 1,235 million on account of sale of the SVDO segment. The income tax expense on the profit on sale of SVDO segment business is Rs 262 million.

The assets and liabilities transferred to CACPL as at 1 December 2007 and revenue and expenses for the period ended up to 30 November 2007 recorded in the profit and loss account contains the following amounts relating to discontinued operations of 'SVDO':

	For the period ended 30 November 2007	For the year ended 30 September 2007
Revenue	231,596	1,203,437
Expenditure	(223,364)	(1,136,880)
Profit before tax	8,232	66,557
Profit after tax	5,434	43,934
	As at 1 December 2007	As at 30 September 2007
Total assets	759,561	755,379
Total liabilities	(294,712)	(244,299)

(c) Information and communication

The Board of Directors of the Company at its meeting held on 23 November 2006, approved a detailed formal plan for the discontinuance of its business activities pertaining to enterprise networks and services ('EN') which form part of the 'Information and Communication' division of the Company. During the previous year, the shareholders pursuant to the provisions of section 293(1)(a) and section 192A of the Act approved the sale and transfer of EN division to 'Siemens Enterprise Communications Private Limited' ('SECPL'). Accordingly, the management entered into a business transfer agreement with SECPL to transfer the business of EN division on a slump sale basis as a going concern for a total consideration of Rs 609 million with effect from 1 August 2007. The Company received the consideration in the previous year and recognised a pre-tax profit of Rs 524 million on account of sale of the EN business. The income tax expense on the profit on sale of EN business is Rs 117 million.

The assets, liabilities transferred to SECPL as at 1 August 2007 and revenue and expenses for the period ended up to 31 July 2007 recorded in the profit and loss account for the year ended 30 September 2007 contains the following amounts relating to discontinued operations of 'EN':

	For the period ended 31 July 2007
Revenue	1,441,880
Expenditure	(1,325,471)
Profit before tax	116,409
Profit after tax	76,842
	As at 1 August 2007
Total assets	450,859
Total liabilities	(365,884)

Profit after tax attributable to discontinued operation of the Company has been calculated using the statutory tax rates for the respective years.

Schedules to the financial statements (*continued*)
as at 30 September 2008
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	2008	2007
5 Share capital		
Authorised		
1,000,000,000 Equity shares of Rs 2 each (2007: 250,000,000 Equity shares of Rs 2 each)	2,000,000	500,000
Nil (2007: 150,000,000) Preference shares of Rs 10 each	-	1,500,000
	<u>2,000,000</u>	<u>2,000,000</u>
Issued		
338,024,465 Equity shares of Rs 2 each (2007: 169,444,365 Equity shares of Rs 2 each)	<u>676,049</u>	<u>338,889</u>
Subscribed and fully paid-up		
337,160,200 Equity shares of Rs 2 each, fully paid-up (2007: 168,580,100 Equity shares of Rs 2 each, fully paid-up)	<u>674,320</u>	<u>337,160</u>
	<u>674,320</u>	<u>337,160</u>
Of the above:		
186,041,090 (2007: 93,020,545) Equity shares of Rs 2 each, fully paid-up, are held by the Holding company, Siemens AG, Germany;		
55,500,000 (2007: 55,500,000) Equity shares of Rs 2 each, fully paid up, were allotted as fully paid up bonus shares by capitalisation of General reserve;		
168,580,100 (2007: Nil) Equity shares of Rs 2 each, fully paid up, were allotted as fully paid up bonus shares by capitalisation of Securities Premium account;		
3,638,085 (2007: 3,638,085) Equity shares of Rs 2 each, were allotted as fully paid-up for consideration received other than in cash.		
6 Reserves and surplus		
Capital reserve		
- Balance brought forward	688	688
Amalgamation reserve		
- Balance brought forward	55,635	55,635
Securities premium account		
- Balance brought forward	1,857,655	1,857,655
- Issue of bonus shares (Refer Schedule 2)	(337,160)	-
	<u>1,520,495</u>	<u>1,857,655</u>
Revaluation reserve		
- Balance brought forward	14,882	15,728
- Additional depreciation on building due to revaluation transferred from profit and loss account	(846)	(846)
	<u>14,036</u>	<u>14,882</u>
General reserve		
- Balance brought forward	13,642,776	8,603,989
- Addition on amalgamation of erstwhile SITS, (Refer Schedule 3)	205,650	-
- Transfer from profit and loss account	4,577,244	5,018,697
- Addition on account of employee benefits (Refer Schedule 32)	-	20,090
	<u>18,425,670</u>	<u>13,642,776</u>
	<u>20,016,524</u>	<u>15,571,636</u>
7 Unsecured loans		
Interest free loans under		
- sales tax deferral scheme	<u>10,614</u>	<u>15,323</u>
	<u>10,614</u>	<u>15,323</u>
The loan under the sales tax deferral scheme is payable upto 2011		
- Amounts payable within one year	4,709	4,709

8 Fixed assets

	Intangible assets		Tangible assets					Total	Previous year
	Goodwill	Technical Knowhow	Land	Buildings	Plant and Machinery	Furniture, Fittings & Office Equipment	Vehicles		
Gross block									
At 1 October 2007	239,558	150,575	489,195	2,439,982	4,103,561	1,256,068	22,300	8,701,239	6,472,935
Additions on amalgamation of erstwhile SITS (Refer Schedule 3)	-	-	24	21,644	27,750	6,123	2,228	57,769	-
Additions	-	29,223	329,502	622,453	771,706	159,636	-	1,912,520	2,573,687
Deductions/ adjustments (Refer note 5)	-	(32,059)	(211,432)	(51,561)	(339,198)	(121,043)	(5,250)	(760,543)	(345,383)
At 30 September 2008	239,558	147,739	607,289	3,032,518	4,563,819	1,300,784	19,278	9,910,985	8,701,239
Accumulated depreciation									
At 1 October 2007	116,656	76,679	35,329	491,247	2,334,254	993,481	16,139	4,063,785	3,851,751
Additions on amalgamation of erstwhile SITS (Refer Schedule 3)	-	-	-	5,019	19,224	5,200	2,228	31,671	-
Charge for the year	47,393	22,982	2,595	68,843	378,600	114,907	2,870	638,190	493,125
Deductions/ adjustments (Refer note 5)	-	(24,525)	-	(35,041)	(233,875)	(95,299)	(5,573)	(394,313)	(281,091)
At 30 September 2008	164,049	75,136	37,924	530,068	2,498,203	1,018,289	15,664	4,339,333	4,063,785
Net block									
At 30 September 2008	75,509	72,603	569,365	2,502,450	2,065,616	282,495	3,614	5,571,652	4,637,454
At 30 September 2007	122,902	73,896	453,866	1,948,735	1,769,307	262,587	6,161	4,637,454	

Notes:-

- Included in the gross block of land at 30 September 2008 is freehold land of Rs 16,447 (2007: Rs 220,980) and buildings include Rs 421,542 (2007: Rs 169,331) representing 595 shares of Rs 50 each and 10 shares of Rs 100 each (2007: 806 shares of Rs 50 each and 15 shares of Rs 100 each) in various co-operative housing societies.
- Buildings with a value of Rs Nil (2007: Rs 13,860) are held for sale at 30 September 2008.
- Depreciation provided has been disclosed as under:**

	2008	2007
Charge for the year	638,190	493,125
Transfer to Revaluation reserve	(846)	(846)
As per profit and loss account	637,344	492,279
- Plant and machinery includes equipment given on lease - gross block Rs 3,000 (2007: 3,000) net block Nil (2007 : Nil).
- Deductions/adjustments to fixed asset includes transfer of assets on account of discontinued operations. (Refer Schedule 4)

Schedules to the financial statements (*continued*)
as at 30 September 2008
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	2008	2007
9 Investments		
Non-Trade, long term		
In government securities (unquoted)		
National Savings Certificates	5	5
	<u>5</u>	<u>5</u>
Investment in subsidiary companies (unquoted)		
6,815,000 (2007: 6,815,000) Equity shares of Rs 10 each, fully paid-up, in Siemens Information Systems Ltd. (100% holding; 2007: 100% holding)	851,000	851,000
2,123,800 (2007: 2,123,800) Equity shares of Rs 10 each, fully paid-up, in Siemens Information Processing Services Private Ltd. (51% holding; 2007: 51% holding)	111,000	111,000
2,962,027 (2007: 2,581,140) Equity shares of Rs 10 each, fully paid-up, in Siemens Building Technologies Private Ltd. (79.32% holding; 2007: 76.9% holding)	2,141,031	1,866,031
Nil (2007:91,000) Equity shares of Rs 100 each, fully paid-up, in erstwhile Siemens Industrial Turbomachinery Services Private Ltd. (Nil ; 2007: 100% holding) (Refer schedule 3)	-	181,740
25,000,000 (2007:Nil) Equity shares of Rs 10 each, fully paid-up, in Siemens Rolling Stock Private Ltd. (100% holding; 2007: Nil)	250,000	-
	<u>3,353,031</u>	<u>3,009,771</u>
Investment in other companies (unquoted)		
2,160,000 (2007: 2,160,000) Equity shares of Rs 10 each, fully paid-up, in Flender Ltd. (50% holding; 2007: 50% holding)	677,580	677,580
	<u>677,580</u>	<u>677,580</u>
Investment in other companies (Quoted)		
10,485 (2007: 10,485) Equity shares of Re 1 each, fully paid-up, in Pricol Ltd.	8	8
10,000 (2007:10,000) Equity shares of Rs 10 each, fully paid-up, in Scooters India Ltd.	100	100
	<u>108</u>	<u>108</u>
(Unquoted)		
1 (2007:1) Equity Share of Rs 10 each, fully paid-up, in International Shock Absorbers Ltd.	0.01	0.01
	<u>0.01</u>	<u>0.01</u>
Current Investments, at lower of cost or fair value		
In Mutual Funds (unquoted)		
Nil (2007: 30,664,366) units of Prudential Liquid Super Institutional Premium - Daily Dividend	-	306,659
Nil (2007: 306,036) units of Standard Chartered Liquidity Manager - Plus - Daily Dividend	-	306,101
30,611,083 (2007: 10,323,617) Sundaram BNP Paribas Money Fund - Super Institutional - Daily Dividend Reinvestment	309,028	104,220
28,970,500 (2007: 27,090,563) Birla Cash Plus-Institutional Premium - Daily Dividend Reinvestment	290,270	271,434
30,885,544 (2007: Nil) units of ING Liquid Fund Super Institutional - Daily Dividend Option	309,004	-
24,261,211 (2007:Nil) units of HDFC Liquid Fund Premium Plan-Daily Dividend Reinvestment Option	297,438	-
	<u>1,205,740</u>	<u>988,414</u>
	<u>5,236,464</u>	<u>4,675,878</u>
- Aggregate book value of unquoted investments	5,236,356	4,675,770
- Aggregate book value of quoted investments	108	108
- Aggregate market value of quoted investments	400	611

9 Investments (Continued)

The following investments were acquired and sold during the year:-

(A) Name of the mutual fund	Purchased during the year		Sold during the year	
	Quantity	Value	Quantity	Value
Prudential Liquid Super Institutional Premium - Daily Dividend	1,135,264	11,353	31,799,630	318,012
Standard Chartered Liquidity Manager - Plus - Daily Dividend	13,994	13,997	320,030	320,098
Sundaram BNP Paribas Money Fund - Super Institutional - Daily Dividend Reinvestment	30,864,562	311,587	10,577,096	106,779
Birla Cash Plus -Institutional Premium - Daily Dividend Reinvestment	1,879,937	18,836	-	-
ING Liquid Fund Super Institutional - Daily Dividend Option	30,885,544	309,004	-	-
HDFC Liquid Fund Premium Plan - Daily Dividend Reinvestment Option	24,261,211	297,438	-	-
	89,040,512	962,215	42,696,756	744,889

(B) Name of company	Purchased during the year		Sold during the year	
	Quantity	Value	Quantity	Value
Equity Shares of Rs 10 each fully paid-up in in Siemens Building Technologies Private Ltd.	380,887	275,000	-	-
Equity Shares of Rs 10 each fully paid-up in Siemens Rolling Stock Private Ltd.	25,000,000	250,000	-	-
	25,380,887	525,000	-	-

	2008	2007
10 Deferred tax assets, (net)		
Arising on account of timing differences in :		
Provision for doubtful debts and advances	333,805	262,722
Other provisions (amounts allowable on a payment basis under the Income Tax Act, 1961)	872,407	245,531
	1,206,212	508,253
Deferred tax liability		
Arising on account of timing differences in :		
- Excess of depreciation allowable under income-tax law over depreciation provided in accounts	295,965	235,002
Deferred tax assets (net)	910,247	273,251
11 Inventories		
Raw materials	1,526,726	1,118,464
Work-in-progress		
- factory related	554,148	405,710
- project related	4,051,773	4,769,255
Finished goods	1,488,496	1,197,080
	7,621,143	7,490,509

Schedules to the financial statements (*continued*)
as at 30 September 2008
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	2008	2007
12 Sundry debtors		
Debts outstanding		
- over six months	12,098,840	5,500,386
- other debts	23,105,063	17,339,964
	<u>35,203,903</u>	<u>22,840,350</u>
Of which		
- considered good	34,327,991	22,242,830
- considered doubtful	875,912	597,520
	<u>35,203,903</u>	<u>22,840,350</u>
Provision for doubtful debts	(875,912)	(597,520)
	<u>34,327,991</u>	<u>22,242,830</u>
Sundry debtors are unsecured and include:		
- Retentions on project related work-in-progress	16,710,244	9,253,239
Included in debtors are debts due from companies under the same management :		
- Osram India Private Ltd.	2,000	-
- Siemens Information Systems Ltd.	103,115	63,558
- Siemens Information Processing Services Private Ltd.	6,157	6,578
- Siemens Power Engineering Private Ltd.	8,883	4,101
- Siemens Industrial Turbomachinery Services Private Ltd.	-	733
- Siemens Hearing Instruments Private Ltd.	1,895	1,824
- Flender Ltd.	5,143	4,816
- Siemens Rolling Stock Private Ltd.	4,703	-
- Morgan Construction Company India Private Ltd.	72,577	-
- Siemens Building Technologies Private Ltd.	26,830	-
- Winergy Drive Systems India Private Ltd.	663	-
- Siemens Corporate Finance Private Ltd.	7,781	11,007
- Bangalore International Airport Ltd.	94,443	410,854
- Siemens VAI Metals Technologies Private Ltd.	1,709	-
- Siemens Enterprise Communication Private Ltd.	56,547	36,789
- Siemens Healthcare Diagnostics Ltd. (formerly known as Siemens Medical Solutions Diagnostics Ltd.)	843	-
13 Cash and bank balances		
Cash in hand	8,707	31,636
Cheques in hand	1,348,131	685,571
Balances with scheduled banks		
- on current account	1,560,670	666,567
- on deposit account	4,580,700	2,886,100
Balances with other banks	1,632,687	366,345
	<u>9,130,895</u>	<u>4,636,219</u>
Bank balances with other banks in current account includes :		
- Citibank, Colombo	16,270	1,622
- Citibank, Dhaka	-	587
- Deutsche Bank, Colombo	-	88
- Standard Chartered Bank, Dhaka	-	1,141
- Standard Chartered Bank, Nepal	32	27
- Standard Chartered Bank, Doha	-	110,115
- Standard Chartered Bank, Qatar	543,859	-
- The Hongkong and Shanghai Banking Corporation Ltd., Dhaka	24,585	24,778
- The HongKong and Shanghai Banking Corporation Ltd., Doha	1,047,941	227,987
	<u>1,632,687</u>	<u>366,345</u>

13 Cash and bank balances (Continued)

	2008	2007
Maximum amount outstanding at any time during the year :		
- Citibank, Colombo	16,629	2,105
- Citibank, Dhaka	38	2,445
- Deutsche Bank, Colombo	1,020	3,029
- Standard Chartered Bank, Qatar	605,935	1,464,851
- Standard Chartered Bank, Dhaka	-	1,382
- Standard Chartered Bank, Nepal	32	29
- The Hongkong and Shanghai Banking Corporation Ltd., Colombo	67	562
- The Hongkong and Shanghai Banking Corporation Ltd., Dhaka	3,990	32,493
- The Hongkong and Shanghai Banking Corporation Ltd., Doha	2,276,531	3,845,927

14 Loans and advances (Unsecured)

Advances recoverable in cash or in kind or for value to be received

- considered good	3,409,010	4,921,145
- considered doubtful	156,631	144,532
	<u>3,565,641</u>	<u>5,065,677</u>
Provision for doubtful advances	(156,631)	(144,532)
	<u>3,409,010</u>	<u>4,921,145</u>
Advance payments of income tax [net of provision for tax Rs 10,177,482 (2007: Rs 6,557,025)]	517,353	160,818
Balances with customs, port trusts etc.	721,832	425,030
Inter corporate deposits	1,515,000	1,090,000
Interest accrued on inter corporate deposits	10,025	20,601
	<u>6,173,220</u>	<u>6,617,594</u>

Loans and advances includes :

(a) Amounts due from directors of the Company [Maximum amount outstanding during the year Nil; (2007: Rs 211)]	-	-
(b) Inter-corporate deposits given to companies under the same management :		
- Osram India Private Ltd.	250,000	270,000
- Siemens Building Technologies Private Ltd.	800,000	500,000
- Winergy Drive Systems India Private Ltd.	380,000	320,000
- Morgan Construction Company India Private Ltd.	85,000	-
	<u>1,515,000</u>	<u>1,090,000</u>

Maximum amount outstanding at any time during the year :

- Flender Ltd.	50,000	-
- Osram India Private Ltd.	270,000	345,300
- Siemens Building Technologies Private Ltd.	806,596	512,748
- Siemens Public Communication Network Private Ltd.	-	875,000
- Winergy Drive Systems India Private Ltd.	380,247	326,173
- Morgan Construction Company India Private Ltd.	86,650	-

Schedules to the financial statements (*continued*)
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	2008	2007
15 Current liabilities		
Sundry creditors		
- Micro, Small and Medium Enterprises	331,311	358,060
- subsidiaries	93,090	77,958
- others	35,577,226	21,374,450
Advances from customers (Refer note 2)	5,855,609	8,478,851
Unclaimed dividend (Refer note 1)	11,007	9,857
	<u>41,868,243</u>	<u>30,299,176</u>
Notes		
(1) Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date.		
(2) Advance from customers includes Rs 4,915,719 (2007:7,790,594) for project related work.		
16 Provisions		
Pension	160,326	166,549
Leave wages	233,379	114,497
Medical benefits	45,169	42,699
Personnel related	797,868	662,414
Silver jubilee	68,925	61,052
Warranty	1,248,631	763,202
Loss order	1,099,514	148,570
Liquidated damages	1,574,211	1,865,550
Contingencies	860,642	512,133
Proposed dividend	1,011,481	809,184
Tax on proposed dividend	171,901	137,521
	<u>7,272,047</u>	<u>5,283,371</u>
17 Interest income, net		
Interest income (includes tax deducted at source Rs 95,380; 2007 : Rs 97,014)	471,937	445,173
Interest expense	(20,535)	(2,118)
	<u>451,402</u>	<u>443,055</u>
18 Other operating income, net		
Export incentives	60,174	78,484
Profit on sale of fixed assets, net	259,256	136,660
Recoveries from subsidiary companies, associates and third parties	283,592	162,530
Miscellaneous income	18,768	14,418
	<u>621,790</u>	<u>392,092</u>
19 Other income		
Dividend from subsidiary companies	-	513,888
Dividend from mutual fund investments	67,214	79,278
	<u>67,214</u>	<u>593,166</u>
20 Cost of sales and services		
Raw materials consumed	16,214,299	13,602,316
Traded goods purchased	12,229,124	11,325,775
Spares and stores consumed	1,126,368	605,958
Project bought outs	35,597,320	37,647,248
Change in inventories	11,074	(2,568,532)
Other costs	2,793,938	2,054,255
	<u>67,972,123</u>	<u>62,667,020</u>
Included in other costs, excise duty on finished goods	82,313	26,328

