

What do we do today for a sustainable and profitable tomorrow?

Annual Report 2009

Answers for India.

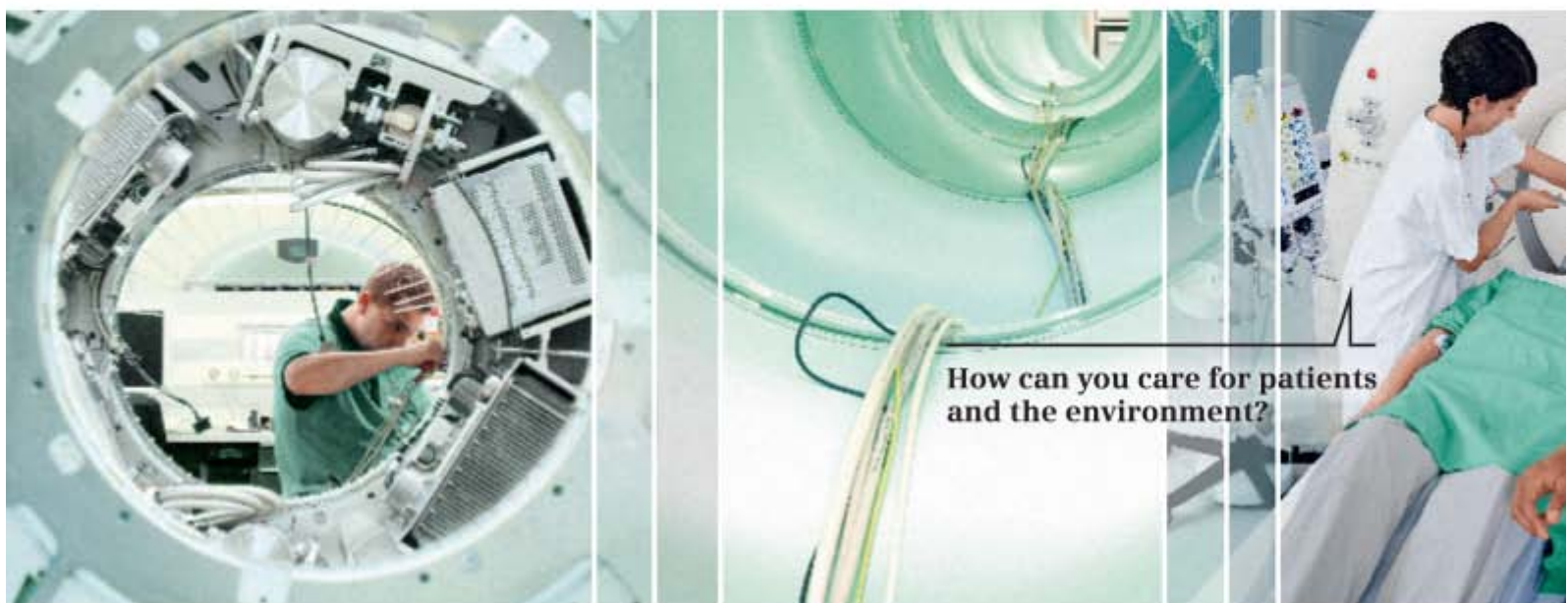
SIEMENS



Just how big is the energy potential of offshore wind?



What if you could purify water anywhere?



How can you care for patients and the environment?




Answers for Wind:

The Lillgrund offshore wind farm of the Swedish energy provider Vattenfall generates enough power to supply 60,000 homes with electricity. Siemens installed 48 wind turbines with a total capacity of 2.3 megawatts each at the site – one of many projects of the global market leader for offshore wind power generation.




Answers for Water:

The SkyHydrant from Siemens, an attractively priced mobile water treatment system, can be set up anywhere. It uses membrane fibers to remove bacteria and other contaminants from the water, making it safe to drink. The eco-friendly system requires no chemicals.



Answers for Life:

The SOMATOM Definition Flash Computed Tomography System from Siemens sets new standards in examination speed and dose reduction. The system opens the door to unprecedented levels of patient friendliness and care – and consumes up to 85% less energy per examination.



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Financial Highlights - Siemens Limited

	2008-09	2007-08	2006-07	2005-06	2004-05
*Orders received	87964	87722	95720	82025	41233
*Sales	83888	82955	77268	45103	27485
*Profit before tax	14319	8918	8742	5055	3631
As % of sales	17%	11%	11%	11%	13%
*Profit after tax	10449	5933	5965	3601	2548
As % of sales	12%	7%	8%	8%	9%
** Net worth per share [^]	86.51	61.37	94.37	64.48	47.12
** Earning per share	30.99	17.60	17.69	21.36	15.72
*Dividend	1686	1011	809	641	481
Dividend %	250%	150%	240%	190%	145%
Debt/equity ratio	-	-	-	-	-
*Investment in fixed assets	1522	1913	2574	843	277
No. of employees	6683	6502	6505	5971	4777
No. of shareholders	193342	200389	100135	79118	31315

* Rs In millions

** Rupees

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

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

Chairman's Statement



Dear Shareholders,

If there has been one definitive theme that has been occupying our minds constantly over the last twelve months, it has been the unfolding of a totally unanticipated change in the economic paradigm. After enjoying successive terms of year-on-year growth, the world's leading economies slipped into a recession and are now reconciled to a significant decline in economic growth.

Looking back on the year that was, India Inc. had started the last fiscal under the general impression that the domestic market was insulated from the scenarios impacting the world economy. Although India has a domestic-driven economy, the drastic change in the global macro economic environment took a toll on the Indian economy, resulting in an overall slowdown in business volumes in the initial quarters of FY'08-09.