	2008	2007
21 Personnel costs		
Salaries, wages and bonus, net	3,986,968	3,556,250
Contribution to provident and other funds	298,010	278,242
Workmen and staff welfare	190,773	210,489
	<u>4,475,751</u>	<u>4,044,981</u>
22 Other costs, net		
Exchange gains (net)	(2,016,693)	(1,085,170)
Travel and conveyance	968,445	840,113
External software services and data processing	658,367	554,319
Rates and taxes	360,877	321,798
Communication	358,188	356,043
Packing and forwarding	342,288	238,009
Power and fuel	278,681	260,229
Insurance	237,697	144,887
Rent	211,148	151,457
Repairs		
- on building	84,739	90,549
- on machinery	64,134	53,891
- others	113,923	104,407
Legal and professional	143,878	183,674
Advertising and publicity	127,889	215,813
Office supplies, printing and stationery	86,251	72,878
Research and development expenditure	85,619	45,205
Bank guarantee commission/ bank charges	67,861	66,298
Lease rentals	44,307	47,385
Donation	2,091	1,136
Commission to directors	14,000	22,992
Directors' fees	1,440	1,020
Bad debts	34,943	1,860
Provision for doubtful debts and advances, net	311,643	81,229
Miscellaneous expenses	757,026	763,299
	<u>3,338,742</u>	<u>3,533,321</u>
23 Commitments and contingent liabilities		
(a) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	552,034	732,478
(b) Contingent liabilities		
Bills discounted	35,609	72,133
Taxation matters (excluding interest)		
- In respect of certain completed assessments where matters are under appeal by the Company	295,807	321,738
- In respect of appeals decided in favour of the Company, but disputed further by income tax authorities	-	106,166
Excise/sales tax liabilities (net of tax), under dispute	409,373	216,128
Customs liabilities (net of tax), under dispute	120,000	120,000
Corporate and other guarantees	62,405	10,249

Schedules to the financial statements (*continued*)
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	2008	2007
24 Supplementary statutory information		
(i) <i>Managerial remuneration</i>		
Personnel and other costs include remuneration paid to Directors' as set out below:		
Salaries	29,814	18,311
Perquisites	62,680	13,996
Commission	-	22,992
Performance linked incentive	64,896	37,300
Entitlement to stock appreciation rights	40,745	-
Contribution to provident fund	1,483	1,097
Contribution to superannuation fund	1,854	1,217
	201,472	94,913

Managerial remuneration includes Rs 8,184 (2007 : Nil) towards consideration in connection with retirement from office.

Certain whole time Directors are covered under the Company's gratuity scheme along with the other employees of the Company. The gratuity liability is determined for all employees by a independent actuarial valuation. The specific amount of gratuity for such whole time Directors cannot be ascertained separately and accordingly the same has not been included above.

Computation of Managerial Remuneration:

Profit before tax	8,917,686	8,742,217
Add:		
Managing and other director's remuneration and commission	215,472	103,663
Depreciation charged in the accounts (Refer Schedule 8)	637,344	492,279
Profit on sale of fixed assets, net (as per Section 349 of the Act)	4,419	1,933
Provision for doubtful debts and advances, net	311,643	81,229
Provision for wealth tax	2,447	11,019
Less:		
Profit on sale of investment	-	(259,253)
Profit on sale of fixed assets, net (as per profit and loss account)	(259,256)	(146,453)
Profit on sale of undertaking (as per profit and loss account)		
- 'SBT' division	(10,635)	-
- 'SVDO' division	(1,235,151)	-
- 'EN' division	-	(524,196)
Depreciation as computed under Section 350 of the Act (see note below)	(637,344)	(492,279)
Net profit as per Section 349 of the Act	7,946,625	8,010,159
Remuneration to Managing and Whole-Time Directors subject to ceiling of 10% of the net profits as calculated above, provided at	201,472	94,913
Commission to other Directors subject to ceiling of 1% of the net profits as calculated above, provided at	14,000	8,750
	215,472	103,663

The Company depreciates its fixed assets based on estimated useful lives which are lower or equal to the implicit estimated useful lives prescribed by Schedule XIV of the Act. Thus, the depreciation charged in the books is higher than that prescribed as the minimum by the Act. Hence, this higher value has been considered as a deduction for the computation of managerial remuneration above.

	2008	2007
(ii) Auditors' remuneration (exclusive of service tax)		
- Audit fees	7,020	5,700
- Tax audit fees	3,000	3,000
- Other services	3,100	4,831
- Reimbursement of expenses	737	650
	13,857	14,181
(iii) Earnings and expenditure in foreign exchange (on accrual basis)		
(a) Earnings in foreign currency		
- Exports of goods		
- Direct on FOB basis	2,839,181	2,009,506
- Under IDA/IBRD/ADB credits	1,194,038	358,049
- Project business	26,377,412	23,557,395
- Commission	451,826	490,018
- Service charges and others	94,324	300,843
(b) Expenditure in foreign currency (on accrual basis)		
- Travelling	92,691	117,615
- Installation charges	3,871	12,750
- Expenditure on contracts at foreign sites	10,122,364	3,381,034
- Commission	2,719	403,440
- Service charges	1,257,464	4,226,536
- Others	417,371	293,940
(c) Value of imports calculated on CIF basis		
- Raw material	4,432,304	3,340,255
- Components, spare parts and traded goods	19,949,757	14,492,090
- Capital goods	174,506	225,947
(iv) Net dividend remitted in foreign exchange		
Final :		
Period to which the dividend relates	1.10.2006 to 30.09.2007	1.10.2005 to 30.09.2006
Number of non-resident shareholders	One	One
Number of equity shares held on which dividend was due	93,020,545	93,020,545
Amount remitted	446,499	353,478
25 Disclosure as per Clause 32 of the listing Agreement		
Loans and advances in the nature of loans	Amount at 30 September 2008	Maximum amount outstanding at any time during the year
<i>Subsidiary company</i>		
- Siemens Building Technologies Private Ltd.	800,000	806,596
<i>Associate</i>		
- Flender Ltd.	-	75,000

Schedules to the financial statements (*continued*)
for the year ended 30 September 2008
(Currency : Indian rupees thousands)

26 Additional information pursuant to the provisions of paragraphs 3, 4C, and 4D of Part II of Schedule VI to the Companies Act, 1956:

(i) Sales and services

Class of goods	2008		2007	
	Quantity	Value	Quantity	Value
Refer Note (a) and (d) below				
Switchgear items		9,194,551		7,785,623
Electric motors/ generators	110,136 Nos	3,336,349	100,147 Nos	3,150,839
Switchboards, control boards and miscellaneous accessories		5,052,256		4,327,094
X-ray equipment		347,495		343,027
Railway signalling equipment		6,708,855		3,467,424
Variable speed AC/DC drive systems, motor control, modules and programmable control systems		4,941,696		3,881,025
Protection systems		420,286		973,635
Data acquisition, logging and control systems		-		133,412
EPABX / EPAX / Intercom and key telephone systems		-		1,413,561
Medical electronic diagnostic equipment		5,533,864		4,808,058
Other engineering project goods		40,261,709		38,799,669
Maintenance, repairs and other services		1,303,147		1,095,491
Integrated building management systems		-		946,900
Industrial turbines		4,068,391		4,055,830
Rental Income		464,333		362,503
Automotive- Manufactured goods		-		1,030,163
Automotive - Traded goods		231,596		173,274
Transformers		639,100		30,510
		<u>82,503,628</u>		<u>76,778,038</u>
Commission income		451,826		490,018
		<u>82,955,454</u>		<u>77,268,056</u>

(ii) Imported and indigenous raw materials and components consumed

	2008		2007	
	Value	% of total consumption	Value	% of total consumption
Imported	5,550,153	34	4,849,581	36
Indigenous	10,664,146	66	8,752,735	64
	<u>16,214,299</u>	<u>100</u>	<u>13,602,316</u>	<u>100</u>

26 Additional information pursuant to the provisions of paragraphs 3, 4C, and 4D of Part II of Schedule VI to the Companies Act, 1956: (Continued)

(iii) Inventories

Finished goods

Refer Note (a) below

Class of goods	2008		2007	
	Quantity	Value	Quantity	Value
Switchgear items		411,257		328,452
Electric motors/ generators	3,871 Nos	164,618	3,414 Nos	180,277
Switchboards, control boards, etc.		54,244		34,466
X-ray equipment		11,649		18,206
CT and other diagnostic equipment		116,724		88,657
Railway signalling equipment		303,391		91,200
Variable speed AC/DC drive systems, motor control modules and programmable control systems		391,579		196,114
Data acquisition, logging and control systems		14,824		29,519
Integrated building management system		-		39,759
Automotive components		-		49,608
Others		20,210		140,822
		<u>1,488,496</u>		<u>1,197,080</u>
Work-in-progress				
- factory related		554,148		405,710
- project related		4,051,773		4,769,255
		<u>6,094,417</u>		<u>6,372,045</u>

(iv) Purchases

Refer Note (a) below

Class of goods	2008 Value	2007 Value
EPABX/EPAX/ intercom and KTS	-	943,898
Medical electronic diagnostic equipment	3,707,141	3,287,874
Others	8,521,983	7,094,003
Towards projects execution	35,597,320	37,647,248
	<u>47,826,444</u>	<u>48,973,023</u>

Schedules to the financial statements (*continued*)
for the year ended 30 September 2008
(Currency : Indian rupees thousands)

26 Additional information pursuant to the provisions of paragraphs 3, 4C, and 4D of Part II of Schedule VI to the Companies Act, 1956: (*Continued*)

(v) *Raw materials, bought out components consumed during the year*
Refer Note (e) below

	Unit	2008		2007	
		Quantity	Value	Quantity	Value
Copper flats, strips and profiles	MT	1,078	394,707	508	215,064
Enamelled copper wire	MT	690	274,698	723	298,160
Brass sheets and strips	MT	77	28,956	71	29,602
Aluminium ingots, profiles and castings	MT	453	71,944	465	64,272
Iron and steel castings and shafts	MT	8,994	594,886	4,106	259,618
Dynamo steel sheets, strips and laminations	MT	4,910	379,459	4,709	377,670
Hot rolled and cold rolled steel sheets, strips, housings etc.	MT	1,434	243,465	175	10,132
Cables and wires	Kms	2,303	80,852	3,363	90,009
Silver components	Kgs	8,036	300,199	9,007	299,011
Ball and roller bearings	Nos	433,963	177,794	1,004,320	252,218
Thyristors, diodes and transistors	Nos	132,040	448,205	97,074	189,072
X-ray tubes	Nos	31	1,083	11	160
Amphenol terminals	Nos	687,024	26,686	556,155	21,514
Vacuum tubes	Nos	35,660	369,808	33,492	373,050
Integrated circuits	Nos	33,966	4,748	6,740	2,078
Capacitors and condensers	Nos	156,972	54,367	63,923	31,283
Printed circuit boards	Nos	14,783	33,189	10,351	25,763
Turbine components	Pcs	688,216	725,246	192,948	686,409
Aluminium components			321,992		300,493
Steel components			581,676		1,040,339
Copper and copper alloy components			287,992		235,190
Insulation materials			642,965		304,419
Packing material			64,450		66,101
Others			10,104,932		8,430,689
			<u>16,214,299</u>		<u>13,602,316</u>

26 Additional information pursuant to the provisions of paragraphs 3, 4C, and 4D of Part II of Schedule VI to the Companies Act, 1956: (Continued)

(vi) Capacities and Production

Refer Note (b) below

Class of goods manufactured	Unit	2008		2007	
		Annual installed capacity (refer note (c) below)	Actual production	Annual installed capacity (refer note (c) below)	Actual production
Switchgear items	Nos	16,263,493	15,033,076	16,263,493	7,836,255
Electric motors/generators	Nos	20,023	18,769	20,023	18,040
Switch boards, control boards and miscellaneous accessories	Nos	8,000 (Boards)	2,672 (Boards)	8,000 (Boards)	2,436 (Boards)
X-ray equipment	Nos	1,283	1,070	1,283	1,060
Electromedical equipment	Nos	209	36	209	36
Rectifier cubicles and miscellaneous equipment	MW	65	-	65	-
Variable speed AC/DC drive systems, motor control modules and programmable control system	Nos	6,248	1,774	6,248	1,487
Instrument transformers	Nos	5,000	3	-	-
Static converter for railways	Nos	610	139	610	190
Audio frequency track circuit	Nos	900	348	900	-
Interlocking relays	Nos	250,000	160,160	250,000	165,165
Auxillary inverter for AR locomotive	Nos	120	120	50	84
Traction converter for diesel locomotive	Nos	72	84	72	78
Electrical control cabinet	Nos	288	191	288	144
Circuit breakers above 1000 volts	Nos	1,000	1,170	1,000	1,258
Power transformers	MVA	15,000	1,306	15,000	100
Single stage/ multi stage turbines	MW	69	45	69	38
Traction converters for EMU	Nos	180	129	180	39
Auxillary converters for EMU	Nos	180	141	180	30
High frequency power supply	Nos	600	135	180	271

Licensed capacity is not applicable in terms of the Government of India's notification No. S.O. 477(E) dated 25th July, 1991.

- For paragraph 3(ii) of Part II of Schedule VI to the Companies Act, 1956, the classes of goods dealt with by the Company are grouped under suitable product heads. In terms of note 3 to paragraph 3 of Part II of Schedule VI, disclosures by quantity are restricted to those items/articles which individually account for 10% or more of the total sales and services, purchases or closing stocks as applicable.
- For paragraph 4C, of Part II to Schedule VI to the Companies Act, 1956, the goods manufactured by the Company are grouped as per the classification of Industrial Licenses without giving the individual articles covered by each license.
- Installed capacities are as certified by the Managing Director and have not been verified by the Auditors, as this is a technical matter.
- Sales and services are inclusive of equipment supplied for project orders. Purchases, production and closing stock figures include equipment processed or to be supplied for project orders.
- Components and spare parts referred to in paragraph 4D(c) of Part II to Schedule VI are assumed to be those used in the manufacture of finished products and not those used for repairs and maintenance of plant and machinery.

Schedules to the financial statements (*continued*) for the year ended 30 September 2008 (Currency : Indian rupees thousands)

27 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.

Personnel related provisions

Personnel related provisions primarily include provisions for variable performance pay. Variable performance pay is expected to be paid in the next financial year. Personnel related provisions do not include expected payouts relating to the pending wage settlement and non-statutory ex-gratia where negotiations are in process and the disclosure of these amounts could prejudicially affect the interests of the Company.

Contingencies

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

The movements in the above provisions are summarised below:

	Warranties	Liquidated damages	Loss orders	Personnel related	Contingencies
Balance as at 1 October 2007	763,202	1,865,550	148,570	662,414	512,133
Provisions :					
- Created	796,572	608,818	1,186,594	800,332	415,204
- Additions on amalgamation of erstwhile SITS (Refer Schedule 3)	-	-	-	1,742	-
- Utilised	(76,512)	(604,984)	(187,376)	(588,435)	(13,500)
- Reversed	(216,190)	(292,594)	(48,274)	(48,520)	(52,595)
- Transferred on account of discontinued operations (Refer Schedule 4)	(18,441)	(2,579)	-	(29,665)	(600)
Balance as at 30 September 2008	<u>1,248,631</u>	<u>1,574,211</u>	<u>1,099,514</u>	<u>797,868</u>	<u>860,642</u>

28 Disclosure pursuant to Accounting Standard - 7 'Construction Contracts' :

	2008	2007
(i) Contract Revenue recognised for the year ended 30 September 2008	50,884,780	46,053,287
(ii) Aggregate amount of contract costs incurred for all contracts in progress as at 30 September 2008	106,904,884	73,130,583
(iii) Recognised profits (less recognised losses) upto 30 September 2008 for all contracts in progress as at 30 September 2008	12,402,670	10,419,915
(iv) Amounts due from customers	2,846,638	3,769,074
(v) Amounts due to customers	15,137,749	6,604,338

29 Disclosure pursuant to Accounting Standard - 19 'Leases' :

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

	2008	2007
(i) Amount due not later than one year from the balance sheet date	15,880	14,639
(ii) Amount due later than one year and not later than five years	20,041	31,797
(iii) Amount due later than five years	5,332	950
	<u>41,253</u>	<u>47,386</u>

Lease rent debited to profit and loss account Rs 211,148 (2007: Rs 151,457)

General description of the leasing arrangement:

- (i) The Company has entered into operating lease arrangements for its offices premises, storage locations and residential premises for its employees.
- (ii) The future lease rental payments are determined on the basis of the monthly lease payment terms as per the agreements.
- (iii) At the expiry of the non cancellable lease period the option of renewal rests with the Company.

30 Related party transactions**30.1 Parties where control exists**

Siemens AG	Holding company
Siemens Information Systems Ltd. (SISL)	Wholly owned subsidiary company
Siemens Information Processing Services Private Ltd. ("SIPS")	Subsidiary company (51% of whose Equity Share capital is held by Siemens Ltd. and the balance 49% is held by SISL)
Siemens Industrial Turbomachinery Services Private Ltd.	Wholly owned subsidiary company (up to 31 March 2008)
Siemens Building Technologies Private Ltd.	Subsidiary company
Siemens Nixdorf Information Systems Private Ltd.	Wholly owned subsidiary of SISL.
Vista Security Technics Private Ltd.	Wholly owned subsidiary of Siemens Building Technologies Private Ltd.
iMetrex Technologies Pte. Ltd. (Singapore)	Wholly owned subsidiary of Siemens Building Technologies Private Ltd.
Avenues Honkong Ltd. (Hongkong)	Wholly owned subsidiary of Siemens Building Technologies Private Ltd.
iMetrex Technologies Pte. Ltd. (Ireland)	Subsidiary of Siemens Building Technologies Private Ltd.
Europlex Technologies Ltd. (United Kingdom)	Wholly owned subsidiary of iMetrex Technologies Pte. Ltd. (Ireland)
Europlex Manufacturing Ltd. (United Kingdom)	Wholly owned subsidiary of iMetrex Technologies Pte. Ltd. (Ireland)
Europlex Reserch Ltd. (Ireland)	Wholly owned subsidiary of iMetrex Technologies Pte. Ltd. (Ireland)
Europlex Technologies Ltd. (Ireland)	Wholly owned subsidiary of iMetrex Technologies Pte. Ltd. (Ireland)

30.2 Other related parties where transactions have taken place during the year

Fellow Subsidiaries		
Siemens S.A.		Argentina
Siemens Ltd.		Australia
Siemens Healthcare Diagnostics Limited		Australia
Siemens Aktiengesellschaft Österreich		Austria
Siemens Transportation Systems GmbH & Co KG		Austria
ETM professional control GmbH		Austria

Schedules to the financial statements (*continued*) for the year ended 30 September 2008 (Currency : Indian rupees thousands)

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

Fellow Subsidiaries		
Siemens VAI Metals Technologies GmbH & Co		Austria
VA TECH Transmission & Distribution GmbH		Austria
Siemens Bangladesh Ltd.		Bangladesh
Siemens S.A./N.V.		Belgium
ADB S.A./N.V.		Belgium
Siemens Ltda.		Brazil
Siemens Eletroeletronica Limitada		Brazil
Siemens Milltronics Process Instruments, Inc.		Canada
Trench Ltd.		Canada
Siemens Medium Voltage Switching Technologies (Wuxi) Ltd.		China
Siemens International Trading (Shanghai) Co. Ltd.		China
Siemens Circuit Protection Systems Ltd.		China
Siemens Electrical Apparatus Ltd.		China
Siemens Power Plant Automation Ltd.		China
Siemens Ltd., China		China
Siemens Electrical Drives Ltd.		China
Siemens Factory Automation Engineering Ltd.		China
Siemens Shanghai Medical Equipment Ltd.		China
MWB (Shanghai) Co Ltd.		China
Siemens Wiring Accessories Shandong Ltd.		China
Siemens Manufacturing and Engineering Centre Ltd.		China
Siemens S.A.		China
Siemens S.A.		Columbia
Koncar Power Transformers Ltd.		Costa Rica
Siemens Elektromotory s.r.o.		Croatia
Siemens Industrial Turbomachinery s.r.o.		Czech Republic
Siemens Technologies S.A.E.		Czech Republic
Siemens Osakeyhtiö		Egypt
Siemens S.A.S.		Finland
Siemens Production Automatisations S.A.S.		France
Siemens Transmission & Distribution SAS		France
Siemens VAI Metals Technologies SAS		France
Flender-Graffenstaden SAS		France
Siemens Transportation Systems S.A.S.		France
Trench France S.A.S.		France
Siemens Building Technologies GmbH & Co. oHG		Germany
Siemens Building Technologies Fire & Security Products GmbH & Co. oHG		Germany
SYKATEC Systeme, Komponenten, Anwendungstechnologie GmbH & Co. KG		Germany
Weiss Spindeltechnologie GmbH		Germany
Siemens Financial Services GmbH/Holding		Germany
Mechanik Center Erlangen GmbH		Germany
Siemens Financial Services GmbH/WCF		Germany
Siemens Real Estate GmbH & Co. OHG		Germany
LINCAS Export Services GmbH		Germany
Siemens Busbar Trunking Systems GmbH & Co. KG		Germany
Trench Germany GmbH		Germany
Wallace & Tiernan GmbH		Germany
mdexx Magnetronic Devices GmbH & Co. KG		Germany
Alpha Verteilertechnik GmbH		Germany
Lincas Electro Vertriebsgesellschaft mbH		Germany
Loher GmbH		Germany
Siemens Turbomachinery Equipment GmbH		Germany
Siemens Product Lifecycle Management Software (DE) GmbH		Germany
Siemens Geared Motors Gesellschaft mit beschränkter Haftung		Germany
Siemens plc		Great Britain
Siemens Industrial Turbomachinery Ltd.		Great Britain
Siemens Magnet Technology Ltd.		Great Britain

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

	Siemens Busbar Trunking Systems Ltd., in Liquidation	Great Britain
	Siemens Ltd.	Hongkong
	Siemens Hearing Instruments Private Ltd.	India
	Siemens Power Engineering Private Ltd.	India
	OSRAM India Private Ltd.	India
	Siemens VAI Metals Technologies Private Ltd.	India
	Siemens Healthcare Diagnostics Ltd (formerly known as Siemens Medical Solutions Diagnostics Ltd.)	India
	Siemens Corporate Finance Private Ltd.	India
	Winergy Drive Systems India Private Ltd.	India
	Siemens Enterprise Communications Private Ltd.	India
	Morgan Construction Company India Private Ltd.	India
	P.T. Siemens Indonesia	Indonesia
	Siemens Sherkate Sahami (Khass)	Iran
	Siemens S.p.A.	Italy
	Trench Italia S.r.l.	Italy
	Siemens TOO	Kazakhstan
	Siemens Ltd.	Kenya
	Siemens Ltd.	Korea
	OSRAM Opto Semiconductors Sdn. Bhd.	Malaysia
	Siemens Malaysia Sdn. Bhd.	Malaysia
	Siemens Industrial Workshop Sdn. Bhd.	Malaysia
	Siemens, S.A. de C.V.	Mexico
	Siemens S.A.	Morocco
	Siemens Nederland N.V.	Netherlands
	Siemens Industrial Turbomachinery B.V.	Netherlands
	Siemens (N.Z.) Ltd.	New Zealand
	Siemens L.L.C.	Oman
	Siemens, Inc.	Philippines
	Siemens W.L.L.	Qatar
	Siemens S.R.L.	Romania
	Siemens Energy Management and Information Systems Pte. Ltd.	Singapore
	Siemens Pte. Ltd.	Singapore
	Siemens d.o.o.	Slovenia
	Siemens Ltd.	South Africa
	Siemens S.A.	Spain
	Siemens AB	Sweden
	Siemens Industrial Turbomachinery AB	Sweden
	Siemens Schweiz AG	Switzerland
	Siemens Ltd.	Taiwan
	Siemens Ltd.	Thailand
	Siemens Sanayi ve Ticaret A.S.	Turkey
	Siemens LLC	UAE
	Siemens Power Generation, Inc.	USA
	Siemens Building Technologies, Inc.	USA
	Siemens Demag Delaval Turbomachinery, Inc.	USA
	Siemens Energy & Automation, Inc.	USA
	Siemens Transportation Systems, Inc.	USA
	Siemens Power Transmission & Distribution, Inc.	USA
	Siemens Water Technologies Corp.	USA
	Siemens Medical Solutions USA, Inc.	USA
	SMS Inc. - Customer Solutions Group	USA
	PETNET Solutions, Inc.	USA
	Siemens S.A.	Venezuela
	Siemens Automation Systems Ltd.	Vietnam
	Siemens Ltd.	Vietnam
Associate	Flender Ltd.	India

Schedules to the financial statements (*continued*) for the year ended 30 September 2008 (Currency : Indian rupees thousands)

30.3 Directors of the Company

Whole-time Directors Mr. J. Scubert (upto 31 December 2007)
Dr. A. Bruck (w.e.f. 1 October 2007)
Mr. S. Mathur (w.e.f. 22 July 2008)
Mr. P. de Royer
Mr. K.R. Upili (upto 27 July 2008)
Mr. V. V. Paranjape
Mr. V. B. Parulekar

30.4

Description	2008					2007				
	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel
Sales, commission income and other recoveries										
- Siemens AG	1,779,442	-	-	-	-	1,144,122	-	-	-	-
- Siemens Information Systems Ltd.	-	526,847	-	-	-	-	476,642	-	-	-
- Siemens Energy & Automation, Inc	-	-	366,781	-	-	-	-	277,454	-	-
- Flender Ltd.	-	-	-	4,486	-	-	-	-	7,568	-
- Others	-	30,733	1,269,614	-	-	-	39,807	639,070	-	-
Purchase / Other services										
- Siemens AG	14,799,173	-	-	-	-	11,361,906	-	-	-	-
- Koncar Power Transformers Ltd.	-	-	3,554,963	-	-	-	-	2,449,946	-	-
- Flender Ltd.	-	-	-	22,339	-	-	-	-	11,503	-
- Others	-	238,671	3,276,771	-	-	-	126,091	3,374,551	-	-
Interest Income										
- Siemens Public Communication Networks Private Ltd.	-	-	-	-	-	-	12,845	-	-	-
- Siemens Building Technologies Private Ltd.	-	67,305	-	-	-	-	15,564	-	-	-
- Osram India Private Ltd.	-	-	23,442	-	-	-	-	28,620	-	-
- Winergy Drive Systems India Private Ltd.	-	-	18,331	-	-	-	-	29,290	-	-
- Morgan Construction Company India Private Ltd.	-	-	1,650	-	-	-	-	-	-	-
- Flender Ltd.	-	-	-	1,498	-	-	-	-	-	-
Sale of division										
- Siemens Enterprise Communications Private Ltd.	-	-	-	-	-	-	-	609,180	-	-
- Siemens VDO Automotive Components Private Ltd.	-	-	1,700,000	-	-	-	-	-	-	-
Investments										
- Siemens Building Technologies Private Ltd.	-	275,000	-	-	-	-	1,866,031	-	-	-
- Siemens Rolling Stock Private Ltd.	-	250,000	-	-	-	-	-	-	-	-
Dividend paid	446,499	-	-	-	-	353,478	-	-	-	-
Dividend received										
- Siemens Public Communication Networks Private Ltd.	-	-	-	-	-	-	124,250	-	-	-
- Siemens Information Systems Ltd.	-	-	-	-	-	-	354,380	-	-	-
- Others	-	-	-	-	-	-	35,258	-	-	-
Purchase of Fixed assets / Capital work in progress										
- Siemens AG	23,076	-	-	-	-	7,306	-	-	-	-
- Siemens Information Systems Ltd.	-	-	-	-	-	-	53,758	-	-	-
- Trench Germany GmbH	-	-	6,488	-	-	-	-	-	-	-
- Others	-	-	2,330	-	-	-	361	-	-	-
Purchase of Intangible assets (Technical knowhow)										
- Siemens AG	29,223	-	-	-	-	-	-	-	-	-
Bonus shares issued										
- Siemens AG	186,011	-	-	-	-	-	-	-	-	-

30.4

Description	2008					2007				
	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel
Inter Corporate Deposits given										
- Siemens Building Technologies Private Ltd.	-	300,000	-	-	-	-	500,000	-	-	-
- Osram India Private Ltd.	-	-	50,000	-	-	-	-	515,510	-	-
- Winergy Drive Systems India Private Ltd.	-	-	240,000	-	-	-	-	720,000	-	-
- Siemens Public Communication Networks Private Ltd.	-	-	-	-	-	-	2,450,000	-	-	-
- Morgan Construction Company India Private Ltd.	-	-	85,000	-	-	-	-	-	-	-
- Flender Ltd.	-	-	-	75,000	-	-	-	-	-	-
Inter Corporate Deposits repaid										
- Osram India Private Ltd.	-	-	70,000	-	-	-	-	520,510	-	-
- Winergy Drive Systems India Private Ltd.	-	-	180,000	-	-	-	-	540,000	-	-
- Siemens Public Communication Networks Private Ltd.	-	-	-	-	-	-	3,025,000	-	-	-
- Flender Ltd.	-	-	-	75,000	-	-	-	-	-	-
Managerial Remuneration										
- Mr. J. Schubert	-	-	-	-	52,704	-	-	-	-	40,093
- Dr. A. Bruck	-	-	-	-	52,137	-	-	-	-	-
- Mr. P. de Royer	-	-	-	-	33,664	-	-	-	-	21,089
- Mr. Upili	-	-	-	-	25,708	-	-	-	-	12,721
- Others	-	-	-	-	37,259	-	-	-	-	21,010
Outstanding Balances										
Debtors										
- Siemens AG	175,814	-	-	-	-	201,443	-	-	-	-
- Siemens Information Systems Ltd.	-	103,115	-	-	-	-	63,558	-	-	-
- Siemens Enterprise Communications Private Ltd.	-	-	56,547	-	-	-	-	36,789	-	-
- Morgan Construction Company India Private Limited	-	-	72,577	-	-	-	-	-	-	-
- Flender Ltd.	-	-	-	5,143	-	-	-	-	4,816	-
- Others	-	37,690	22,774	-	-	-	20,059	46,472	-	-
Creditors										
- Siemens AG	3,700,397	-	-	-	-	2,666,386	-	-	-	-
- Flender Ltd.	-	-	-	8,576	-	-	-	-	3,285	-
- Others	-	93,090	120,277	-	-	-	77,958	69,789	-	-
Inter Corporate Deposits										
- Siemens Building Technologies Private Ltd.	-	800,000	-	-	-	-	500,000	-	-	-
- Osram India Private Ltd.	-	-	250,000	-	-	-	-	270,000	-	-
- Winergy Drive Systems India Private Ltd.	-	-	380,000	-	-	-	-	320,000	-	-
- Morgan Construction Company India Private Ltd.	-	-	85,000	-	-	-	-	-	-	-
Interest receivable on Inter Corporate Deposits										
- Siemens Building Technologies Private Ltd.	-	6,596	-	-	-	-	12,748	-	-	-
- Osram India Private Ltd.	-	-	1,532	-	-	-	-	928	-	-
- Morgan Construction Company India Private Ltd.	-	-	1,650	-	-	-	-	-	-	-
- Winergy Drive Systems India Private Ltd.	-	-	247	-	-	-	-	6,173	-	-
Managerial Remuneration payable										
- Mr. J. Schubert	-	-	-	-	-	-	-	-	-	31,454
- Dr. A. Bruck	-	-	-	-	22,400	-	-	-	-	-
- Mr. P. de Royer	-	-	-	-	18,578	-	-	-	-	13,971
- Mr. Upili	-	-	-	-	7,144	-	-	-	-	5,314
- Mr.V.V.Paranjape	-	-	-	-	7,680	-	-	-	-	4,434
- Others	-	-	-	-	9,094	-	-	-	-	5,118

Schedules to the financial statements (*continued*)
for the year ended 30 September 2008
(Currency : Indian rupees thousands)

31 (i) Information about business segments

	Revenue						Results	
	External sales		Inter segmental sales		Total		2008	2007
	2008	2007	2008	2007	2008	2007		
Automation and drives	15,978,711	13,410,663	5,069,640	3,144,816	21,048,351	16,555,479	1,792,018	1,146,706
Industrial solutions and services	11,795,420	9,237,928	234,009	291,052	12,029,429	9,528,980	1,541,556	955,645
Transport	6,708,858	3,467,424	-	-	6,708,858	3,467,424	(204,613)	226,098
Building technologies *	-	984,319	-	35,274	-	1,019,593	-	93,203
Power	41,542,879	41,779,906	835,465	1,228,249	42,378,344	43,008,155	3,069,565	3,883,669
Healthcare and other services	6,053,460	5,246,931	-	-	6,053,460	5,246,931	332,583	113,059
Real estate	644,530	495,568	-	-	644,530	495,568	613,943	325,297
Information and communication *	-	1,441,880	-	28,088	-	1,469,968	-	116,409
Automotive *	231,596	1,203,437	-	-	231,596	1,203,437	8,232	66,557
Eliminations	-	-	(6,139,114)	(4,727,479)	(6,139,114)	(4,727,479)	-	-
Total	82,955,454	77,268,056	-	-	82,955,454	77,268,056	7,153,284	6,926,643
Interest income							471,937	445,173
Interest expense							(20,535)	(2,118)
Unallocable corporate items							1,313,000	1,372,519
Profit before tax							8,917,686	8,742,217
Income tax							(3,493,161)	(2,660,447)
Fringe benefit tax							(120,296)	(113,000)
Deferred tax							629,037	(3,368)
Profit after tax							5,933,266	5,965,402
Consolidated total	82,955,454	77,268,056	-	-	82,955,454	77,268,056	5,933,266	5,965,402

* Discontinued operations (Refer Schedule 4)

	Assets		Liabilities		Capital Expenditure		Non cash expenditure	
							Depreciation	
	2008	2007	2008	2007	2008	2007	2008	2007
Automation and drives	7,725,715	5,680,341	4,782,140	3,684,981	338,586	280,218	172,125	141,312
Industrial solutions and services	4,667,642	3,808,657	5,961,052	5,330,462	16,488	13,094	8,131	5,556
Transport	2,399,811	1,186,599	2,793,519	2,368,247	1,860	2,587	5,887	5,482
Building technologies *	-	450,568	-	161,559	-	2,639	-	957
Power	33,607,541	23,125,350	27,106,644	14,882,454	620,847	539,946	280,962	142,801
Healthcare and other services	1,630,860	1,273,064	1,853,982	1,514,051	13,364	16,566	18,657	29,244
Real estate	1,826,871	1,685,494	352,081	222,069	885,367	730,497	124,387	96,486
Information and communication *	-	-	-	-	-	9,707	-	5,396
Automotive *	-	755,379	-	244,009	25,663	342,947	5,492	47,067
Total	51,858,440	37,965,452	42,849,418	28,407,832	1,902,175	1,938,201	615,641	474,301
Unallocable corporate items	17,983,308	13,245,502	6,301,486	6,894,326	44,779	26,788	21,703	17,978
Consolidated total	69,841,748	51,210,954	49,150,904	35,302,158	1,946,954	1,964,989	637,344	492,279

* Discontinued operations (Refer Schedule 4)

31 (ii) Secondary segment information

	Revenue based on location of customers		Carrying amount of segment assets by location		Cost incurred to acquire segment assets during the year	
	2008	2007	2008	2007	2008	2007
Domestic	51,998,673	50,553,908	36,758,091	34,483,560	1,946,954	1,964,989
Exports	30,956,781	26,714,148	33,083,657	16,727,394	-	-
Total	82,955,454	77,268,056	69,841,748	51,210,954	1,946,954	1,964,989

31 (iii) Other disclosures :

- Inter-segment prices are normally negotiated amongst the segments with reference to the costs, market price and business risks.
- All profits/losses on inter segment transfers are eliminated at the Company level.

(iv) Segment information :

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

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

- **Information & communication *** :- Convergence communications solutions for enterprises, communications, video conferencing, and call centers, networking, mobility, teleworking, multimedia customer relation management. Provide mobile handsets and accessories.
- **Automation & drives** :- Provide the complete range of automation products & systems, from large and standard drives and motors, special purpose motors, process and motion control systems, industrial automation systems to low-voltage controls and distribution and electrical installation technology.
- **Industrial solutions & services** :- Undertakes turnkey projects in the industrial and infrastructure sectors over the entire life cycle including concept, engineering, procurement, supplies, installation, commissioning and after sales services.
- **Power** :- Provides automation solutions for a wide range of applications in power plants, focusing on a complete range of medium and high voltage switchgears, medium voltage switchboards, protection and control systems for sub-stations, power system control and energy management systems, meters, transformers and industrial turbines.
- **Transport** :- Provides solutions for rail automation, railway electrification, light and heavy rail, locomotives, trains, turnkey projects and integrated services.
- **Healthcare & other services** :- Provides diagnostic, therapeutic and life-saving products in computer tomography (CT), magnetic resonance imaging (MRI), ultrasonography, nuclear medicine, digital angiography, patient monitoring systems, digital radiography systems, radiology networking systems, lithotripsy and linear accelerators.
- **Building Technologies *** :- Executes projects for providing Integrated Building Management Systems including Building Automation Systems, Fire Alarm/Access Control/Security Systems.
- **Automotive *** :- Manufacturing and trading of dashboard instruments, tachographs and other allied equipments for the automobile industry.
- **Real estate** :- Provides comprehensive real estate management.