The stimulus package unveiled by the government, comprising of a series of monetary and fiscal measures, has helped ease the scenario to a considerable extent. If at all there was an encouraging sign in this gloom, it was the resilience shown by certain emerging economies, including India that recorded positive growth rates. At present, as we stand in the midst of a new business year, the market outlook for India is more optimistic and confident and it does appear that the worst is behind us. I would now like to present a brief overview of Siemens Ltd.'s business performance during the previous financial year.

Performance Highlights

On our part, Siemens Ltd. has managed to turn in a satisfactory performance in a fairly challenging environment and sustained a steady momentum of profitability and growth. For the financial year ended September 30, 2009, Profit from Operations increased by 32% to Rs.945 crore as compared to the corresponding period of the previous year. Sales rose marginally to Rs.8,389 crore for the year ended September 30, 2009 as compared to Rs.8,296 crore in the corresponding period of the previous year. Siemens Ltd. received New Orders valued at Rs.8,796 crore despite tough market conditions in the 12 months ended September 30, 2009 as compared to Rs.8,718 crore in the corresponding period of the previous year.

For the year ended September 30, 2009, the Company's Profit Before Tax stood at Rs.1,432 crore as compared to Rs.892 crore in the previous year, registering an increase of 61%. This increase was primarily on account of a substantial one-time increase in Financing & Investment Income resulting from the Company's sale of Siemens Information Systems Ltd. (SISL) and Siemens Information Processing Services Pvt. Ltd. (SIPS). The Profit After Tax rose by 76% and stood at Rs.1,045 crore as compared to Rs.593 crore in the previous year. The Unexecuted Order Value as of September 30, 2009 stood at Rs.10,292 crore - a rise of 5% (September 30, 2008: Rs.9,834 crore).

The Board of Directors has recommended a dividend of Rs.5 for an equity share of Rs.2 each for the financial year ended September 2009. During the previous financial year, the Company had paid a dividend of Rs.3 for an equity share of Rs.2 each.

Performance Analysis

Despite a challenging market environment with significant pricing pressures, our company maintained a steady focus on growth areas and secured a stable order intake. Our revenues increased marginally with a strong order backlog. Our operating profits rose and the profit margin improved significantly with an increased focus on Project and Asset Management. A true measure of how effective our Asset Management initiatives were can be gauged from the fact that our cash generated from operations is at the same level as the Profit from Operations (PFO), despite the liquidity crisis that we went through.

Some new technologies that we introduced during the year in India included the Somatom Definition Flash - 2nd Generation Dual source CT by our Healthcare sector and the Power Plant Control system 'SPPA-T3000' by our Energy sector.

We also increased our local footprint. We set up a gas insulated switchgear factory at Aurangabad, expanded our steam turbine factory at Vadodara and we also enhanced our operations at the HVDC transformer factory at Kalwa.

On the cost side, we critically looked at all areas however small, maintained a strict financial discipline and eliminated all inefficiencies. Our clear focus on operational excellence has helped us to keep our performance on track.

At this juncture, I would like to share some developments that have unfolded in our subsidiary companies. As you may be aware, Siemens Ltd. currently holds an 86% stake in Siemens Building Technologies Pvt. Ltd (SBTPL). Our board has now approved a proposal to acquire the remaining 14% stake for a consideration of Rs. 70 crore. This company will then become a wholly owned subsidiary of Siemens Ltd. The Board has also approved the proposal to integrate SBTPL into Siemens Ltd.

This strategic decision to buy the remaining stake in SBTPL was undertaken with a long-term perspective, taking into consideration the revenue potential of this segment. To cite an instance, SBTPL was recently selected by one of India's leading IT companies to implement a multi-million Euro contract for delivering an enterprise-wide converged security solution. Moreover, to raise further synergies by fully integrating the company into Siemens Ltd., it is vital that we buy the balance stake and gain complete management control.

In yet another significant development, the Board of Directors has approved the merger of Siemens Healthcare Diagnostics Ltd. (SHDL) with our company. With this merger, we will be able to strengthen our healthcare portfolio and make Siemens one of the leading integrated healthcare companies to provide in-vitro and in-vivo diagnostic solutions in the Indian market. The complimentary portfolios of the two companies will raise synergies in leveraging a combined customer base and thus expand the installed base in India.

People Excellence

Our employees continue to be the most vital pillar of success in all our endeavours. During the year, we continued with our focus on developing the capabilities of our workforce even further through several HR initiatives. In the area of leadership development, the existing Programme for Business Managers (PBM), meant for our talent at the mid-management level, was re-designed with greater focus on business strategy. Additionally, a specialised programme was designed for the Senior Management team, known as Strategic Leadership Development Programme (SLDP) in collaboration with the Indian Institute of Management, Ahmedabad (IIM-A). Moreover, for the first time in the history of Siemens India, one of our employees has been certified as a Project Director by Siemens AG. This not only endorses our strong project management skills, but also confirms the recognition of talent from India. As ever, we shall continue with our consistent focus on the development of our people.

The Road ahead - Outlook for Siemens

The Indian economy, with its strong fundamentals, has managed to tide over the global downturn with greater resilience than many other countries, as indicated by its GDP growth. Going forward, many economists believe that the economic recovery will be driven by a new phenomenon - growing consumer spending in emerging markets, with India at the forefront.