Geographical Segments: The business is organised in two geographic segments i.e. domestic and exports.

* Discontinued operations (refer Schedule 4)

Schedules to the financial statements (*continued*) for the year ended 30 September 2008 (Currency : Indian rupees thousands)

32 Disclosure pursuant to AS - 15 'Employee Benefits' :

(i) Effective 1 October 2006, the Company adopted AS 15 on 'Employee Benefits'. Pursuant to the adoption, the transitional obligations aggregating Rs 20,090 as at 1 October 2006 has been recorded with the transfer of the amount to the opening balance of the reserves and surplus.

(ii) Defined contribution plans

Amount of Rs 81,959 (2007 : Rs 72,971) is recognised as an expense and included in "Personnel costs" (Refer Schedule 21) in the profit and loss account.

(iii) Defined benefit plans

a Amounts for the current year are as follows :

	Gratuity		Pension		Leave Wages		Silver Jubilee		Medical	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
I Change in benefit obligation										
Liability at the beginning of the year	442,128	407,269	166,549	145,901	30,391	25,309	61,052	51,490	42,699	42,149
Interest cost	35,959	31,578	13,324	10,213	2,431	1,772	4,884	3,604	2,989	2,950
Current service cost	22,415	21,477	-	-	3,966	3,752	4,008	3,803	3,205	3,075
Liability transfer in	1,928	-	-	-	-	-	-	-	-	-
Liability transfer out	(11,412)	-	-	-	-	-	-	-	-	-
Benefit paid	(32,165)	(34,027)	(25,421)	(25,490)	(6,293)	(1,767)	(1,857)	(3,025)	(25,421)	(18,718)
Actuarial (gain)/loss on obligations	7,636	15,831	5,874	35,925	4,888	1,325	838	5,180	21,697	13,243
Liability at the end of the year	466,489	442,128	160,326	166,549	35,383	30,391	68,925	61,052	45,169	42,699
II Fair value of plan assets										
Fair value of plan assets at the beginning of the year	471,412	392,049	-	-	-	-	-	-	-	-
Expected return on plan assets	37,187	28,642	-	-	-	-	-	-	-	-
Contributions	8,979	77,677	25,421	25,490	6,293	1,767	1,857	3,025	25,421	18,718
Transfer from other company	905	-	-	-	-	-	-	-	-	-
Transfer to other company	(11,412)	-	-	-	-	-	-	-	-	-
Benefit paid	(32,165)	(34,027)	(25,421)	(25,490)	(6,293)	(1,767)	(1,857)	(3,025)	(25,421)	(18,718)
Actuarial gain/(loss) on plan assets	1,669	7,071	-	-	-	-	-	-	-	-
Fair value of plan assets at the end of the year	476,575	471,412	-	-	-	-	-	-	-	-
III Actual return on plan assets										
Expected return on plan assets	37,187	28,642	-	-	-	-	-	-	-	-
Actuarial gain/(loss) on plan assets	1,669	7,071	-	-	-	-	-	-	-	-
Actual return on plan assets	38,856	35,713	-	-	-	-	-	-	-	-
IV Amount recognised in the balance sheet										
Liability at the end of the year	466,489	442,128	160,326	166,549	35,383	30,391	68,925	61,052	45,169	42,699
Fair value of plan assets at the end of the year	476,575	471,412	-	-	-	-	-	-	-	-
Amount recognised in the balance sheet	(10,086)	(29,284)	160,326	166,549	35,383	30,391	68,925	61,052	45,169	42,699

32 Disclosure pursuant to AS - 15 'Employee Benefits' : (continued)

	Gratuity		Pension		Leave Wages		Silver Jubilee		Medical	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
V Expenses recognised in the income statement										
Interest cost	35,959	31,578	13,324	10,213	2,431	1,772	4,884	3,604	2,989	2,950
Current service cost	22,415	21,477	-	-	3,966	3,752	4,008	3,803	3,205	3,075
Expected return on plan assets	(37,187)	(28,642)	-	-	-	-	-	-	-	-
Actuarial (gain) / loss	5,967	8,760	5,874	35,925	4,888	1,325	838	5,180	21,697	13,243
Expense recognised in personnel costs (Schedule 21)	27,154	33,173	19,198	46,138	11,285	6,849	9,730	12,587	27,891	19,268
VI Balance sheet reconciliation										
Opening net liability	(29,284)	15,220	166,549	145,901	30,391	25,309	61,052	51,490	42,699	42,149
Expense as above	27,154	33,173	19,198	46,138	11,285	6,849	9,730	12,587	27,891	19,268
Transfer from other company	1,023	-	-	-	-	-	-	-	-	-
Transfer to other company	-	-	-	-	-	-	-	-	-	-
Employers contribution	8,979	77,677	25,421	25,490	6,293	1,767	1,857	3,025	25,421	18,718
Amount recognised in balance sheet	(10,086)	(29,284)	160,326	166,549	35,383	30,391	68,925	61,052	45,169	42,699
VII Actuarial Assumptions : For the Year										
Discount Rate Current	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Rate of Return on Plan Assets Current	8.0%	8.0%	-	-	-	-	-	-	-	-
Salary Escalation Current	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
VIII Sensitivity										
Effect of 1% decrease	-	-	-	-	-	-	-	-	49,629	46,916
Effect of 1% increase	-	-	-	-	-	-	-	-	41,217	38,964

- b The fund formed by the Company manages the investments of the Gratuity Fund. Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio, along with the estimated incremental investments to be made during the year. Yield on portfolio is calculated based on a suitable mark-up over the benchmark Government securities of similar maturities.
- c The estimates of future salary increases, considered in actuarial valuation, take in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- d The guidance issued by the Accounting Standard Board (ASB) on implementing AS 15, Employee Benefits (revised 2005) states that provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The fund does not have any existing deficit or interest shortfall. In regard to any future obligation arising due to interest shortfall (i.e. government interest to be paid on provident funds scheme exceeds rate of interest earned on investment), pending the issuance of guidance note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the same.

(iv) General Descriptions of significant defined plans

I Gratuity Plan

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

II Leave Plan

Eligible employees can carry forward and encash leave on superannuation, death, permanent disablement and resignation subject to maximum accumulation of 90 days.

III Silver Jubilee

Silver Jubilee benefit is payable to eligible employees on completion of 25 years of service. The benefit is payable at the rate of 1 to 1.5 month's salary for eligible employees on completion of 25 years of service.

IV Medical

Post-Retirement Medical Benefit is paid to eligible employees in case of survival upto the retirement age and after death, benefits are available to the employee's spouse. The Company reimburses the employees for expenses

Schedules to the financial statements (*continued*) for the year ended 30 September 2008 (Currency : Indian rupees thousands)

incurred over and above the claim accepted by the insurance company. The Company pays 80% of difference between liability incurred by employee and claim received from insurance company subject to ceiling based on the grade of employees.

(v) Broad category of plan assets as a percentage of total plan assets of the Gratuity plan

Particulars	2008	2007
Government of India securities	17%	20%
State Government securities	10%	9%
Public sector unit bonds	28%	25%
Special discount scheme	45%	46%
Total Plan Assets	100%	100%

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

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

Currency	Number of contracts	Buy Amount	Indian rupees equivalent	Number of contracts	Sell Amount	Indian rupees equivalent
US Dollar						
2008	127	123,259	5,788,859	112	291,971	13,712,408
2007	113	79,073	3,150,664	96	231,245	9,213,957
Euro						
2008	118	178,830	12,054,393	51	34,659	2,336,299
2007	167	255,267	14,426,415	55	16,324	922,551
Qatari Riyal						
2008	2	1,250	16,128	16	1,011,099	13,045,708
2007	-	-	-	41	1,510,334	16,541,933
Japanese Yen						
2008	3	44,243	19,563	-	-	-
2007	1	3,000	1,037	-	-	-
Pound Sterling						
2008	15	2,147	179,422	1	114	9,624
2007	11	2,878	232,942	2	130	10,520
Swiss Franc						
2008	3	1,517	64,463	-	-	-
2007	-	-	-	-	-	-

All foreign currency exposures having underlying transactions as at 30 September 2008 are covered by foreign currency forward contracts. The forward contracts have been converted in Indian rupees, at the spot rates, as at 30 September 2008 to facilitate reading purposes only.

34 Earnings per share:

	2008	2007
Profit after tax (Net profit attributable to Equity shareholders)	5,933,266	5,965,402
Shares :-		
Weighted average number of Equity shares outstanding during the year	337,160,200	337,160,200
Earnings per share	17.60	17.69

Pursuant to issue of bonus shares during the year, the number of shares outstanding during the period ended 30 September 2008 has been adjusted to reflect the change as prescribed by Accounting Standard 20 - "Earnings per share" notified by the Central Government under section 211 (3C) of the Companies Act, 1956. (Refer Schedule 2)

35 Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED')

The Company has amounts due to suppliers under MSMED as at 30 September 2008. The disclosure pursuant to the said Act is as under:

	2008
Principal amount due to suppliers under MSMED	82,921
Interest accrued and due to suppliers under MSMED on the above amount, unpaid	1,622
Payment made to suppliers (other than interest) beyond the appointed day during the year	700,857
Interest paid to suppliers under the MSMED	-
Interest due & payable towards suppliers under MSMED Act towards payments already made	15,891

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. The identification of enterprises as micro, small or medium suppliers has been carried out during the current year. Hence comparative figures for the previous have not been provided.

36 Prior years comparatives

Pursuant to the purchase of SITS (Refer Schedule 3) and discontinuation of the 'EN', 'SBT' and 'SVDO' segments (Refer Schedule 4), the figures of the current year are not strictly comparable to those of the previous year. Previous year's figures have been regrouped/ reclassified wherever necessary, to conform to current year's classification.

Schedules to the financial statements (*continued*)
for the year ended 30 September 2008
(Currency : Indian rupees thousands)

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	10839	State Code	11
Balance Sheet Date	30 09 2008		
	Date Month Year		

II. Capital raised during the year (Amount in Rs thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	337,160	Private Placement	Nil

III. Position of mobilisation and deployment of funds (Amount in Rs thousands)

Total Liabilities	69,841,748	Total Assets	69,841,748
Sources of Funds			
Paid-up Capital	674,320	Reserves & Surplus	20,016,524
Secured Loans	NIL	Unsecured Loans	10,614
Application of Funds			
Net Fixed Assets	6,441,788	Investments	5,236,464
Net Current Assets	8,112,959	Miscellaneous Expenditure	Nil
Accumulated Loss	Nil	Deferred tax asset	910,247

Balance Sheet Abstract and Company's General Business Profile (Contd.)

IV. Performance of the Company (Amount in Rs. thousands)

Turnover (including other income)	84,095,860	Total Expenditure	76,423,960
+/- Profit/Loss before Tax	+ 8,917,686	+/- Profit/Loss after Tax	+ 5,933,266

(Please Tick appropriate box + for Profit, - for Loss)

Earning per share in Rs.	17.60	Dividend Rate %	150%
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V. Generic Names of Three Principal Products/Services of the Company
(As per monetary terms)

Item No. (ITC Code)	854800
Product description	Electrical part of machinery or apparatus
Item No. (ITC Code)	903289
Product description	Electronic automatic regulators
Item No. (ITC Code)	902210
Product description	X-Ray apparatus

The Earnings per share disclosed above has been computed in accordance with the Accounting Standard - 20, Earning per Share, specified in the Companies (Accounting Standards) Rules 2006, issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS')

For and on behalf of Board of Directors

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

Mumbai
25 November 2008

Statement Regarding Subsidiary Companies Pursuant to Section 212 (1) and (3) of The Companies Act, 1956 :
(Currency: Indian rupees in thousands)

Name of the Subsidiary	The net Aggregate of profits (losses) of the subsidiary company for it's financial year so far as they concern the members of Siemens Ltd.		The net Aggregate of profits (losses) of the subsidiary company for it's financial year so far as they concern the members of Siemens Ltd.	
	a) Dealt within the account of Siemens Limited for the year ended	b) Not dealt within the account of Siemens Limited for the year ended	a) Dealt within the account of Siemens Limited for the year ended	b) Not dealt within the account of Siemens Limited for the year ended
	30.09.2008		30.09.2007	
Siemens Information Systems Ltd. [6,815,000 (2007: 6,815,000) Equity shares of Rs 10 each, fully paid-up i.e.100% holding (2007: 100% holding)]	-	338,997	354,380	1,166,265
Siemens Public Communication Networks Private Ltd. [Nil (2007: Nil) equity shares of Rs 100 each fully paid-up, i.e. Nil (2007 : Nil) of the paid up equity capital]	-	-	-	113,059
Siemens Information Processing Services Private Ltd. [2,123,800 (2007: 2,123,800) Equity shares of Rs 10 each, fully paid-up i.e. 51% holding (2007: 51% holding)]	-	117,250	31,857	56,481
Siemens Industrial Turbomachinery Services Private Ltd. [Nil (2007:91,000) Equity shares of Rs 100 each, fully paid-up i.e. Nil (2007: 100% holding)] (up to 31 March 2008)	-	21,049	1,229	43,980
Siemens Rolling Stock Private Ltd. [25,000,000 (2007:Nil) Equity shares of Rs 10 each, fully paid-up, in i.e.100% holding (2007: Nil)] (incorporated on 4 July 2008) (100% share capital subscribed to on 4 July 2008)	-	(11,276)	-	-
Siemens Building Technologies Private Ltd. [2,962,027 (2007: 2,581,140) Equity shares of Rs 10 each, fully paid-up i.e. 79.32% holding (2007: 76.9% holding)] (Additional 2.42% acquired on 1 October 2007)	-	90,754	-	(5,397)

Siemens Group
Consolidated Financial Statements
for the year ended 30 September 2008
together with Auditors' Report

Disclosure pursuant to Central Government approval no. 47/551/2008-CL-III dated 5 December, 2008 under Section 212 (8) of the Companies Act, 1956

Particulars	Siemens Information Systems Ltd.		Siemens Nixdorf Information Systems Private Ltd.		Siemens Public Communication Network Private Ltd.		Siemens Industrial Turbomachinery Services Private Ltd.		Siemens Information Processing Services Private Ltd.	
	2008	2007	2008	2007	2008	Sold on 24 April 2007	Upto 31 March 2008	2007	2008	2007
Capital	68,150	68,150	161,210	161,210	-	-	-	9,100	41,643	41,643
Reserves	3,499,690	3,120,427	328,536	328,536	-	-	-	184,601	350,441	233,513
Loans	-	-	-	-	-	-	-	-	125	374
Total Assets	3,567,840	3,188,577	489,746	489,746	-	-	-	193,701	392,209	275,530
Total liabilities	3,567,840	3,188,577	489,746	489,746	-	-	-	193,701	392,209	275,530
Details of investments: 2,040,514 equity shares of Rs10 each fully paid-up in Siemens Information Processing services Pvt Ltd.	29,996	29,996	-	-	-	-	-	-	-	-
Investments in mutual funds	629,014	305,986	-	-	-	-	-	-	-	-
Turnover	9,942,678	10,236,422	-	-	-	4,669,232	268,843	508,817	1,071,703	1,010,424
Profit / (Loss) before Tax	732,674	1,598,815	(20)	(272)	-	234,059	34,073	69,842	132,498	179,964
Provision For Tax	409,656	290,698	-	-	-	131,000	15,401	28,000	22,761	10,311
Deferred Tax	(55,073)	(262,027)	-	-	-	(19,000)	(2,811)	(4,073)	(105)	(5,392)
MAT credit entitlement	-	-	-	-	-	-	-	-	(11,242)	-
Fringe Benefit Tax	39,094	49,500	-	-	-	9,000	434	706	3,834	1,833
Profit / (Loss) After Tax	338,997	1,520,644	(20)	(272)	-	113,059	21,049	45,209	117,250	173,212
Interim dividend	-	354,380	-	-	-	-	-	1,229	-	-
Dividend Distribution Tax	-	60,227	-	-	-	-	-	209	-	-

Disclosure pursuant to Central Government approval no. 47/551/2008-CL-III dated 5 December, 2008 under Section 212 (8) of the Companies Act, 1956 (Continued)

	Siemens Rolling Stock Private Ltd.		Siemens Building Technologies Private Ltd		Vista Security Technics Private Ltd		iMetrex Technologies Pte.Ltd (Singapore)		Avenues Hongkong Ltd (Hongkong)	
	From 4 July 2008	2007	2008	Acquired on 25 May 2007	2008	Acquired on 25 May 2007	2008	Acquired on 25 May 2007	2008	Acquired on 25 May 2007
Particulars	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Capital	250,000	-	37,341	33,532	669	699	325	268	299	256
Reserves	-	-	642,623	278,100	80,399	69,025	138,574	16,453	226,129	369,146
Loans	-	-	906,718	788,471	-	-	-	-	-	-
Total Assets	250,000	-	1,586,683	1,100,103	81,069	69,724	138,899	16,721	226,428	369,402
Total liabilities	250,000	-	1,586,683	1,100,103	81,069	69,724	138,899	16,721	226,428	369,402
Details of investments	-	-	437,081	434,957	-	-	-	-	-	-
Investments in mutual fund	-	-	-	-	-	-	-	-	-	-
Turnover	632	-	2,228,978	362,705	321,400	72,492	745,505	113,147	258,919	167,810
Profit before Tax	(11,154)	-	124,751	(9,092)	19,584	5,496	132,931	(1,654)	(75,596)	70,373
Provision For Tax	-	-	43,250	-	7,617	950	(25,339)	(13)	-	-
Deferred Tax	-	-	(19,435)	(3,527)	(867)	(294)	-	-	-	-
MAT credit entitlement	-	-	-	-	-	-	-	-	-	-
Fringe Benefit Tax	122	-	7,605	1,444	271	47	-	-	-	-
Profit After Tax	(11,276)	-	93,331	(7,009)	12,564	4,793	107,591	(1,641)	(75,596)	70,373
Interim dividend	-	-	-	-	-	-	-	-	106,000	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-

Disclosure pursuant to Central Government approval no. 47/551/2008-CL-III dated 5 December, 2008 under Section 212 (8) of the Companies Act, 1956 (Continued)

	iMetrex Technologies Ltd(Ireland)		Europlex Technologies U.K Ltd (UK)		Europlex Manufacturing Ltd (Ireland)		Europlex Research Ltd. (Ireland)		Europlex Technologies Ltd. (Ireland)	
	2008	Acquired on 25 May 2007	2008	Acquired on 25 May 2007	2008	Acquired on 25 May 2007	2008	Acquired on 25 May 2007	2008	Acquired on 25 May 2007
Particulars	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Capital	108,142	92,461	8	8	49,944	42,702	114	97	8	7
Reserves	337,448	208,524	(233,725)	(206,378)	(342,936)	(217,005)	(114)	4,724	(8)	(23,007)
Loans	-	-	-	-	-	-	-	-	-	-
Total Assets	445,590	300,985	(233,717)	(206,370)	(292,992)	(174,303)	-	4,821	-	(23,000)
Total liabilities	445,590	300,985	(233,717)	(206,370)	(292,992)	(174,303)	-	4,821	-	(23,000)
Details of investments	-	-	-	-	-	-	-	-	-	-
Turnover	-	69,229	95,873	27,549	152,816	43,612	-	-	87,805	35,568
Profit before Tax	87,826	(53,570)	(19,669)	(13,817)	(71,546)	(36,428)	(5,294)	-	25,252	(18,292)
Provision For Tax	-	-	(358)	-	(12,121)	-	-	-	-	-
Deferred Tax	-	-	-	-	-	-	-	-	-	-
Fringe Benefit Tax	-	-	-	-	-	-	-	-	-	-
Profit After Tax	87,826	(53,570)	(20,026)	(13,817)	(83,667)	(36,428)	(5,294)	-	25,252	(18,292)
Interim dividend	-	-	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-

The Currency & exchange rate used by the following companies

Company	Currency	Exchange Rate closing rate for balance sheet items	Exchange Rate average rate for revenue items
iMetrex Technologies Pte Ltd-Singapore	SGD	32.51	29.49
Avenues Hongkong Ltd.	HK\$	5.98	5.30
iMetrex Technologies Private Ltd.-Ireland	Euro	66.45	62.38
Europlex Technologies U.K Ltd.	GBP	84.08	80.76
Europlex manufacturing Ltd.	Euro	66.45	62.38
Europlex Research Ltd.	Euro	66.45	62.38
Europlex Technologies Ltd.	Euro	66.45	62.38

Auditors' Report

To the Board of Directors of Siemens Limited

We have examined the attached consolidated balance sheet of Siemens Limited ('the Company'), its subsidiaries and associate (collectively referred to as the 'Siemens Group'), as at 30 September 2008, the consolidated profit and loss account and the consolidated cash flow statement for the year then ended.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard ('AS') 21 'Consolidated Financial Statements' and AS 23 'Accounting for Investments in Associates in Consolidated Financial Statements' specified in the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the Company and its subsidiaries and associate as listed in

Schedule 1.2 of Significant Accounting Policies included in the consolidated financial statements.