Initiatives undertaken by the Government to develop infrastructure will play a crucial role in establishing the pace of recovery. In what is a positive sign in these tough times, the manufacturing sector has benefited from the government's stimulus packages and also leaner operating costs and has shown some encouraging numbers for the September'09 quarter. Sectors such as metals, cement, paper and real estate, which have been largely impacted, will be in a phase of consolidation in the coming months. The buoyancy in the automobile industry continues, with carmakers and two-wheeler companies bettering their sales.

Conclusion

At present, the market sentiment continues to be on a cautious outlook and FY 2009-10 will be a year of stabilisation and a steady recovery of the growth momentum. On our part, Siemens Ltd. will continue to keep a close watch on potential growth markets in the business environment and strive to achieve profitable growth by catering to the specialised requirements of our valued customers. For instance, our green portfolio presents a huge business opportunity for us. Customers are more discerning now and are demanding environment friendly technologies. We are already one of the global leaders in the field of climate-friendly technologies.

In conclusion, I would like to heartily thank the Board, the management and especially our vibrant team of employees for their consistent support and commitment to Siemens Ltd. India is an important market in the global strategy of Siemens and our company remains as committed as ever to leverage opportunities and continue its efforts to achieve profitable growth in this vibrant market.

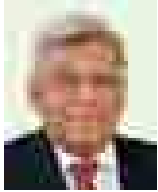


Mumbai
December, 2009

Deepak Parekh
Chairman

Board of Directors

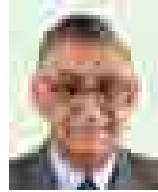
Non-executive Directors



Deepak S. Parekh
Chairman



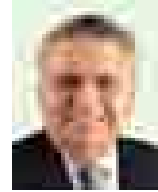
D. C. Shroff
Director



Y. H. Malegam
Director



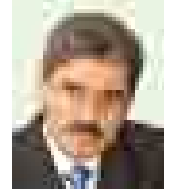
N. J. Jhaveri
Director



K. Dadiseth
Director



Pradip V. Nayak
Director



Joe Kaeser
Director

Committees and Organisation Structure

Committees of Directors

Audit Committee

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

Sectors

Industry

V. V. Paranjape 1

Energy

A. K. Dixit 1

Healthcare

D. Ragavan 1

Cross Sector Services

Siemens Real Estate

A. S. Shikarwar 1*

Key Management & Support Functions

Reporting to CEO

Chief Financial Officer

Sunil D. Mathur

Legal

Dr. K. Stadelmann ^

Human Resources

K. Ghatge

Communication

S. Joshi

Compliance

A. Chopra

Strategy & Business Excellence

R. Dalvi @

Supply Chain Management - Indirect Material & Logistics

V. D. Kale

Siemens One & Key Account Management

NN

Siemens Ltd. Representative Office, Sri Lanka

V. Saxena

Location In-charge

Ahmedabad

A. Mehta

Jaipur

A. Sinha

Pune

R. Likhitkar

New Delhi, Ring Road

M. Vasudeva

Worli

A. Singh

Baroda

N. Dewaji

Sri Lanka

V. Saxena

Coimbatore

K. A. Prakash

Kalwa

G. D'Silva

Gurgaon

M. Vasudeva

Kolkata

B. B. Tanna

Kharghar

M. K. Vig

Notes: 1 indicate reporting to CEO
@ Includes top*, Manufacturing Strategy, Quality and PM@Siemens

Mr. Sant is also Export Control Officer
^ Including Company Secretary
* Including Corporate Security

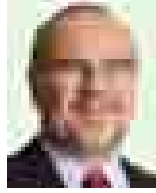
Whole-time Directors and Corporate Management



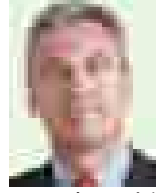
Wolfgang Dehen
Director



Dr. O. Schmitt
Alternate Director
for Mr. J. Kaeser



S. Schnieder
Alternate Director
for Mr. W. Dehen



Dr. Armin Bruck ¹
Managing Director
and Chief Execu-
tive Officer



Sunil D. Mathur
Executive Director
and Chief Finan-
cial Officer



V. V. Paranjape
Whole-time
Director

Committees of Management

Investment Committee

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

Share Transfer Committee

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

Finance Committee

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

Delegation of Powers Committee

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

Company Secretary

Ajai Jain
Vice President (Legal) &
Company Secretary

Key Management & Support Functions

Reporting to CFO

Accounting & Controlling
K. Alleraun

Information Technology
N. Sharan

Finance
P. Bhambani

Taxation
N. D. Rao

Import/Export Admin & Travel
P. Sant #

Key Management & Support Functions

Reporting to Head HR

Compensation & Benefits
P. Choudhury

Recruitment
J. Prabhudesai

Learning & Development
Dr. M. Vyas

Industrial Relations
G. D'Silva

Environment Protection & Safety
J. Rao

Healthcare Management
Dr. G. K. Kulkarni

International Delegation Centre, India
S. S. Jaswal

Nashik
S. Pate

Hyderabad
P. Rama Murthy

Aurangabad
M. Wani

Bangalore
K. Nadkarni

Kalwa
G. D'Silva

Chennai
G. V. R. Rao

Lucknow
A. K. Chaudhary

Goa
H. Usgaonkar

Hyderabad - Saifabad
T. Srikant

Bangalore
R. Lala

Nagpur
S. Deosthali

Chandigarh
N. Gandhi

Cochin
NN

Siemens Ltd.

Notice

NOTICE is hereby given that the 52nd Annual General Meeting of the Members of the Company will be held at Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai – 400 018 on Friday, 29th January, 2010, 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, 2009, 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. Joe Kaeser, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vijay V. Paranjape, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Narendra J. Jhaveri, who retires by rotation and being eligible, offers himself for re-appointment.
6. To re-appoint Messrs S. R. Batliboi & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of the 52nd Annual General Meeting upto the conclusion of the next i.e. 53rd Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS:

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

7. **Payment of commission to Non- Executive Directors**
As a Special Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 198, 309 and other applicable provisions if any, of the Companies Act, 1956 and Article 113 of the Articles of Association of the Company such sum by way of commission not exceeding in the aggregate 1%(one percent) per annum or such other percentage as may be specified by the Companies Act, 1956 from time to time in this regard of the Net Profits of the Company computed in the manner referred to in Section 309(5) of the Companies Act, 1956 be paid for each of the five financial years of the Company commencing from 1st October, 2009 to those Directors of the Company other than the Managing Director, Executive Director and the Whole-time Directors as may be determined by the Board of Directors of the Company from time-to-time.”
8. **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 January, 2010 as set out under Serial No. 2 of the Explanatory Statement annexed to this Notice.”
9. **Revision in remuneration of Mr. Sunil Mathur, Executive Director**
As an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, the Company hereby accords its approval to the revision in remuneration payable to Mr. Sunil Mathur, Executive Director with effect from 1st January, 2010 as set out under Serial No. 2 of the Explanatory Statement annexed to this Notice.”
10. **Revision in remuneration of Mr. Vijay V. Paranjape, 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. Vijay V. Paranjape, Whole-time Director with effect from 1st January, 2010 as set out under Serial No. 2 of the Explanatory Statement annexed to this Notice.”
11. **One-time special payment to Mr. Vilas B. Parulekar (former Whole-time Director)**
As an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval for the one-time special payment of Rs. 5,000,000 (Rupees Five Million only) to Mr. Vilas B. Parulekar, who ceased to be the Whole-time Director and as Director of the Company with effect from 1st October, 2009.

12. Siemens Limited – Share Matching Plan

As a Special Resolution:

“RESOLVED THAT in accordance with the provisions contained in the Memorandum and Articles of Association of the Company and the applicable provisions of the Companies Act, 1956 (hereinafter referred to as the “Act”) and subject to compliance, if required, of the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, (if applicable)(hereinafter referred to as the “SEBI ESOP Guidelines”) (including any statutory modification(s) or re-enactment of the Act or SEBI ESOP Guidelines, for the time being in force), and all other regulations / guidelines prescribed by any other relevant authority, from time to time to the extent applicable, and subject to such other approvals, permissions or sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any committee(s) which the Board may constitute to exercise its powers, including the powers conferred by this resolution), consent of the Members be and is hereby accorded to the Board for the introduction and implementation of the **“Siemens Limited – Share Matching Plan** (“SMP Scheme”), the salient features of which are furnished in the Explanatory Statement to this Notice, and to offer shares, which will be acquired either through an employee benefit trust (to be constituted by the Board) or any other entity or service provider (“Third Party”) which may be appointed by the Board in a permissible manner, by means of purchase from the secondary market, to such employees and Whole-time Directors (excluding expatriates) who are in the permanent employment of the Company, and to such other person(s) as may from time to time be allowed to enjoy the benefits of the SMP Scheme under applicable laws and regulations made by the Company from time to time (hereinafter collectively referred to as “Company Employees”), except those who are promoters or belong to the promoter group, under the SMP Scheme, at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board and/or Third Party in accordance with the SMP Scheme.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, such acquisition of equity shares by the trust, other entity or service provider (as the case may be) and implementation and administration of the SMP Scheme, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the SMP Scheme, and to make such modifications, changes, variations, alterations or revisions in the SMP Scheme from time to time or to suspend, withdraw or revive the SMP Scheme as may be specified by any statutory authority and to do all such acts, deeds, matters and things as may in its absolute discretion deem fit, necessary or desirable for such purpose and with authority on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all documents and writings as may be necessary, proper, desirable or expedient and to give such directions and or instructions as it may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions and all things incidental and ancillary thereto.”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with the above resolutions and all incidental and ancillary things done are hereby specifically approved and ratified.”

“RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI ESOP Guidelines, to the extent relevant and applicable to the SMP Scheme.”

“RESOLVED FURTHER THAT the Board, be and is hereby authorised to do all such acts, deeds, matters and things, as may, in its absolute discretion, deem necessary, expedient, useful or proper including the appointment of Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representative, incidental to the implementation of the SMP Scheme as also to prefer all applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions for preparation and issue of public announcement and filing of public announcement, if required, with SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.”

13. Siemens Limited - Share Matching Plan to the Employees of Indian subsidiaries of the Company

As a Special Resolution:

“RESOLVED THAT in accordance with the provisions contained in the Memorandum and Articles of Association and the applicable provisions of the Companies Act, 1956 (hereinafter referred to as the “Act”) and subject to compliance, if required, of the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, (if applicable)(hereinafter referred to as the “SEBI ESOP Guidelines”) (including any statutory modifications or re-enactments of the Act or the SEBI ESOP Guidelines, for the time being in force) and all other regulations/guidelines prescribed by any other relevant authority, from time to time, to the extent applicable, and subject to such other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any committee(s) which the Board may constitute to exercise its powers, including the