On the basis of information and explanations given to us and on the consideration of the separate audit reports, on individual audited financial statements of the Company and its aforesaid subsidiaries and associate, we are of the opinion that:

- (a) the Consolidated balance sheet gives a true and fair view of the consolidated state of affairs of the Siemens Group as at 30 September 2008;
- (b) the Consolidated profit and loss account gives a true and fair view of the consolidated results of operations of the Siemens Group for the year then ended; and
- (c) the Consolidated cash flow statement gives a true and fair view of the consolidated cash flows of the Siemens Group for the year then ended.

For **B S R & Co.**
Chartered Accountants

Akeel Master
Partner
Membership No: 046768
Mumbai
25 November 2008

Consolidated Balance Sheet as at 30 September 2008 (Currency : Indian rupees thousands)

	<i>Schedule</i>	2008	2007
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	6	674,320	337,160
Reserves and surplus	7	<u>22,099,755</u>	<u>17,963,859</u>
		22,774,075	18,301,019
Minority interest			
Equity	8	7,721	7,721
Non-equity	9	<u>139,665</u>	<u>72,145</u>
		147,386	79,866
Loan funds			
Secured loans	10	101,751	301,757
Unsecured loans	11	<u>10,614</u>	<u>15,323</u>
		112,365	317,080
		<u>23,033,826</u>	<u>18,697,965</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross Block	12	15,551,439	14,106,023
Accumulated depreciation		<u>(7,603,701)</u>	<u>(6,557,867)</u>
Net Block		7,947,738	7,548,156
Capital work-in-progress		<u>1,068,470</u>	<u>1,102,707</u>
		9,016,208	8,650,863
Investments	13	2,450,339	1,940,977
Deferred tax asset, net	14	1,461,899	775,307
Current assets, loans and advances			
Inventories	15	8,107,169	7,898,273
Sundry debtors	16	37,563,888	24,060,439
Cash and bank balances	17	13,221,817	8,569,723
Loans and advances	18	<u>6,421,937</u>	<u>7,278,276</u>
		65,314,811	47,806,711
Current liabilities and provisions			
Current liabilities	19	<u>(47,280,529)</u>	<u>(34,971,509)</u>
Provisions	20	<u>(7,928,902)</u>	<u>(5,504,384)</u>
		(55,209,431)	(40,475,893)
Net current assets		<u>10,105,380</u>	<u>7,330,818</u>
		<u>23,033,826</u>	<u>18,697,965</u>

Significant accounting policies

1-5

Schedules to the consolidated financial statements

27 - 35

The schedules referred to above form an integral part of the consolidated balance sheet.

As per our report attached.

For B S R & Co.

Chartered Accountants

Akeel Master

Partner

Membership No: 046768

Mumbai

25 November 2008

For and on behalf of Board of Directors

Deepak S. Parekh

Dr. Armin Bruck

Patrick de Royer

Sunil Mathur

Yezdi H. Malegam

Ajai Jain

Chairman

Managing Director

Executive Director

Executive Director

Director & Chairman

of Audit Committee

Vice President (Legal) &

Company Secretary

Mumbai

25 November 2008

Consolidated Profit and Loss Account for the year ended 30 September 2008 (Currency: Indian rupees thousands)

	<i>Schedule</i>	2008	2007
INCOME			
Sales and services (gross)		99,486,310	96,542,025
Excise duty		(3,149,908)	(3,317,353)
Sales and services (net)		96,336,402	93,224,672
Commission income		461,809	561,386
		96,798,211	93,786,058
Interest income, net	21	602,182	542,188
Other operating income, net	22	497,781	388,680
Other income	23	99,052	95,675
		97,997,226	94,812,601
EXPENDITURE			
Cost of sales and services	24	69,884,894	66,214,498
Personnel costs	25	9,203,423	9,139,544
Depreciation/ amortisation	12	1,616,860	1,403,424
Other costs, net	26	9,104,747	8,983,987
		89,809,924	85,741,453
Profit before tax before exceptional income		8,187,302	9,071,148
Exceptional income:			
- Profit on sale of Information & Communication division	5	-	524,196
- Profit on sale of Automotive division	5	1,235,151	-
- Profit on sale of subsidiary	5	-	274,072
Profit before tax		9,422,453	9,869,416
Consists of:			
- Discontinued operations	5	8,232	463,003
- Continuing operations		9,414,221	9,406,413
		9,422,453	9,869,416
Provision for tax			
Current tax		(4,029,668)	(3,122,883)
Fringe benefit tax		(171,654)	(175,530)
Minimum Alternate Tax credit entitlement		11,242	-
Deferred tax credit		707,328	290,987
Profit after tax		5,939,701	6,861,990
Share of profit in associate company		74,556	77,994
Minority interest		(18,768)	(11,449)
Net profit after tax		5,995,489	6,928,535
Consists of:			
- Discontinued operations	5	5,434	305,628
- Continuing operations		5,990,055	6,622,907
Net profit after tax		5,995,489	6,928,535
Balance in profit & loss account brought forward		2,092,152	1,198,217
Amount available for appropriation		8,087,641	8,126,752
Appropriations:			
Proposed dividend		1,011,481	809,184
Tax on Proposed dividend (includes tax on interim dividend)		569,871	206,718
Transfer to general reserve		4,577,244	5,018,697
Balance carried forward		1,929,045	2,092,152
		8,087,641	8,126,751
Earnings per share ('EPS')	34		
(Equity share of face value Rs 2 each)			
- Basic and diluted		17.78	20.55

Significant accounting policies
Schedules to the consolidated financial statements 1-5, 27 - 35
The schedules referred to above form an integral part of the consolidated profit & loss account.
As per our report attached.

For B S R & Co.
Chartered Accountants

Akeel Master
Partner
Membership No: 046768

Mumbai
25 November 2008

For and on behalf of Board of Directors

Deepak S. Parekh
Dr. Armin Bruck
Patrick de Royer
Sunil Mathur
Yezdi H. Malegam
Ajai Jain
Chairman
Managing Director
Executive Director
Executive Director
Director & Chairman
of Audit Committee
Vice President (Legal) &
Company Secretary

Mumbai
25 November 2008

Consolidated Cash Flow Statement for the year ended 30 September 2008 (Currency: Indian rupees thousands)

	Schedule	2008	2007
<u>Cash flow from operating activities</u>			
Profit before tax		9,422,453	9,869,416
Adjustments for:			
Interest expense	21	45,548	45,396
Depreciation and amortisation	12	1,616,860	1,298,720
Profit on sale of fixed assets, net	22	(260,461)	(137,939)
Profit on disposal of subsidiary		-	(274,072)
Profit on sale of Information and Communication division		-	(524,196)
Profit on sale of Automotive division		(1,235,151)	-
Bad debts	26	57,964	28,596
Provision for doubtful debts/ advances, net	26	408,001	138,832
Unrealised exchange gain, net		(454,670)	(1,143,291)
Interest income	21	(647,730)	(587,584)
Dividend income	23	(99,052)	(95,675)
Operating profit before working capital changes		8,853,762	8,618,203
Increase in inventories	15	(337,194)	(2,693,791)
Increase in sundry debtors and other receivables	16,18	(11,771,198)	(12,398,672)
Increase in sundry creditors and other current liabilities	19	11,423,528	7,548,510
Increase in provisions	20	1,842,823	1,778,481
Net change in working capital		1,157,959	(5,765,472)
Cash generated from operations		10,011,721	2,852,731
Direct taxes paid, net		(4,714,746)	(3,304,598)
Net cash inflow from operating activities		5,296,975	(451,867)
<i>of which discontinued operations</i>	5	(104,951)	(376,789)
<u>Cash flow from investing activities</u>			
Purchase of fixed assets	12	(2,368,730)	(2,375,333)
Proceeds from sale of fixed assets	12	417,758	195,448
Purchase of stake in subsidiary companies (total consideration is in cash or cash equivalent)		-	(1,899,531)
Purchase of investments	13		
- In mutual funds		(1,499,053)	(2,555,817)
Sale of stake in subsidiary company (total consideration is in cash or cash equivalent)		-	1,898,775
Sale of investments	13		
- In mutual funds		958,699	2,654,981
- In government securities			70,000
Dividend income received from mutual funds	23	99,052	95,675
Interest received	21	652,547	588,849
Inter corporate deposits given	18	(125,000)	(525,000)
Sale of Information and Communication division (total consideration is in cash or cash equivalent)		-	609,171
Sale of Automotive division (total consideration is in cash or cash equivalent)		1,700,000	-
Net cash used in investing activities		(164,727)	(1,242,782)
<i>of which discontinued operations</i>	5	(42,358)	(376,789)

	Schedule	2008	2007
<u>Cash flow from financing activities</u>			
Interest paid	21	(45,548)	(45,396)
Decrease in short term borrowings	10	(200,006)	(90,581)
Dividend paid (including tax thereon)		(945,555)	(810,659)
Decrease in minority interest		-	33,500
Decrease in long term borrowings	11	(4,709)	(4,709)
Net cash used in financing activities		(1,195,818)	(917,845)
<i>of which discontinued operations</i>	5	-	(27,675)
Net increase in cash and cash equivalents		3,936,430	(2,612,494)
Cash and cash equivalents at beginning of the year		8,569,723	11,617,718
Cash and cash equivalents acquired on amalgamation		-	76,780
Cash and cash equivalents on sale of subsidiary		-	(236,602)
Cash and cash equivalents (Automotive division)		76,492	-
Effect of exchange gain/(loss) on cash and cash equivalents		639,172	(275,679)
Cash and cash equivalents at the end of the year	17	13,221,817	8,569,723

Note: Cash and cash equivalents at the end of the period include current account balances with banks of Rs 11,007 (2007: Rs 9,857) which are restricted in use.

For B S R & Co.

Chartered Accountants

Akeel Master

Partner

Membership No: 046768

Mumbai

25 November 2008

For and on behalf of Board of Directors

Deepak S. Parekh

Chairman

Dr. Armin Bruck

Managing Director

Patrick de Royer

Executive Director

Sunil Mathur

Executive Director

Yezdi H. Malegam

Director & Chairman

Ajai Jain

of Audit Committee

Vice President (Legal) &

Company Secretary

Mumbai

25 November 2008

Schedules to Consolidated Financial Statements for the year ended 30 September 2008 (Currency: Indian rupees thousands)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the accounting standards specified in the Companies (Accounting Standards) Rules 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of Companies Act, 1956 ('the Act') to the extent applicable.

The accounts of all subsidiaries and associate have been prepared in compliance with the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government.

1.2 Principles of consolidation

The consolidated financial statements include the financial statements of Siemens Limited ('the Company') or ('the parent company'), its subsidiaries and associate. The Company, its subsidiaries and associate constitute the Siemens Group.

The list of subsidiaries, step-down subsidiaries and associate are set out below:

Entity	Country of incorporation	% holding 2008	% holding 2007
Subsidiaries			
Siemens Information Systems Ltd ('SISL')	India	100%	100%
Siemens Information Processing Systems Private Ltd. ('SIPS') (the balance 49% is held by SISL)	India	51%	51%
Siemens Industrial Turbomachinery Services Private Ltd. ('SITS') (upto 31 March 2008) (Refer Schedule 3)	India	100%	100%
Siemens Building Technologies Private Ltd. ('SBTPL') (Refer Schedule 4)	India	79.32%	76.97%
Siemens Rolling Stock Private Ltd. (incorporated on 4 July 2008)	India	100%	-
Step-down subsidiaries			
Siemens Nixdorf Information Systems Private Ltd. ('SNISL') (100% share capital held by SISL)	India	100%	100%
Vista Security Technics Private Ltd. ('VSTPL') (100% share capital held by SBTPL)	India	100%	100%
iMetrex Technologies Pte Limited ('iTPL') (100% share capital held by SBTPL)	Singapore	100%	100%
Avenues (Hong Kong) Limited ('AHKL') (100% share capital held by SBTPL)	Hong Kong	100%	100%
iMetrex Technologies Limited ('iTL') (99.76% share capital held by SBTPL)	Ireland	99.76%	99.76%
Step-down subsidiaries (continued)			
Europlex Technologies Ltd. (100% share capital held by iTL)	Ireland	100%	100%
Europlex Manufacturing Ltd. (100% share capital held by iTL)	Ireland	100%	100%
Europlex Research Ltd. (100% share capital held by iTL)	Ireland	100%	100%
Europlex Technologies UK Ltd. (100% share capital held by iTL)	UK	100%	100%
Associate			
Flender Ltd.	India	50%	50%

1.2 Principles of consolidation (Continued)

Subsidiaries

The excess/deficit of cost to the parent company of its investment in the subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investment in such subsidiaries was made is recognised in the financial statements as goodwill/capital reserve. The parent company's portion of equity in such subsidiaries is determined on the basis of book values of assets and liabilities as per the financial statements of the subsidiaries 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 amortised over a period of 5 years from date of acquisition/investment.

The financial statements of the parent company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions are also eliminated except to the extent that recoverable value of related assets is lower than their cost to the group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.

Minority interest's share of net profit is adjusted against the income to arrive at the net income attributable to shareholders. 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 circumstances except where it is not practicable to do so.

Investment in Associates

Investments in entities in which the parent company has significant influence but not a controlling interest, are reported according to the equity method i.e. the investment is initially recorded at cost, identifying any goodwill / capital reserve arising at the time of acquisition. Goodwill is amortised over a period of 5 years from date of acquisition/investment. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee. The consolidated profit and loss account includes the investor's share of the results of the operations of the investee.

1.3 Use of estimates

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

1.4 Fixed assets and depreciation

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

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

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

Schedules to Consolidated Financial Statements (*Continued*) for the year ended 30 September 2008 (Currency: Indian rupees thousands)

1.5 *Fixed assets and depreciation (Continued)*

Asset	Rate
Land	
- Freehold land	-
- Lease hold	Over the lease period
Buildings	
- Factory buildings	3.34%
- Other buildings	2% - 5%
Plant and machinery	
- Assets at project sites	Over the life of the project
- Special machine tools	10%
- Other plant and machinery	10% - 25%
Furniture, fittings and office equipment	20% - 33 1/3%
Vehicles	25%

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

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

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and estimated net realizable value and are disclosed separately in the financial statements. Any expected loss is recognised in the profit and loss account through an accelerated depreciation charge.

Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date and advances paid to acquire capital assets before the balance sheet date.

1.6 *Intangible assets*

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

Asset	Useful life
Goodwill	60 months
Technical know-how	60 – 84 months

1.7 *Impairment of assets*

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

1.8 *Investments*

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

1.9 Inventories

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

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

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Excise duty is included in the value of finished goods inventory.

Custom duty on goods where title has passed to the Company is included in the value of inventory.

Stores and spares are charged to the profit and loss account in the year of purchase.

The net reliable value of work-in-progress is determined with reference to the selling price of related finished goods. Raw materials held for 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 finished products will exceed their net realisable value.

1.10 Revenue recognition

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

Income from fixed price construction contracts is recognised by reference to the estimated overall profitability of the contract under the percentage of completion method. Percentage of completion is determined as a proportion of the costs incurred upto the reporting date to the total estimated contract costs. Revenue from fixed price software contracts is recognised using the percentage of completion method of accounting, under which the sales value of performance, including earnings thereon is determined by relating the actual man hours of work performed to date to the estimated total man hours for each contract. Provision for expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

Revenues under cost plus contracts are recognised, as services are rendered on the basis of an agreed mark-up on costs incurred in accordance with arrangement entered.

Revenue recognition is postponed in circumstances when significant uncertainty with respect to collectibility exists.

Project related work in progress represent costs incurred and revenue recognised on contracts to be billed in subsequent periods as per the terms of the contract.

Unbilled revenue represents costs incurred and revenues recognised on contracts, to be billed in subsequent periods as per the terms of the contract.

Billings in excess of revenue earned represent amounts billed to the customers in excess of revenues earned and are recognised in the periods in which they accrue.

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

Maintenance revenue is considered on acceptance of the contract and is accrued over the period of the contract.

Revenue from training is recognised as the related service is performed.

Commission income is recognised when proof of shipment is received from the supplier and as per contracts/receipt of credit notes. In case of transactions with group companies, commission income is recognised on receipt of intimation from group companies regarding due completion of services. Commission from sale of software license is recognised when the right to use the license is conferred.

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

Interest income is recognised on the time proportion basis.

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

Schedules to Consolidated Financial Statements (*Continued*) for the year ended 30 September 2008 (Currency: Indian rupees thousands)

1.11 Leases

Lease payments under an operating lease, are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

Leases under which the Group assumes subsequently all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

1.12 Employee benefits

(a) Short term employee benefits

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

(b) Post-employment benefits

(i) **Defined Contribution Plans:** The Company's approved superannuation scheme, employee state insurance scheme and labour welfare fund are defined contribution plans. The Company's contribution paid/payable under the schemes is recognised as expense in the profit and loss account during the period in which the employee renders the related service.

(ii) **Defined Benefit Plans:** The Company's provident fund, gratuity, leave wages, pension, silver jubilee and medical benefits schemes are defined benefit plans. The present value of the obligation under such defined benefit plans is 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.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the profit & loss account.

1.13 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 profit and loss account 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 profit and loss account.

Derivative instruments

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

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

1.14 Taxation

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

Provision for fringe benefit tax (FBT) has been recognized on the basis of harmonious contextual interpretation of the provisions of Income Tax Act, 1961.