powers conferred by this resolution), consent of the members be and is hereby accorded to the Board to extend the benefits of the **Siemens Limited – Share Matching Plan** (“SMP Scheme”), the salient features of which are furnished in the Explanatory Statement to this Notice, and to offer shares, which will be acquired by either through an employee benefit trust (to be constituted by the Board), or any other entity or service provider (“Third Party”) which may be appointed by the Board in a permissible manner, by means of purchase from the secondary market, to such employees and Whole-time Directors (excluding expatriates) who are in the permanent employment of the Indian subsidiaries of the Company and to such other person(s) as may from time to time be allowed to enjoy the benefits of the SMP Scheme under applicable laws and regulations made by the Company from time to time (hereinafter referred to as “Subsidiaries Employees”), except those who are promoters or belong to the promoter group, under the SMP Scheme, at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board and/ or Third Party in accordance with the SMP Scheme.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the SMP Scheme, and to make such modifications, changes, variations, alterations or revisions in the SMP Scheme from time to time or to suspend, withdraw or revive the SMP Scheme as may be specified by any statutory authority and to do all such acts, deeds, matters and things as may in its absolute discretion deem fit, necessary or desirable for such purpose and with authority on behalf of the Company to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all documents and writings as may be necessary, proper, desirable or expedient and to give such directions and or instructions as it may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions and all things incidental and ancillary thereto.”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified.”

“RESOLVED FURTHER THAT the Board, be and is hereby authorised to do all such acts, deeds, matters and things, as may, in its absolute discretion, deem necessary, expedient, useful or proper including the appointment of Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representative, incidental to the implementation of the SMP Scheme as also to prefer all applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions for preparation and issue of public announcement and filing of public announcement, if required, with SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.”

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
Monday, 30th November, 2009

Notes:

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

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

- b. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Businesses in the Notice is annexed hereto.

- c. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the forthcoming 52nd 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 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 Thursday, 21st January, 2010 to Friday, 29th January, 2010, both days inclusive, for the purpose of payment of Dividend, if declared.
- g. The Dividend, as recommended by the Board of Directors, if declared at the 52nd Annual General Meeting, will be paid on or before Wednesday, 24th February, 2010, 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, 29th January, 2010.

In respect of Shares held in electronic form, to the Beneficial Owners of the Shares as at the close of business hours on Wednesday, 20th January, 2010, 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
Up to 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, 1999 - 2000 and 2001-02 (Interim Dividend) No Dividend was declared by the Company for the Financial Years 1996 - 97, 1997 - 98 and 1998 - 99	Non-recoverable since the unpaid amount has been transferred to IEPF of the Central Government.	–
Financial Years 2001 – 02 (Final Dividend) 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 2001 - 02 are provided hereunder:

Financial Year	Rate (%)	Date of declaration of dividend	Tentative date for transfer to IEPF
2001 - 02			
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

Financial Year	Rate (%)	Date of declaration of dividend	Tentative date for transfer to IEPF
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
2007 - 08			
Dividend	150	30 th January, 2009	5 th March, 2016

[#] 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 2009 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.sebiedifar.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 52nd 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

At the 47th Annual General Meeting held on 27th January, 2005, the Members had given their approval pursuant to Section 309(7) of the Companies Act, 1956, for payment of Commission to Directors (other than the Managing Director, Executive Director and Whole-time Directors) for a period of five financial years commencing from 1st October, 2004 upto 30th September, 2009.

The Company is continuously improving its performance and profitability. In appreciation of their contribution and for the services they have rendered / will be rendering to the Company, it is proposed that the Non-Executive Directors be paid remuneration by way of Commission not exceeding in aggregate 1% (one percent) per annum or such other percentage as may be specified by the Companies Act, 1956 from time-to-time in this regard, of the Net Profits for that year computed in the manner referred to in Sections 198, 349 and 350 of the Companies Act, 1956 for each of the five financial years of the Company commencing from 1st October, 2009. This remuneration will be distributed amongst such of the Non-Executive Directors and in such proportion as the Board of Directors may decide, from time-to-time.

Approval of the Members under Section 309(4) of the Companies Act, 1956 is required for payment of Commission, if any, to the Directors. Hence, the Board of Directors commends the Resolution No. 7 for your approval as a Special Resolution.

None of the Directors of the Company, other than Mr. Deepak S. Parekh, Mr. D. C. Shroff, Mr. Y. H. Malegam, Mr. Keki Dadiseth, Mr. Pradip V. Nayak, Mr. N. J. Jhaveri, Mr. Joe Kaeser, Dr. O. Schmitt (being Alternate Director to Mr. Kaeser), Mr. Wolfgang Dehen and Mr. S. Schneider (being Alternate Director to Mr. Dehen) being Non-Executive Directors, are interested in the resolution.

2. Item No. 8, 9 and 10

In appreciation of the dedicated efforts which contributed in achieving an excellent performance by the Company and having regard to the increased responsibilities for further improving the performance of the Company in this competitive market, the Remuneration Committee of Directors at its Meeting held on 26th November, 2009 approved a revision in the remuneration of the Managing Director and all Whole-time Directors of the Company.

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

I. Remuneration:

Name of the Director	Designation	Salary per month (Rs.)	Salary Grade	Overseas / Special Allowance per month (Rs.)
Dr. Armin Bruck	Managing Director	857,100 (w.e.f. 1 st January, 2010)	250,000 – 1,000,000	857,100 * (w.e.f. 1 st January, 2010)
Mr. Sunil Mathur	Executive Director	524,400 (w.e.f. 1 st January, 2010)	200,000 – 750,000	524,400 (w.e.f. 1 st January, 2010)
Mr. Vijay V. Paranjape	Whole-time Director	389,600 (w.e.f. 1 st January, 2010)	200,000 – 600,000	Not Applicable

*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 and Allowances like Rent-free furnished / semi-furnished accommodation / House Rent Allowance / Stay in a hotel; expenditure incurred by the Company on gas, electricity, water and furnishings to be valued as per the Income Tax Rules; Medical Reimbursement; Hospitalisation Expenses; Leave; Leave Travel Concession; Home Leave; Retirement benefits as per the laws applicable from time-to-time; Club Fees; Long Service Award; Company maintained car with driver / maintenance cost of the car and reimbursement of fuel expenses at actuals; Communication facility (Personal long distance calls will be borne by them), as per the Rules of the Company, as applicable.

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 and Mr. Mathur):

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

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 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 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 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 / Siemens Limited - Share Matching Plan (SMP Scheme)

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 as well as the Cash Incentive under the SMP Scheme, as applicable from time to time.

V. Commission

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

This explanation, together with the accompanying Notice, is to be regarded as an Abstract of the Terms pursuant to the provisions of Section 302 of the Companies Act, 1956.

The said payment requires the approval of the Members pursuant to Sections 198, 309 and 310 read with Schedule XIII to the Companies Act, 1956 and hence the Board commends Resolution Nos. 8, 9 and 10 for your approval.

None of the Directors of the Company other than Dr. Bruck, Mr. Mathur and Mr. Paranjape are interested in the Resolution.

3. Item No. 11

Mr. Vilas B. Parulekar was appointed as a Director and Whole-time Director of the Company with effect from 1st February, 2007. Mr. Parulekar, on completion of his term, ceased to be a Whole-time Director and Director of the Company with effect from 1st October, 2009. In appreciation of the services rendered by Mr. Parulekar, during his 38 years of employment with the Company, including over two years as a Whole-time Director, it is proposed to make a one-time special payment of Rs.5,000,000 (Rupees Five Million only) to him.

This explanation, together with the accompanying Notice, is to be regarded as an Abstract of the Terms pursuant to the provisions of Section 302 of the Companies Act, 1956.

The said payment requires the approval of the Members pursuant to Section 310 read with Schedule XIII to the Companies Act, 1956 and hence the Board commends Resolution No. 11 for your approval.

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

4. Item Nos. 12 and 13

Siemens has a long tradition of enabling employees to participate in its success by encouraging its employees worldwide the possibility to invest in Siemens shares. Building on this culture, the Management of Siemens Ltd., ("Company") proposes to extend the participation of its employees in the success of the Company. The goal is to lay the cornerstone for Siemens equity culture in which as many employees as possible can – as shareholders – participate in the Company, assume responsibility and identify themselves with the Company.

The purpose of the Siemens Limited - Share Meeting Plan ("SMP Scheme") is to offer to Eligible Officers of the Company and its Indian subsidiary companies, who are willing to invest a certain amount of their annual gross performance pay in shares of the Company ("Investment Shares") the possibility to receive matching cash incentive. Investment Shares will be matched by cash incentive in a 1 for 3 ratio, (i.e. cash equivalent to one free share ("Matching Cash Incentive") will be paid for each three Investment Shares purchased by a participating employee. The first tranche of this new "3 plus 1" program, under our "SMP Scheme" is proposed to be implemented in 2010.

Precondition for the receipt of Matching Cash Incentive is that the Investment Shares are purchased *via* one time funding from the amounts resulting from annual gross performance pay and held during the vesting period of 3 years in terms of the SMP Scheme.

The salient features of the SMP Scheme are as follows:

Particulars	SMP Scheme
Total number of shares to be issued under the Scheme	<p>No fresh equity shares of the Company would be issued by the Company for the SMP Scheme. Under SMP Scheme shares would be procured either through an employee benefit trust (to be constituted by the Board) or any other entity or service provider ("Third Party") which may be appointed by the Board in a permissible manner, by means of purchase from the secondary market. Such shares would be allocated to the participating employees/directors of the Company in accordance with the SMP Scheme.</p> <p>The total number of shares that can be granted to the participating employees shall not exceed the issued share capital of the Company.</p>
Purpose of Scheme	<p>SMP Scheme aims at rewarding and motivating the employees of the Company and its subsidiaries. The main objective of the SMP Scheme are as follows:</p> <ul style="list-style-type: none"> • To offer employees the possibility to invest in the Company's shares and benefit from long term participation in the Company's success; and • To foster employees' identification with the Company.
Eligible Officers entitled to participate in the SMP Scheme	<p>Eligible Officers and Whole-time Directors of the Company and its Indian subsidiaries (other than expatriates) who are on the payroll of the Company or its Indian subsidiaries as on 30th September, 2009 and as of the first day of the offering period ("Eligible Officers").</p>
Investment Limits	<p>The maximum investment threshold differs between senior managers and other officers. Senior Managers (i.e. officers within Global Position Level 1 to 4) can invest up to 50% of their annual gross performance pay; whereas, other Officers (i.e. officers below Global Position Level 4) can invest in the range of minimum 3% to maximum 5% of their annual cash compensation (i.e. Total Fixed Pay minus Retirals).</p>
Payment Method	<p>Eligible Officers will pay the purchase price of the Investment Shares exclusively by one-time payroll deduction of the total amount to be invested. The month of this salary deduction will be concurrent with the month of payment of the annual gross performance pay in order to enable them to apply those funds for the purchase of Investment Shares.</p>
Price or pricing formula	<p>The Third party will procure the Company's shares from the secondary market (on behalf of the participating employees) based on the prevailing market price on the designated dates. The Third party will endeavor to procure the necessary quantum of shares at the same market price but would be guided by market conditions as on the date of such purchase.</p> <p>Shares may be allocated by Third party to the participating employees at an average price of procurement, if permitted under law.</p>
Lock-in	<p>Subject to applicability, if any, of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI ESOP Guidelines"), shares allocated to the participating employees shall be locked-in for a minimum period of one year from the date of such allocation. In case of non-applicability of the SEBI ESOP Guidelines, there will be no lock-in period.</p>
Matching Cash Incentive	<p>Investment Shares purchased under the SMP Scheme will entitle the participating employee to Matching Cash Incentive on the basis of a 1 for 3 ratio. Cash incentive will be granted subject to compliance with the following conditions throughout the period starting on the acquisition date and ending on January 31 (inclusive), of the third calendar year following the calendar year of the acquisition date:</p> <ul style="list-style-type: none"> (i) continued employment of participating employee with the relevant participating Company (ii) continued holding of the relevant number of Investment Shares by the participating employee in the custody account (iii) compliance with all terms and conditions of the SMP Scheme <p>For Investment Shares held during the aforesaid period, cash incentive will be granted in the ratio 1:3 (i.e. cash incentive equivalent to value of 1 Share for every 3 full Investment Shares.) ("Matching Cash Incentive").</p>