1.15 Earnings per share

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

1.16 Provision for contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes it has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Contingent assets are not recognized in the financial statements.

2 Issue of bonus shares

Pursuant to the approval of shareholders, the committee of directors for allotment of bonus shares, at their meeting on 12 March 2008 issued bonus shares aggregating Rs 337,160 by capitalization of securities premium. Consequent to the allotment of the bonus shares, the paid up share capital of the Company has increased from 168,580,100 equity shares of Rs 2 each fully paid up to 337,160,200 shares of Rs 2 each fully paid up.

3 Amalgamation of Siemens Industrial Turbomachinery Services Private Limited ('SITS')

Pursuant to the scheme of amalgamation of the erstwhile SITS (a 100% subsidiary of the Company) with the Company as approved in the Board Meeting held on 22 November 2007 and subsequently sanctioned by the Honorable High Court of Karnataka on 26 September 2008, the assets and liabilities of the erstwhile SITS, were transferred to and vested in the Company with effect from 1 April 2008.

The amalgamation has been accounted for under the "pooling of interests" method as prescribed by AS - 14 Accounting for Amalgamation. Accordingly, the assets, liabilities and other reserves of the erstwhile SITS as at 1 April 2008 have been taken over at their book values in the standalone financial statements.

4 Transfer of SBT division

The Board of Directors of the Company at its meeting held on 23 April 2007 approved a detailed formal plan for the discontinuance of its business activities pertaining to "Building Technologies" ("SBT") segment of the Company.

During the previous year, the shareholders pursuant to the provisions of section 293(1)(a) and section 192A of the Act approved the sale and transfer of SBT segment to 'Siemens Building Technologies Private Limited' ('SBTPL') a subsidiary

Schedules to Consolidated Financial Statements (*Continued*) for the year ended 30 September 2008 (Currency: Indian rupees thousands)

of the Company. Accordingly, the management entered into a business transfer agreement with SBTPL to transfer the business of SBT segment on a slump sale basis as a going concern for a total consideration of Rs 275,000 with effect from 1 October 2007.

As per the business transfer agreement, the Company has received 380,887 shares of SBTPL as consideration for sale of the SBT segment, resulting in an increase in stake in SBTPL to 79.32%.

5 Discontinued operations

(a) Automotive

The Board of Directors of the Company at its meeting held on 23 April 2007 approved a detailed formal plan for the discontinuance of its business activities pertaining to "Automotive" ('SVDO') segment of the Company.

During the previous year, the shareholders pursuant to the provisions of section 293(1)(a) and section 192A of the Act approved the sale and transfer of SVDO segment to "Continental Automotive Components (India) Private Limited" (formerly Siemens VDO Automotive Components Private Limited) ('CACPL'). Accordingly, the management entered into a business transfer agreement with CACPL to transfer the business of SVDO segment on a slump sale basis as a going concern for a total consideration of Rs 1,700 million with effect from 1 December 2007. The Company recognised a pre-tax profit of Rs 1,235 million on account of sale of the SVDO segment. The income tax expense on the profit on sale of SVDO segment business is Rs 262 million.

The assets, liabilities transferred to CACPL as at 1 December 2007 and revenue and expenses for the period ended up to 30 November 2007 recorded in the profit and loss account contains the following amounts relating to discontinued operations of 'SVDO':

	For the period ended 30 November 2007	For the year ended 30 September 2007
Revenue	231,596	1,203,435
Expenditure	(223,364)	(1,136,979)
Profit before tax	8,232	66,456
Profit after tax	5,434	43,867
	As at 1 December 2007	As at 30 September 2007
Total assets	759,561	755,130
Total liabilities	(294,712)	(244,097)

(b) Information and communications

The Board of Directors of the Company at its meeting held on 23 November 2006, approved a detailed formal plan for the discontinuance of its business activities pertaining to 'Information and Communication' segment of the group.

During the previous year, the shareholders pursuant to the provisions of section 293(1)(a) and section 192A of the Act approved the sale and transfer of EN division to 'Siemens Enterprise Communications Private Limited' ('SECPL'). Accordingly, the management entered into a business transfer agreement with SECPL to transfer the business of EN division on a slump sale basis as a going concern for a total consideration of Rs 609 million with effect from 1 August 2007. The Company recognised a pre-tax profit of Rs 524 million on account of sale of the EN business. The income tax expense on the profit on sale of EN business is Rs 117 million.

The assets, liabilities transferred to SECPL as at 1 August 2007 and revenue and expenses for the period ended up to 31 July 2007 recorded in the profit and loss account for the year ended 30 September 2007 contains the following amounts relating to discontinued operations of 'EN':

	For the period ended 31 July 2007
Revenue	1,388,836
Expenditure	(1,283,167)
Profit before tax	105,695
Profit after tax	69,770
	As at 1 August 2007
Total assets	450,859
Total liabilities	(365,884)

Further on 27 April 2007, the Group sold its 100% equity stake comprising of 12,425,000 Equity Shares of Rs 10 each in Siemens Public Communication Networks Private Limited ('SPCNL'), to Nokia Siemens Networks Pvt. Ltd. for a consideration of Rs 1,898 million. The Group recognised a pre-tax profit of Rs 274 million on account of sale of shares in SPCNL. The income tax expense on the profit on sale of shares is Rs 18 million.

The assets, liabilities and revenue and expenses for the period ended up to 27 April 2007 recorded in the profit and loss account contains the following amounts relating to discontinued operations of SPCNL:

	For the period ended 27 April 2007
Revenue	4,738,140
Expenditure	(4,447,288)
Profit before tax	290,852
Profit after tax	191,991
	As at 27 April 2007
Total assets	4,281,852
Total liabilities	(3,162,245)

Profit after tax attributable to discontinued operation of the Company has been calculated using the statutory tax rates for the respective years.

	2008	2007
6 Share capital		
Authorised		
1,000,000,000 Equity Shares of Rs 2 each (2007: 250,000,000 Equity shares of Rs 2 each)	2,000,000	500,000
Nil (2007: 150,000,000) Preference shares of Rs 10 each	-	1,500,000
	<u>2,000,000</u>	<u>2,000,000</u>
Issued		
338,024,465 Equity Shares of Rs 2 each (2007: 169,444,365 Equity shares of Rs 2 each)	<u>676,049</u>	<u>338,889</u>
Subscribed and paid-up		
337,160,200 Equity Shares of Rs 2 each fully paid-up (2007: 168,580,100 Equity shares of Rs 2 each fully paid-up)	<u>674,320</u>	<u>337,160</u>
	<u>674,320</u>	<u>337,160</u>

Schedules to Consolidated Financial Statements (*Continued*) for the year ended 30 September 2008 (Currency: Indian rupees thousands)

Of the above:

- 186,041,090 (2007: 93,020,545) Equity shares of Rs 2 each fully paid-up are held by the Holding company, Siemens AG, Germany;
- 55,500,000 (2007: 55,500,000) Equity Shares of Rs 2 each fully paid up were allotted as fully paid up bonus shares by capitalisation of Gernal Reserve;
- 168,580,100 (2007: Nil) Equity Shares of Rs 2 each fully paid up were allotted as fully paid up bonus shares by capitalisation of Securities Premium account;
- 3,638,085 (2007: 3,638,085) Equity shares of Rs 2 each were allotted as fully paid-up for consideration received other than in cash.

	2008	2007
7 Reserves and surplus		
Capital reserve	688	688
Capital redemption reserve	9	9
Amalgamation Reserve	55,635	55,635
Securities premium account		
- Balance brought forward	1,857,655	1,857,655
- Issue of bonus shares (Refer Schedule 2)	(337,160)	-
	1,520,495	1,857,655
Capital reserve on consolidation	16,862	16,862
- Adjustment on amalgamation of erstwhile SITS, (Refer Schedule 3)	(16,862)	-
	-	16,862
Foreign currency translation reserve *	(4,398)	(40,759)
Revaluation reserve		
- Balance brought forward	14,882	15,728
- Additional depreciation on building due to revaluation transferred from profit and loss account	(846)	(846)
	14,036	14,882
General reserve		
- Balance brought forward	13,966,735	8,927,948
- Transfer from profit and loss account	4,577,244	5,018,697
- Addition on account of employee benefits (Refer Schedule 33)	40,266	20,090
	18,584,245	13,966,735
Profit and loss account	1,929,045	2,092,152
	22,099,755	17,963,859

* Foreign Currency translation reserve arising from consolidation of non-integral subsidiaries.

8 Minority interest in equity

Siemens Building Technologies Private Ltd.

772,052 (2007: 772,052) equity shares held by minority interest
(20.68% holding; 2007: 23.03% holding)

7,721	7,721
7,721	7,721

Siemens Industrial Turbomachinery Services Private Ltd.

Nil (2007: Nil) equity shares held by minority interest (Nil ; 2007: Nil)
Adjustment on purchase of additional stake

-	2,366
-	(2,366)
-	-
7,721	7,721

	2008	2007
9 Minority interest in Non-equity		
Siemens Building Technologies Private Ltd.		
Balance brought forward	72,145	72,226
Increase during the year on account of sale of SBT business segment (Refer Schedule 4)	48,752	-
Share of profit/(loss) for the year	18,768	(81)
	<u>139,665</u>	<u>72,145</u>
Siemens Industrial Turbomachinery Services Private Ltd.		
Balance brought forward	-	37,838
Adjustment on purchase of additional stake	-	(49,368)
Share of profit for the year	-	11,530
	<u>-</u>	<u>-</u>
	<u>139,665</u>	<u>72,145</u>
10 Secured loans		
From Banks		
- Term loans	37,196	51,130
- Cash credit and working capital loan	63,498	249,950
Finance lease obligation	1,057	677
	<u>101,751</u>	<u>301,757</u>
Notes:		
- Term loans, cash credit, working capital loans from banks are secured by:		
(a) hypothecation of all stock, raw materials, stock in process and finished goods and other consumables and receivables on pari passu basis.		
(b) equitable mortgage of immovable property at Numbal, Chennai and pari passu charge on the fixed assets of the Company.		
(c) Finance lease obligations are secured by hypothecation of vehicles taken on lease.		
- Amounts payable within one year	32,147	19,928
11 Unsecured loans		
Interest free loans under		
- sales tax deferral scheme	10,614	15,323
	<u>10,614</u>	<u>15,323</u>
The loan under the sales tax deferral scheme is payable till 2011		
- Amounts payable within one year	4,709	4,709

Schedules to Consolidated Financial Statements (*Continued*) for the year ended 30 September 2008 (Currency: Indian rupees thousands)

12 Fixed assets

	Intangible assets		Land	Buildings	Tangible assets			Vehicles	Vehicles taken on lease	Total	Previous year
	Goodwill	Technical Knowhow			Plant and Machinery	Furniture, Fittings & Office Equipment					
Gross block											
At 1 October 2007	2,615,096	150,575	502,162	2,876,583	5,381,627	2,446,375	131,514	2,091	14,106,023	11,275,913	
Additions on purchase of SBTPL	-	-	-	-	-	-	-	-	-	629,014	
Additions (others)	1,973	29,223	329,502	639,906	831,374	529,148	2,524	-	2,363,650	4,607,903	
Deductions/ adjustments (Refer note 5)	(44,321)	(32,059)	(211,432)	(51,614)	(342,573)	(218,740)	(17,495)	-	(918,234)	(2,406,807)	
At 30 September 2008	2,572,748	147,739	620,232	3,464,875	5,870,428	2,756,783	116,543	2,091	15,551,439	14,106,023	
Accumulated depreciation											
At 1 October 2007	725,999	76,679	35,466	590,739	3,295,966	1,727,786	103,973	1,259	6,557,867	6,341,638	
Additions on purchase of SBTPL	-	-	-	-	-	-	-	-	-	404,242	
Charge for the year	514,730	22,982	2,649	89,491	389,672	489,639	19,450	405	1,529,018	1,298,720	
Deductions/ adjustments (Refer note 5)	(44,321)	(24,525)	-	(31,676)	(194,258)	(172,678)	(15,726)	-	(483,184)	(1,486,733)	
At 30 September 2008	1,196,408	75,136	38,115	648,554	3,491,380	2,044,747	107,697	1,664	7,603,701	6,557,867	
Net block											
At 30 September 2008	1,376,340	72,603	582,117	2,816,321	2,379,048	712,036	8,846	427	7,947,738	7,548,156	
At 30 September 2007	1,889,097	73,896	466,696	2,285,844	2,085,661	718,589	27,541	832	7,548,156		

Notes:-

- Included in the gross block of land at 30 September 2008 is freehold land of Rs 23,496 (2007: Rs 228,052) and buildings include Rs 424,909 (2007: Rs 169,331) representing 595 shares of Rs 50 each, 20 shares of Rs 100 each and 10 shares of Rs 2250 each (2007: 806 shares of Rs 50 each and 15 shares of Rs 100 each) in various co-operative housing societies.
- Land with a value of Rs 2,136 (2007: Rs 2,136) and Buildings with a value of Rs Nil (2007: Rs 13,860) are held for sale at 30 September 2008.
- Depreciation provided has been disclosed as under:

	2008	2007
Charge for the year	1,529,018	1,298,720
Goodwill on investment in associate amortised (refer Schedule 13)	105,550	105,550
Adjustment of capital reserve on consolidation with goodwill	(16,862)	-
Transfer from Revaluation reserve	(846)	(846)
As per profit and loss account	1,616,860	1,403,424

- Plant and machinery includes equipment given on lease - gross block Rs 3000 (2007: Rs 3,000) net block Nil (2007 : Nil).
- Deductions/adjustments to fixed asset includes transfer of assets on account of discontinued operations.(Refer Schedule 5)
- Above additions to gross block and deletions in accumulated depreciation include exchange fluctuation adjustments amounting to Rs 57,867 (2007 : Rs 24,046) and Rs 54,416 (2007 : Rs 18,361) respectively.

Schedules to the consolidated financial statements (Continued)
as at 30 September 2008
(Currency : Indian rupees thousands)

	2008	2007
13 Investments		
Non-Trade, long term (unquoted)		
In government securities		
National Savings Certificates	5	5
Shares in associate company		
2,160,000 (2007: 2,160,000) Equity Shares of Rs 10 each fully paid-up in Flender Ltd. (50% holding; 2007: 50% holding)	149,837	149,837
Cumulative goodwill on purchase of shares in associate	527,743	527,743
	<u>677,580</u>	<u>677,580</u>
Cumulative amortisation of goodwill	(255,077)	(149,528)
	<u>422,503</u>	<u>528,052</u>
Cumulative share of profit in associate company	192,968	118,412
	<u>615,471</u>	<u>646,464</u>
Current Investments, at lower of cost or fair value		
Shares in other companies		
(Quoted)		
10,485 (2007: 10,485) Equity Shares of Re 1 each fully paid up in PRICOL Limited	8	8
10,000 (2007:10,000) Equity Shares of Rs 10 each fully paid up in Scooters India Limited	100	100
	<u>108</u>	<u>108</u>
(Unquoted)		
1 (2007:1) equity share of Rs 10 each fully paid up in International Shock Absorbers Limited	0.01	0.01
Current Investments, at lower of cost or fair value		
In Mutual Funds (unquoted)		
55,024,962 (2007: 27,090,563) Birla Cash Plus - Institutional Premium- Daily Dividend Reinvestment	551,323	271,434
52,078,676 (2007: 20,395,727) Sundaram BNP Paribas Money Fund - Super Institutional - Daily Dividend Reinvestment	525,750	205,901
Nil (2007: 40,913,137) units of Prudential Liquid Super Institutional Premium - Daily Dividend	-	409,152
Nil (2007: 407,826) units of Standard Chartered Liquidity Manager - Plus - Daily Dividend	-	407,913
30,885,544 (2007: Nil) units of ING Liquid Fund Super Institutional - Daily Dividend Option	309,004	-
36,597,419 (2007:Nil) units of HDFC Liquid Fund Premium Plan- Daily Dividend Reinvestment Option	448,677	-
	<u>1,834,754</u>	<u>1,294,400</u>
	<u>2,450,339</u>	<u>1,940,977</u>
- Aggregate book value of unquoted investment	<u>2,450,231</u>	<u>1,940,869</u>
- Aggregate book value of quoted investments	108	108
- Aggregate market value of quoted investments	400	611

Schedules to the consolidated financial statements (Continued)
as at 30 September 2008
(Currency : Indian rupees thousands)

13 Investments (Continued)

The following investments were acquired and sold during the year:-

(A) Name of the mutual fund	Purchased during the year		Sold during the year	
	Quantity	Value	Quantity	Value
Birla Cash Plus -Institutional Premium- Daily Dividend Reinvestment	27,934,399	279,889	-	-
Sundaram BNP Paribas Money Fund Super Institutional Daily Dividend Reinvestment	42,260,046	426,628	10,577,097	106,779
Prudential Liquid Super Institutional Premium - Daily Dividend	1,514,696	15,148	42,427,833	424,300
Standard Chartered Liquidity Manager - Plus - Daily Dividend	19,703	19,707	427,529	427,620
ING Liquid Fund Super Institutional - Daily Dividend Option	30,885,544	309,004	-	-
HDFC Liquid Fund Premium Plan- Daily Dividend Reinvestment Option	36,597,419	448,677	-	-
	139,211,807	1,499,053	53,432,459	958,699

2008 2007

14 Deferred tax asset

Arising on account of timing differences in :

- Provision for doubtful debts and advances	888,259	370,022
- Other provisions (amounts allowable on a payment basis under the Income Tax Act, 1961)	883,992	642,283
	<u>1,772,251</u>	<u>1,012,305</u>

Deferred tax liability

Arising on account of timing differences in :

- Excess of depreciation allowable under income-tax law over depreciation provided in accounts	310,352	236,998
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Deferred tax asset (net)	<u>1,461,899</u>	<u>775,307</u>
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15 Inventories

Raw materials including spares	1,716,105	1,292,868
Work-in-progress		
- factory related	558,785	425,743
- project related	4,051,773	4,769,255
Finished goods	1,780,506	1,410,407
	<u>8,107,169</u>	<u>7,898,273</u>

16 Sundry debtors

Debts outstanding		
- Over six months	13,147,548	5,817,926
- Other debts	25,625,333	19,071,399
	<u>38,772,881</u>	<u>24,889,325</u>

Of which

- Considered good	37,563,888	24,060,439
- Considered doubtful	1,208,993	828,886

	<u>38,772,881</u>	<u>24,889,325</u>
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Provision for doubtful debts	(1,208,993)	(828,886)
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	<u>37,563,888</u>	<u>24,060,439</u>
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Sundry debtors are unsecured and include:

- Retentions on project related work-in-progress	16,710,244	9,253,239
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	2008	2007
17 Cash and bank balances		
Cash in hand	8,734	31,848
Cheques in hand	1,348,131	687,466
Balances with scheduled banks		
- on current account	2,292,348	1,407,951
- on deposit account	7,936,235	6,055,153
Balances with other banks	1,636,369	387,305
	<u>13,221,817</u>	<u>8,569,723</u>
18 Loans and advances		
(Unsecured, considered good unless stated)		
Advances recoverable in cash or in kind or for value to be received		
- considered good	3,935,011	5,535,131
- considered doubtful	176,398	162,721
	<u>4,111,409</u>	<u>5,697,852</u>
Provision for doubtful advances	(176,398)	(162,721)
	<u>3,935,011</u>	<u>5,535,131</u>
Unbilled receivable	150,270	319,949
Advance payments of income tax [(net of provision for tax Rs 11,754,982 (2007: Rs 7,751,349)]	851,077	337,653
Minimum Alternate Tax credit entitlement	11,242	-
Balances with customs, port trusts etc.	754,404	485,793
Inter corporate deposits	715,000	590,000
Interest accrued on inter corporate deposits	4,933	9,750
	<u>6,421,937</u>	<u>7,278,276</u>
19 Current liabilities		
Sundry creditors	41,229,969	26,339,260
Advances from customers (Refer note 1)	6,039,553	8,622,392
Unclaimed dividend (Refer note 2)	11,007	9,857
	<u>47,280,529</u>	<u>34,971,509</u>
Notes		
(1) Advance from customers includes Rs 4,915,719 (2007: Rs 7,790,594) for project related work.		
(2) Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date.		
20 Provisions		
Pension	160,326	166,549
Leave wages	359,568	216,787
Medical benefits	45,169	42,699
Silver jubilee	68,925	61,052
Gratuity	82,020	109,776
Personnel related	836,412	669,631
Warranty	1,252,374	763,388
Loss order	1,099,514	148,570
Liquidated damages	1,574,211	1,865,550
Contingencies	869,031	513,677
Proposed dividend	1,011,481	809,184
Tax on proposed dividend	569,871	137,521
	<u>7,928,902</u>	<u>5,504,384</u>
21 Interest income, net		
Interest income	647,730	587,584
Interest expense	(45,548)	(45,396)
	<u>602,182</u>	<u>542,188</u>

Schedules to the consolidated financial statements (Continued)
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	2008	2007
22 Other operating income, net		
Export incentives	60,174	78,484
Profit on sale of fixed assets, net	260,461	137,939
Recoveries from associates and third parties	112,812	114,482
Miscellaneous income	64,334	57,775
	<u>497,781</u>	<u>388,680</u>
23 Other income		
Dividend on mutual fund investment	99,052	95,675
	<u>99,052</u>	<u>95,675</u>
24 Cost of sales and services		
Raw materials consumed	16,724,813	13,913,080
Traded goods purchased	13,810,998	11,920,802
Spares and stores consumed	1,126,368	648,843
Project bought outs	35,597,320	40,263,456
Change in inventories	(219,086)	(2,712,519)
Other costs	2,844,481	2,180,836
	<u>69,884,894</u>	<u>66,214,498</u>
25 Personnel costs		
Salaries, wages and bonus, net	8,306,805	8,172,817
Contribution to provident and other funds	575,366	510,983
Staff welfare	321,252	455,744
	<u>9,203,423</u>	<u>9,139,544</u>
26 Other costs, net		
Exchange gains, net	(1,593,205)	(1,565,761)
Travel and conveyance	2,043,063	2,711,102
Legal and professional	1,046,735	1,166,598
External software services and data processing	925,010	775,216
Communications	749,669	569,900
Rent	654,201	542,426
Project related other costs	627,409	577,451
Project related hardware cost	469,243	276,110
Repairs to		
- on building	229,969	230,572
- on machinery	66,167	59,081
- others	162,281	150,842
Provision for doubtful debts and advances, net	408,001	138,832
Rates and taxes	391,292	364,019
Power and fuel	384,260	392,779
Packing and forwarding	384,060	244,020
Project related software cost	317,425	550,937
Insurance	271,419	179,985
Office supplies, printing and stationery	167,253	160,394
Advertising and publicity	161,378	239,647
Research and development expenditure	90,731	45,984
Bank guarantee commission/ bank charges	86,424	70,535
Bad debts	57,964	28,596
Lease rentals	40,616	47,385
Donation	2,867	1,136
Commission to directors	14,000	22,992
Directors' fees	1,440	1,020
Miscellaneous expenses	945,075	1,002,189
	<u>9,104,747</u>	<u>8,983,987</u>

	2008	2007
27 Commitments and contingent liabilities		
a Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	959,762	761,635
Future lease commitments in respect of operating leases		
- within one year	198,715	235,231
- later than one year and not later than five years	146,577	344,047
Future lease commitments in respect of Finance leases		
- Within one year	545	552
- Minimum lease payments	443	519
- Present value of Minimum lease payments	102	33
- Later than one year and not later than five years	515	160
- Minimum lease payments	479	151
- Present value of Minimum lease payments	36	9
b Contingent liabilities		
Bills discounted	35,609	72,133
Taxation matters (excluding interest)		
- In respect of certain completed assessments where matters are under appeal by the Company	302,789	340,039
- In respect of appeals decided in favour of the Company, but disputed further by income tax authorities	-	106,166
Excise/sales tax liabilities (net of tax), under dispute	442,524	249,803
Corporate and other guarantees	62,405	14,091
Custom duty demands under dispute	120,000	120,000

In the earlier years, a subsidiary had received an order under section 92CA of the Income-tax Act, 1961, for the assessment year 2004-2005, in which an adjustment of Rs 25,312 has been made by the transfer-pricing officer (TPO). This adjustment has resulted in a demand of Rs 6,982 (including interest). The Company has disputed the demand and preferred an appeal before the Commissioner of Income Tax – Appeals ('CIT – Appeals') Bangalore. The Company has deposited tax demanded, under protest. The case is under hearing before CIT- Appeals and a decision is awaited. Based on expert advice obtained, the Management believes that the ultimate outcome of the above matter will be in the favour of the Company

28 Supplementary statutory information

(i) Managerial remuneration

Personnel and other costs include managerial remuneration for Directors as set out below:

Salaries	29,814	18,311
Perquisites	62,680	13,996
Commission	-	22,992
Performance linked incentive	64,896	37,300
Entitlement to stock appreciation rights	40,745	-
Contribution to provident fund	1,483	1,097
Contribution to superannuation fund	1,854	1,217
	201,472	94,913

Certain whole time Directors are covered under the Company's gratuity scheme along with the other employees of the Company. The gratuity liability is determined for all employees by a independent actuarial valuation. The specific amount of gratuity for such whole time Directors cannot be ascertained separately and accordingly the same has not been included above.

Schedules to the consolidated financial statements (Continued)
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	2008	2007
28 Supplementary statutory information (Continued)		
(ii) Auditors' remuneration		
- Audit fee	16,957	9,126
- Tax audit fee	4,456	4,143
- Other services	4,077	6,219
- Reimbursement of expenses	799	1,089
	26,289	20,577

29 Related party names & nature of relationships

29.1 Parties where control exists

Siemens AG Holding company
(holds 55.18% of the Equity Share capital as at 30 September 2008)

29.2 Other related parties where transactions have taken place during the year

Fellow Subsidiaries

Siemens S.A.	Argentina
Siemens IT Solutions and Services S.A.	Argentina
Siemens Ltd.	Australia
Siemens Healthcare Diagnostics Limited	Australia
Siemens Building Technologies, Australia	Australia
Siemens Aktiengesellschaft Österreich	Austria
Siemens Transportation Systems GmbH & Co KG	Austria
ETM Professional Control GmbH	Austria
Siemens VAI Metals Technologies GmbH & Co	Austria
VA Tech Transmission & Distribution GmbH	Austria
Siemens Bangladesh Ltd.	Bangladesh
Siemens S.A./N.V.	Belgium
ADB S.A./N.V.	Belgium
Siemens IT Solutions and Services S.A.	Belgium
Siemens Ltda.	Brazil
Siemens Eletroeletronica Limitada	Brazil
Siemens Milltronics Process Instruments, Inc.	Canada
Trench Ltd.	Canada
Siemens Canada Limited	Canada
Siemens Medium Voltage Switching Technologies (Wuxi) Ltd.	China
Siemens International Trading (Shanghai) Co. Ltd.	China
Siemens Circuit Protection Systems Ltd.	China
Siemens Electrical Apparatus Ltd.	China
Siemens Power Plant Automation Ltd.	China
Siemens Electrical Drives Ltd.	China
Siemens Factory Automation Engineering Ltd.	China
Siemens Shanghai Medical Equipment Ltd.	China
MWB (Shanghai) Co Ltd.	China
Siemens Wiring Accessories Shandong Ltd.	China
Siemens Manufacturing and Engineering Centre Ltd.	China
Siemens Ltd.	China
Siemens Power Automation Ltd.	China
Siemens Program & System Engineer Nanjing Co Ltd	China
Siemens S.A.	Columbia
Siemens S.A.	Costa Rica

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

Fellow Subsidiaries

Koncar Power Transformers Ltd.	Croatia
Siemens Elektromotory s.r.o.	Czech Republic
Siemens Industrial Turbomachinery s.r.o.	Czech Republic
Siemens A/S	Denmark
Siemens Wind Power A/S	Denmark
Siemens Technologies S.A.E.	Egypt
Siemens Osakeyhtiö	Finland
Siemens Osakeyhtioe	Finland
Siemens Production Automatisations S.A.S.	France
Siemens Transmission & Distribution SAS	France
Siemens VAI Metals Technologies SAS	France
Flender-Graffenstaden SAS	France
Siemens Transportation Systems S.A.S.	France
Trench France S.A.S.	France
Siemens SAS	France
Siemens Building Technologies GmbH & Co. oHG	Germany
Siemens Building Technologies Fire & Security Products GmbH & Co. oHG	Germany
SYKATEC Systeme, Komponenten, Anwendungstechnologie GmbH & Co. KG	Germany
Weiss Spindeltechnologie GmbH	Germany
Siemens Financial Services GmbH/Holding	Germany
Mechanik Center Erlangen GmbH	Germany
Siemens Financial Services GmbH/WCF	Germany
Siemens Real Estate GmbH & Co. OHG	Germany
LINCAS Export Services GmbH	Germany
Siemens Busbar Trunking Systems GmbH & Co. KG	Germany
Trench Germany GmbH	Germany
Wallace & Tiernan GmbH	Germany
mdexx Magnetron Devices GmbH & Co. KG	Germany
Alpha Verteilertechnik GmbH	Germany
Lincas Electro Vertriebsgesellschaft mbH	Germany
Loher GmbH	Germany
Siemens Turbomachinery Equipment GmbH	Germany
Siemens Product Lifecycle Management Software (DE) GmbH	Germany
Siemens Geared Motors Gesellschaft mit beschränkter Haftung	Germany
SBT Fire & Security Products GMBH & Co, Germany	Germany
SBT GMBH & Co. OHG	Germany
SBT HVAC Product GMBH	Germany
Siemens Schweiz AG	Germany
BFE Studio und Medien Systeme GmbH	Germany
Fujitsu Siemens Computers GmbH	Germany
Siemens AG Österreich	Germany
Siemens Enterprise Communications GmbH & Co KG	Germany
Siemens Financial Services GmbH	Germany
Siemens IT Solutions and Services Management GmbH	Germany
Siemens Product Lifecycle Management Software (DE) GmbH	Germany
Siemens SIA	Germany
Siemens VDO Automotive AG	Germany

Schedules to the consolidated financial statements (Continued)
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(Currency : Indian rupees thousands)

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

Fellow Subsidiaries		
	Sinius GmbH	Germany
	Siemens plc	Great Britain
	Siemens Industrial Turbomachinery Ltd.	Great Britain
	Siemens Magnet Technology Ltd.	Great Britain
	Siemens Busbar Trunking Systems Ltd.	Great Britain
	Siemens Ltd.	Hongkong
	Siemens Hearing Instruments Private Ltd.	India
	Siemens Power Engineering Private Ltd.	India
	Siemens VAI Metals Technologies Private Ltd.	India
	Siemens Corporate Finance Private Ltd.	India
	Winergy Drive Systems India Private Ltd.	India
	Siemens Enterprise Communications Private Ltd.	India
	Morgan Construction Company India Private Ltd.	India
	Osram India Private Ltd.	India
	Siemens Healthcare Diagnostics Ltd.	India
	P.T. Siemens Indonesia	Indonesia
	Siemens Sherkate Sahami (Khas)	Iran
	Siemens Ltd.	Ireland
	Siemens S.p.A.	Italy
	Trench Italia S.r.l.	Italy
	Siemens IT Solutions & Services SPA	Italy
	Siemens TOO	Kazakhstan
	Siemens Ltd.	Kenya
	Siemens Ltd.	Korea
	OSRAM Opto Semiconductors Sdn. Bhd.	Malaysia
	Siemens Malaysia Sdn. Bhd.	Malaysia
	Siemens Industrial Workshop Sdn. Bhd.	Malaysia
	Siemens Malaysia Sdn Bhd	Malaysia
	Siemens, S.A. de C.V.	Mexico
	Siemens S.A.	Morocco
	Siemens Nederland N.V.	Nederland
	Siemens Industrial Turbomachinery B.V.	Netherlands
	Siemens (N.Z.) Ltd.	New Zealand
	Siemens L.L.C.	Oman
	Siemens, Inc.	Philippines
	Siemens SP.Z O.O.	Poland
	Siemens W.L.L.	Qatar
	Siemens S.R.L.	Romania
	Siemens Energy Management and Information Systems Pte. Ltd.	Singapore
	Siemens IT Solutions and Services Pte Ltd.	Singapore
	Siemens Pte. Ltd.	Singapore
	Siemens d.o.o.	Slovenia
	Siemens Ltd.	South Africa
	Siemens Holding SL	Spain
	Siemens S.A.	Spain
	Siemens AB	Sweden
	Siemens Industrial Turbomachinery AB	Sweden

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

Fellow Subsidiaries	Siemens Switzerland Ltd.	Switzerland
	Siemens Schweiz AG	Switzerland
	Siemens Ltd.	Taiwan
	Siemens Ltd.	Thailand
	Siemens Sanayi ve Ticaret A.S.	Turkey
	SD (Middle East) LLC	UAE
	Siemens LLC	UAE
	Siemens Enterprise Communication Limited	UK
	Siemens IT Solutions & Services Ltd.	UK
	Siemens Molecular Imaging Ltd.	UK
	Siemens PLC	UK
	SBT Inc., USA	USA
	PETNET Solutions, Inc.	USA
	Siemens Building Technologies, Inc.	USA
	Siemens Communications Inc.	USA
	Siemens Corporate Research Inc.	USA
	Siemens Corporation Inc.	USA
	Siemens Demag Delaval Turbomachinery, Inc.	USA
	Siemens Energy & Automation, Inc.	USA
	Siemens Energy Inc.	USA
	Siemens Health Services	USA
	Siemens Healthcare Diagnostics Inc.	USA
	Siemens IT Solutions & Services Inc.	USA
	Siemens Medical Solutions Health Services Corporation	USA
	Siemens Medical Solutions USA, Inc.	USA
	Siemens Molecular Imaging, Inc.	USA
	Siemens Power Generation, Inc.	USA
	Siemens Power Transmission & Distribution, Inc.	USA
	Siemens Product Lifecycle Management Software Inc.	USA
	Siemens Shared Services LLC	USA
	Siemens Transportation Systems, Inc.	USA
	Siemens Water Technologies Corp.	USA
	SMS Inc. - Customer Solutions Group	USA
	Siemens Automation Systems Ltd.	Vietnam
	Siemens Ltd.	Vietnam
	Siemens Industrial Turbomachinery Services Ltd.	Netherlands
	Siemens Industrial Turbomachinery Services Ltd.	UK
	Flender Ltd.	India
Associate :		

29.3 Directors of the Company Key Management Personnel

Mr. J. Scubert (Retired on 1 January 2008)
 Dr Armin Bruck (w.e.f. 1 October 2007)
 Mr. P. de Royer
 Mr Sunil Mathur (w.e.f. 22 July 2008)
 Mr. K.R. Upili (Retired on 27 July 2008)
 Mr. V. V. Paranjape
 Mr. V. B. Parulekar

Schedules to the consolidated financial statements (Continued)
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29.4 Related party transactions

Description	2008				2007			
	Holding Company	Fellow Subsidiaries	Associate	Key managerial personnel	Holding Company	Fellow Subsidiaries	Associate	Key managerial personnel
Sales to and recoveries from related parties	5,203,198	-	-	-	3,686,910	-	-	-
- Siemens Energy & Automation, Inc	-	366,781	-	-	-	277,454	-	-
- Siemens Medical Solutions Health Services Corp., USA	-	668,676	-	-	-	1,034,532	-	-
- Siemens IT Solutions & Services Ltd, UK	-	652,835	-	-	-	814,415	-	-
- Others	-	3,910,674	-	-	-	4,817,455	-	-
- Flender Ltd.	-	-	4,486	-	-	-	7,568	-
Purchase/Other services from related parties	15,123,623	-	-	-	12,104,793	-	-	-
- Koncar Power Transformers Ltd.	-	3,554,963	-	-	-	2,449,946	-	-
- Others	-	4,122,777	-	-	-	3,664,159	-	-
- Flender Ltd.	-	-	22,339	-	-	-	11,503	-
Interest Income from related parties								
- Osram India Private Ltd.	-	23,442	-	-	-	28,620	-	-
- Winergy Drive Systems India Private Ltd.	-	18,331	-	-	-	29,290	-	-
- Morgan Construction Company India Private Ltd.	-	1,650	-	-	-	-	-	-
- Flender Ltd.	-	-	1,498	-	-	-	-	-
Sale of division								
- Siemens Enterprise Communications Private Ltd.	-	-	-	-	-	609,180	-	-
- Siemens VDO Automotive Components Private Ltd.	-	1,700,000	-	-	-	-	-	-
Dividend paid	446,499	-	-	-	353,478	-	-	-
Purchase of Fixed assets/Capital WIP from related parties	27,777	-	-	-	7,306	-	-	-
- Trench Germany GmbH	-	6,488	-	-	-	-	-	-
- Others	-	10,917	-	-	-	3,279	-	-
Sale of Fixed assets/Capital WIP								
Siemens Shared Services	-	8,597	-	-	-	-	-	-
Purchase of Intangible assets (Technical Knowhow)	29,223	-	-	-	-	-	-	-
Bonus shares issued								
- Siemens AG	186,011	-	-	-	-	-	-	-
Inter Corporate Deposits given								
- Osram India Private Ltd.	-	50,000	-	-	-	515,510	-	-
- Winergy Drive Systems India Private Ltd.	-	240,000	-	-	-	720,000	-	-
- Morgan Construction Company India Private Ltd.	-	85,000	-	-	-	-	-	-
- Flender Ltd.	-	-	75,000	-	-	-	-	-

29.4 Related party transactions (Continued)

Description	2008				2007			
	Holding Company	Fellow Subsidiaries	Associate	Key managerial personnel	Holding Company	Fellow Subsidiaries	Associate	Key managerial personnel
Inter Corporate Deposits repaid								
- Osram India Private Ltd.	-	70,000	-	-	-	520,510	-	-
- Winergy Drive Systems India Private Ltd.	-	180,000	-	-	-	720,000	-	-
- Flender Ltd.	-	-	75,000	-	-	-	-	-
Managerial Remuneration								
- Mr. J. Schubert	-	-	-	52,704	-	-	-	40,093
- Dr. A. Bruck	-	-	-	52,137	-	-	-	-
- Mr. P. de Royer	-	-	-	33,664	-	-	-	21,089
- Mr. K.R. Upili	-	-	-	25,708	-	-	-	12,721
- Others	-	-	-	37,259	-	-	-	21,010
Outstanding Balances								
Debtors	655,537	-	-	-	424,127	-	-	-
- Siemens Enterprise Communication Private Ltd.	-	-	-	-	-	36,789	-	-
- Morgan Construction Company India Private Ltd.	-	72,460	-	-	-	-	-	-
- Others	-	232,783	-	-	-	278,616	-	-
- Flender Ltd.	-	-	5,143	-	-	-	4,816	-
Creditors	3,773,010	554,289	8,576	-	2,764,397	330,622	3,285	-
Inter Corporate Deposits								
- Osram India Private Ltd.	-	250,000	-	-	-	270,000	-	-
- Winergy Drive Systems India Private Ltd.	-	380,000	-	-	-	320,000	-	-
- Morgan Construction Company India Private Ltd.	-	85,000	-	-	-	-	-	-
Interest receivable on Inter Corporate Deposits								
- Osram India Private Ltd.	-	1,532	-	-	-	928	-	-
- Morgan Construction Company India Private Ltd.	-	1,650	-	-	-	-	-	-
- Winergy Drive Systems India Private Ltd.	-	247	-	-	-	6,173	-	-
Managerial Remuneration payable								
- Mr. J. Schubert	-	-	-	-	-	-	-	31,454
- Dr. A. Bruck	-	-	-	22,400	-	-	-	-
- Mr. P. de Royer	-	-	-	18,578	-	-	-	13,971
- Mr.V.V.Paranjape	-	-	-	7,680	-	-	-	4,434
- Mr. K.R. Upili	-	-	-	7,144	-	-	-	5,314
- Others	-	-	-	9,094	-	-	-	5,118

Schedules to the consolidated financial statements (Continued) as at 30 September 2008 (Currency : Indian rupees thousands)

	2008	2007
30 Disclosure pursuant to AS - 7 'Construction Contract':		
• Contract Revenue recognised for the year ended 30 September 2008	50,884,780	46,458,034
• Aggregate amount of contract costs incurred for all contracts in progress as at 30 September 2008	106,904,884	73,320,984
• Recognised profits (less recognised losses) upto 30 September 2008 for all contracts in progress as at 30 September 2008	12,402,670	10,475,544
• Amounts due from customers	2,846,638	3,769,074
• Amounts due to customers	15,137,749	6,604,338

31 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.