Particulars	SMP Scheme
Appraisal process for determining the eligibility of employees to participate in the SMP Scheme	The appraisal process for determining the eligibility of the participating employees will be specified by the Board/Compensation Committee and will be based on criteria such as grade, seniority, length of service, performance record, merit of the employee, future potential contribution by the employee and or such other criteria as may be determined.
Accounting policies	The Company will comply with the disclosures and accounting policies as applicable to it under law, including those prescribed by SEBI and other concerned Authorities in this regard.

The Company is of the opinion that the SEBI ESOP Guidelines are not applicable to the SMP Scheme, however as abundant caution and with a view to comply with the relevant requirements, as applicable, of the SEBI ESOP Guidelines and/or the Companies Act 1956, the approval of the Members to the SMP Scheme is being sought by way of a Special Resolution.

With a view to comply with the relevant requirements, as applicable, of the SEBI ESOP Guidelines, a separate resolution is being passed to enable the benefits of the SMP Scheme to be extended to employees of the Indian subsidiaries of the Company. Accordingly, the resolution set out at Item No. 13 is being placed for approval of the Members.

Shares to be allocated under the SMP Scheme shall not be treated as an offer or invitation made to public for the subscription in the shares of the Company.

The SMP Scheme is not to be construed as buy back of shares.

The Board commends the Resolution Nos. 12 and 13 for your approval, as a Special Resolution.

None of the Directors of the Company is in any way concerned or interested in the resolutions except the Whole-time Directors to the extent of their participation in the SMP Scheme.

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 – 400018

Mumbai
Monday, 30th November, 2009

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

Particulars	Mr. Joe Kaeser	Mr. Vijay V. Paranjape	Mr. Narendra J. Jhaveri
Date of Birth	23 rd June, 1957	25 th July, 1948	9 th August, 1935
Date of Appointment	1 st October, 2006	1 st February, 2007	9 th November, 2000
Qualification	Studied Business Administration Dipl.-Betriebswirt	B. E. Elect.	Masters Degree in Economics from Gujarat University M.Sc in Economics from The London School of Economics
Expertise in specific functional areas	Has held various senior level positions during his 29 years of tenure in the House of Siemens. He is presently the Member of the Managing Board and the Head of Corporate Finance and Controlling of Siemens AG.	Has held various senior level positions during his 37 years of tenure with the Company. He is currently the CEO of the Industry Sector of the Company.	After a brief stint with NCAER, he joined Reserve Bank of India. He then joined ICICI as Chief Economist in 1974 and rose to the position of Joint Managing Director. In 1993, he moved to I-Sec, a joint venture investment bank between ICICI and JP Morgan, as Executive Chairman. Thereafter, he was associated with the Kotak Mahindra Group.
Directorships held	<p>Director</p> <ol style="list-style-type: none"> 1. Siemens Corporation (USA) 2. Siemens Ltd. (China) 3. Allianz Deutschland AG (Germany) 4. BSH Bosch und Siemens Hausgerate GmbH (Germany) 5. Siemens Aktiengesellschaft Oesterreich (Austria) <p>Member of Managing Board</p> <ol style="list-style-type: none"> 6. Siemens Aktiengesellschaft (Germany) <p>Member of Supervisory Board</p> <ol style="list-style-type: none"> 7. Bayerische Boerse AG (Germany) 8. Nokia Siemens Networks B. V. (Netherlands) <p>Member of Advisory Board</p> <ol style="list-style-type: none"> 9. Muenchner Handelsverein Holding GmbH & Co. KG (Germany) <p>Member of Foundation Board</p> <ol style="list-style-type: none"> 10. Carl Friedrich von Siemens Stiftung (Germany) 	<ol style="list-style-type: none"> 1. Siemens Rolling Stock Pvt. Ltd. 2. Flender Ltd., Chairman 	<ol style="list-style-type: none"> 1. Afcons Infrastructure Ltd. 2. Pidilite Industries Ltd. 3. Usha Martin Ltd. 4. Voltas Ltd. 5. Juniper Hotels Pvt. Ltd. 6. SKF India Ltd. 7. Ultra Tech Cement Ltd. 8. Hindalco Industries Ltd. 9. Siemens Healthcare Diagnostics Ltd., Chairman 10. Phoenix ARC Pvt. Ltd. 11. Edelweiss Capital Ltd. 12. Gujarat Venture Finance Ltd. 13. Edelweiss Securities Ltd.
Membership of Committees	–	–	<p>Audit Committee</p> <ol style="list-style-type: none"> 1. Afcons Infrastructure Ltd.* 2. Pidilite Industries Ltd. 3. Usha Martin Ltd.* 4. Voltas Ltd.* 5. SKF India Ltd. 6. Hindalco Industries Ltd. 7. Siemens Healthcare Diagnostics Ltd. 8. Edelweiss Capital Ltd.* <p><i>*Chairman</i></p>
No. of shares held in the Company	Nil	4,200	5,000

Directors' Report

Dear Members,

The Directors have pleasure in presenting the 52nd Annual Report of your Company and the Audited Accounts for the year ended on 30th September, 2009.