Personnel related provisions

Personnel related provisions primarily include provisions for variable performance pay. Variable performance pay is expected to be paid in the next financial year. Personnel related provisions do not include expected payouts relating to the pending wage settlement and non-statutory ex-gratia where negotiations are in process and the disclosure of these amounts could prejudicially affect the interests of the Company.

Contingencies

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

The movements in the above provisions are summarised as under :

	Warranties	Liquidated damages	Loss orders	Personnel related	Contingencies
Balance as at 1 October 2007	763,388	1,865,550	148,570	669,631	513,677
Provisions					
- Created	796,618	608,818	1,186,594	842,360	423,454
- Utilised	(76,512)	(607,563)	(187,376)	(604,414)	(14,100)
- Reversed	(216,190)	(292,594)	(48,274)	(57,271)	(54,000)
Transferred on account of discontinued operations (Refer schedule 5)	(14,930)	-	-	(13,894)	-
Balance as at 30 September 2008	1,252,374	1,574,211	1,099,514	836,412	869,031

32 (i) Information about business segments

	Revenue						Results	
	External sales		Inter segmental sales		Total		2008	2007
	2008	2007	2008	2007	2008	2007		
Power	41,810,664	42,280,465	836,523	1,236,507	42,647,187	43,516,972	3,061,920	3,947,011
Automation and drives	15,978,646	13,408,218	5,069,704	3,147,261	21,048,350	16,555,479	1,755,798	1,145,559
Industrial solutions and services	11,794,777	9,237,928	234,651	291,052	12,029,428	9,528,980	1,525,699	955,276
Information technology services	9,736,966	10,067,253	205,712	169,169	9,942,678	10,236,422	824,340	1,643,261
Transport	6,708,858	3,467,424	-	-	6,708,858	3,467,424	(215,519)	225,902
Healthcare and other services	6,053,460	5,246,931	-	-	6,053,460	5,246,931	317,646	112,700
Building technologies services	3,174,951	1,610,799	37,941	37,783	3,212,892	1,648,582	255,473	117,620
Business process outsourcing	1,069,304	1,010,424	2,400	-	1,071,704	1,010,424	141,155	200,188
Real estate	238,989	126,177	405,540	369,392	644,529	495,569	334,644	52,481
Information and communications*	-	6,127,003	-	83,565	-	6,210,568	-	396,547
Automotive*	231,596	1,203,436	-	-	231,596	1,203,436	8,232	66,456
Eliminations	-	-	(6,792,471)	(5,334,729)	(6,792,471)	(5,334,729)	-	-
Total	96,798,211	93,786,058	-	-	96,798,211	93,786,058	8,009,388	8,863,001
Interest expenses							(45,548)	(45,396)
Interest income							647,730	587,584
Unallocable corporate items							810,883	464,227
Profit before tax							9,422,453	9,869,416
Share of profit from associate company							74,556	77,994
Minority interest							(18,768)	(11,449)
Current tax							(4,029,668)	(3,122,883)
Fringe benefit tax							(171,654)	(175,530)
Minimum Alternate Tax credit entitlement							11,242	-
Deferred tax benefit							707,328	290,987
Consolidated total	96,798,211	93,786,058	-	-	96,798,211	93,786,058	5,995,489	6,928,535

* Discontinued operations (Refer schedule 5)

	Assets				Liabilities		Capital Expenditure		Non cash expenditure	
	Assets		Liabilities		Capital Expenditure		Depreciation		2008	2007
	2008	2007	2008	2007	2008	2007	2008	2007		
Power	33,554,866	23,553,750	27,073,527	15,144,353	626,289	543,832	290,777	155,008		
Automation and drives	7,678,874	5,678,701	4,751,156	3,685,562	338,172	217,725	172,125	141,312		
Industrial solutions and services	4,647,474	3,807,738	5,947,592	5,330,788	16,488	13,094	8,131	5,556		
Information technology services	7,253,445	6,735,914	4,849,356	4,162,509	264,591	369,426	406,442	405,726		
Transport	2,656,677	1,186,113	2,811,790	2,368,419	47,922	2,587	5,887	5,482		
Healthcare and other services	1,611,707	1,272,172	1,841,199	1,514,367	13,364	16,566	18,657	29,244		
Building technologies	2,447,590	1,699,047	1,062,782	783,063	114,597	29,105	384,475	124,966		
Business process outsourcing	688,841	494,760	331,582	236,659	54,557	62,158	73,258	81,687		
Real estate	1,820,617	1,685,409	351,323	222,099	880,222	730,497	124,359	96,486		
Information and communications*	-	-	-	-	-	14,555	-	187,363		
Automotive*	-	755,130	-	244,097	25,663	342,948	5,492	47,913		
Total	62,360,091	46,868,734	49,020,307	33,691,916	2,381,865	2,342,493	1,489,603	1,280,743		
Unallocable corporate items	15,883,166	12,009,412	6,301,489	6,805,345	44,777	26,788	127,257	122,681		
Minority interest	-	-	147,386	79,866	-	-	-	-		
Consolidated total	78,243,257	58,878,146	55,469,182	40,577,127	2,426,642	2,369,281	1,616,860	1,403,424		

* Discontinued operations (Refer schedule 5)

Schedules to the consolidated financial statements (Continued)
as at 30 September 2008
(Currency : Indian rupees thousands)

(ii) Secondary segment information

	Revenue based on location of customers		Carrying amount of segment assets by location		Cost incurred to acquire segment assets during the year	
	2008	2007	2008	2007	2008	2007
Domestic	56,443,689	57,810,310	43,155,012	41,267,253	2,426,642	2,369,281
Exports	40,354,522	35,975,748	35,088,245	17,610,893	-	-
	<u>96,798,211</u>	<u>93,786,058</u>	<u>78,243,257</u>	<u>58,878,146</u>	<u>2,426,642</u>	<u>2,369,281</u>

32 (iii) Other disclosures

- Inter-segment prices are normally negotiated amongst the segments with reference to the costs, market price and business risks.
- All profits/losses on inter segment transfers are eliminated at Group level.

(iv) Segment information :

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

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

- **Power :-** Provides automation solutions for a wide range of applications in power plants, focusing on a complete range of medium and high voltage switchgears, medium voltage switchboards, protection and control systems for sub-stations, power system control and energy management systems, meters, transformers and industrial turbines.
- **Automation & drives :-** Provides the complete range of automation products & systems, from large and standard drives and motors, special purpose motors, process and motion control systems, industrial automation systems to low-voltage controls and distribution and electrical installation technology.
- **Industrial solutions & services :-** Undertakes turnkey projects in the industrial and infrastructure sectors over the entire life cycle including concept, engineering, procurement, supplies, installation, commissioning and after sales services.
- **Information technology services :-** Provides comprehensive range of technology services, including software development, packaged software integration and systems maintenance to its worldwide customers operating in different industries.
- **Transport :-** Provides solutions for rail automation, railway electrification, light and heavy rail, locomotives, trains, turnkey projects and integrated services.
- **Healthcare & other services :-** Provides diagnostic, therapeutic and life-saving products in computer tomography (CT), magnetic resonance imaging (MRI), ultrasonography, nuclear medicine, digital angiography, patient monitoring systems, digital radiography systems, radiology networking systems, lithotripsy and linear accelerators.
- **Building Technologies :-** Executes projects for providing Integrated Building Management Systems including Building Automation Systems, Fire Alarm/Access Control/Security Systems.
- **Business process outsourcing :-** Provides back office support services to group companies and other external customers.
- **Real estate :-** Provides comprehensive real estate management.
- **Information & communication* :-** Convergence communications solutions for enterprises, communications, video conferencing, and call centers, networking, mobility, teleworking, multimedia customer relation management. Provides mobile handsets and accessories. -
- **Automotive* :-** Manufacturing and trading of dashboard instruments, tachographs and other allied equipments for the automobile.

Geographical Segments: The business is organised in two geographic segments i.e. domestic and exports.

* Discontinued operations (Refer schedule 5)

33 Disclosure pursuant to AS - 15 'Employee Benefits' :

(i) Effective 1 October, 2006, the Company adopted AS 15 "Employee Benefits". Pursuant to the adoption, the transitional obligations aggregating Rs 20,090 as at 1 October 2006 has been recorded with the transfer of the amount to the opening balance of reserves and surplus.

Effective 1 October, 2007, the subsidiaries adopted AS 15 "Employee Benefits". Pursuant to the adoption, the transitional obligations aggregating Rs 40,266 as at 1 October 2007 has been recorded with the transfer of the amount to the opening balance of reserves and surplus.

(ii) Defined contribution plans

Amount of Rs 177,920 (2007: Rs 149,850) is recognised as an expense and included in "Personnel costs" (Refer Schedule 25) in the Profit and loss account.

(iii) Defined benefit plans

a Amounts for the current year are as follows :

	Gratuity		Pension Plan		Leave Wages		Silver Jubilee		Medical	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
I Change in Benefit Obligation										
Liability at the beginning of the year	448,713	408,760	166,549	145,901	30,391	25,309	61,052	51,490	42,699	42,149
Interest Cost	45,513	31,870	13,324	10,213	2,600	1,772	4,884	3,604	2,989	2,950
Current Service Cost	49,982	22,536	-	-	9,740	3,752	4,008	3,803	3,205	3,075
Liability Transfer in	114,188	4,317	-	-	2,118	-	-	-	-	-
Liability Transfer out	(11,412)	-	-	-	-	-	-	-	-	-
Benefit Paid	(57,076)	(34,272)	(25,421)	(25,490)	(7,486)	(1,767)	(1,857)	(3,025)	(25,421)	(18,718)
Actuarial (gain)/loss on obligations	13,056	15,502	5,874	35,925	5,942	1,325	838	5,180	21,697	13,243
Liability at the end of the year	602,964	448,713	160,326	166,549	43,305	30,391	68,925	61,052	45,169	42,699
II Fair value of Plan Assets										
Fair Value of Plan Assets at the beginning of the year	475,242	392,706	-	-	-	-	-	-	-	-
Expected Return on Plan Assets	41,599	28,706	-	-	-	-	-	-	-	-
Contributions	22,220	77,825	25,421	25,490	7,486	1,767	1,857	3,024	25,421	18,718
Transfer from other company	48,395	3,207	-	-	-	-	-	-	-	-
Transfer to other company	(11,412)	-	-	-	-	-	-	-	-	-
Benefit Paid	(57,076)	(34,272)	(25,421)	(25,490)	(7,486)	(1,767)	(1,857)	(3,024)	(25,421)	(18,718)
Actuarial gain/(loss) on Plan Assets	1,976	7,071	-	-	-	-	-	-	-	-
Fair Value of Plan Assets at the end of the year	520,944	475,242	-	-	-	-	-	-	-	-
III Actual Return on Plan Assets										
Expected Return on Plan Assets	41,599	28,706	-	-	-	-	-	-	-	-
Actuarial gain/(loss) on Plan Assets	1,976	7,071	-	-	-	-	-	-	-	-
Actual Return on Plan Assets	43,575	35,777	-	-	-	-	-	-	-	-
IV Amount Recognised in the Balance Sheet										
Liability at the end of the year	602,964	448,713	160,326	166,549	43,305	30,391	68,925	61,052	45,169	42,699
Fair Value of Plan Assets at the end of the year	520,944	475,242	-	-	-	-	-	-	-	-
Amount Recognised in the Balance Sheet	82,020	(26,529)	160,326	166,549	43,305	30,391	68,925	61,052	45,169	42,699
V Expenses Recognised in the Income Statement										
Interest Cost	45,513	31,870	13,324	10,213	2,600	1,772	4,884	3,604	2,989	2,950
Current Service Cost	49,982	22,536	-	-	9,740	3,752	4,008	3,803	3,205	3,075
Expected Return on Plan Assets	(41,599)	(28,706)	-	-	-	-	-	-	-	-
Recognition of Transition Liability	-	-	-	-	-	-	-	-	-	-
Actuarial (gain)/loss	11,080	8,432	5,874	35,925	5,942	1,325	838	5,180	21,697	13,243
Expense Recognised in Personnel costs (Schedule 25)	64,976	34,131	19,198	46,138	18,282	6,849	9,730	12,587	27,891	19,268

Schedules to the consolidated financial statements (Continued)
as at 30 September 2008
(Currency : Indian rupees thousands)

33 (iii) Defined benefit plans (Continued)

	Gratuity		Pension Plan		Leave Wages		Silver Jubilee		Medical	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
VI Balance Sheet Reconciliation										
Opening Net Liability	(26,529)	16,054	166,549	145,901	30,391	25,309	61,052	51,490	42,699	42,149
Expense as above	64,976	34,132	19,198	46,138	18,282	6,849	9,730	12,587	27,891	19,268
Transfer from other company	65,793	1,110	-	-	2,118	-	-	-	-	-
Transfer to other company	-	-	-	-	-	-	-	-	-	-
Employers Contribution	22,220	77,825	25,421	25,490	7,486	1,767	1,857	3,025	25,421	18,718
Amount Recognised in Balance Sheet	82,020	(26,529)	160,326	166,549	41,187	30,391	68,925	61,052	45,169	42,699
VII Actuarial Assumptions : For the Year										
Discount Rate Current	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Rate of Return on Plan Assets Current	8.0%	8.0%	-	-	-	-	-	-	-	-
Salary Escalation Current	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
VIII Sensitivity										
Pbo Roi -1%	-	-	-	-	-	-	-	-	49,629	46,916
Pbo Roi +1%	-	-	-	-	-	-	-	-	41,217	38,964

(iii) Defined benefit plans

- b The fund formed by the Company manages the investments of the Gratuity Fund. Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio, along with the estimated incremental investments to be made during the year. Yield on portfolio is calculated based on a suitable mark-up over the benchmark Government securities of similar maturities.
- c The estimates of future salary increases, considered in actuarial valuation, taken in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- d The guidance issued by the Accounting Standard Board (ASB) on implementing AS 15, Employee Benefits (revised 2005) states that provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The fund does not have any existing deficit or interest shortfall. In regard to any future obligation arising due to interest shortfall (i.e. government interest to be paid on provident funds scheme exceeds rate of interest earned on investment), pending the issuance of guidance note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the same.

(iv) 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 or as per the Company's Scheme whichever is more beneficial.

II Leave Plan

Eligible employees can carry forward and encash leave on superannuation, death, permanent disablement and resignation subject to maximum accumulation of 90 days.

III Silver Jubilee

Silver Jubilee benefit is payable to eligible employees on completion of 25 years of service. The benefit is payable at the rate of 1 to 1.5 month's salary for eligible employees on completion of 25 years of service.

IV Medical

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

(v) Broad category of plan assets as a percentage of total plan assets of the Gratuity plan

Particulars	2008	2007
Government of India securities	17%	20%
State Government securities	10%	9%
Public sector unit bonds	28%	25%
Special Discount scheme	45%	46%
Total Plan Assets	100%	100%

34 Earnings per share:

	2008	2007
Profit after tax (Net profit attributable to Equity shareholders)	5,995,489	6,928,535
Shares :-		
Weighted average number of Equity shares outstanding during the year	337,160,200	337,160,200
Earnings per share	17.78	20.55

Pursuant to issue of bonus shares during the year, the number of shares outstanding during the period ended 30 September 2008 has been adjusted to reflect the change as prescribed by Accounting Standard 20 - "Earnings per share" notified by the Central Government vide the companies (Accounting Standard) Rules, 2006. (Refer Schedule 2).

35 Prior years comparatives

Pursuant to the discontinuation of the 'EN' and 'SVDO' segments (Refer Schedule 5), and sale of 'SPCNL' in the previous year the figures of the current year are not strictly comparable to those of the previous year. Previous year's figures have been regrouped/ reclassified wherever necessary, to conform to current year's classification.

For and on behalf of Board of Directors

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

Mumbai
25 November 2008

Siemens Ltd.

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

ATTENDANCE SLIP

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

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

I hereby record my presence at the 51st Annual General Meeting of the Company at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400 021 on Friday, 30th January, 2009 at 3 p.m.

Full name of the Proxy, if attending the Meeting :

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

Friday, 30th January, 2009

Note:

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

Siemens Ltd.

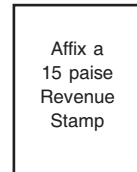
Registered Office: 130, Pandurang Budhkar Marg, Worli, Mumbai – 400 018

PROXY FORM

I/We,
ofbeing a member/members of Siemens Ltd.
hereby appoint of
or falling him / her.....of
as my / our proxy to vote for me / us on my / our behalf at the 51st Annual General Meeting of the Company to be held at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400 021 on Friday, 30th January, 2009 at 3 p.m. and at any adjournment thereof.

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

No. of Shares held:



Signed this day of 2009

Signature(s) of Member(s)

Notes:

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

Siemens Ltd.,
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www.siemens.com/answers