1. Financial Performance

Rs. in Million

	2008-09	2007-08	Growth %
Gross Profit before Interest, Depreciation and Exceptional Income	13,095.69	8,349.78	56.84
Less: Interest	58.77	40.54	
Depreciation	777.79	637.34	
Profit before Tax and Exceptional Income	12,259.13	7,671.90	59.79
Add: Exceptional Income			
Profit on sale of Investments in Subsidiaries	2,059.46	-	
Profit on sale of SBT Division	-	10.64	
Profit on sale of SVDO Division	-	1,235.15	
Profit before Tax	14,318.59	8,917.69	60.56
Less: Tax	4,007.46	3,493.16	
Deferred Tax	(208.88)	(629.04)	
Fringe Benefit Tax	71.50	120.30	
Net Profit after Tax	10,448.51	5,933.27	76.10
Amount available for appropriation	10,448.51	5,933.27	
Appropriations:			
General Reserve	8,476.21	4,577.24	
Net deficit on account of amalgamation of erstwhile Siemens Industrial Turbomachinery Services Private Ltd.	-	172.64	
Proposed Dividend	1,685.80	1,011.48	
Dividend Distribution Tax	286.50	171.90	

2. Operations

The Turnover of the Company increased marginally and stood at Rs.83,888 million as compared to Rs.82,955 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 new orders booked during the year were also on a healthy note despite tough market conditions.

The Profit after Tax was Rs.10,449 million, compared to Rs.5,933 million during 2007-08. This increase was primarily on account of a substantial one time increase in Financing & Investment Income resulting from the Company's sale of Siemens Information Systems Ltd. (SISL) and Siemens Information Processing Services Pvt. Ltd. (SIPS).

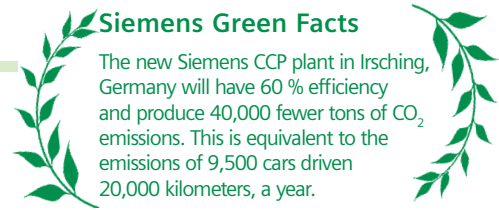
3. Dividend

The Board of Directors recommends a Dividend of Rs.5 per Equity Share of Rs.2 each. This Dividend is subject to the approval of the Members at the forthcoming 52nd Annual General Meeting to be held on 29th January, 2010.

In the previous year, the Company paid a Dividend of Rs.3 per Equity Share of Rs.2 each.

4. 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**.



5. Amalgamations, Divestments and Acquisitions

a. Amalgamation of Siemens Healthcare Diagnostics Ltd., Baroda (SHDL)

At the meeting held on 30th November, 2009, the Board of Directors approved the proposal for the amalgamation of SHDL with the Company. The "Appointed Date" has been fixed as 1st October, 2009. The Board has recommended a share exchange ratio of 2:1 i.e. (Two) Equity Shares of Rs.2 each fully paid-up of the Company for every 1 (One) Equity Share of Rs.10 each fully paid-up of SHDL. The amalgamation is subject to all the necessary statutory / regulatory approvals, including approvals of the Members of the respective companies and the relevant High Courts.

SHDL is based at Baroda and is engaged in manufacturing, marketing and Customer Support of Medical Diagnostic Reagents and Instrument etc. SHDL is listed on the Bombay Stock Exchange Ltd.

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

The Company, on 31st July, 2009 acquired 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) for a consideration of Rs.910 million. With this acquisition, Flender Ltd., has become a 100% subsidiary of the Company.

The process for amalgamation of Flender Ltd. with the Company has already been initiated.

c. Acquisition of balance stake in Siemens Building Technologies Pvt. Ltd., Chennai (SBTPL)

The Company, on 7th January, 2009 acquired second tranche of 6.83% stake in SBTPL comprising of 254,843 Equity Shares of Rs.10/- each from the Promoters of SBTPL for a consideration of Rs.791.06 million. Subsequent to this acquisition, the Company's shareholding in SBTPL increased to 86.15%. At the meeting held on 26th November, 2009, the Board of Directors has approved the acquisition of the remaining 13.85% stake in SBTPL comprising of 517,209 Equity Shares of Rs.10/- each from the Promoters of SBTPL for a consideration of Rs.702 million. With this acquisition, SBTPL will become a 100% subsidiary of the Company.

Further, it is proposed to amalgamate SBTPL with the Company, subject to all statutory and regulatory approvals in this regard.

d. Divestment of 100% stake in Siemens Information Systems Ltd., Mumbai (SISL)

On 25th June, 2009, the Company sold its 100% equity stake comprising of 6,815,000 Equity Shares of Rs.10/- each in SISL to Siemens Corporate Finance Pvt. Ltd., Mumbai (SCFPL) for a consideration of Rs.2,794 million. SISL has thus, ceased to be a subsidiary of the Company with effect from the said date.

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

On 25th June, 2009, the Company sold its 51% equity stake comprising of 2,123,800 Equity Shares of Rs.10/- each in SIPS to SCFPL for a consideration of Rs.228 million. SIPS has thus, ceased to be a subsidiary of the Company with effect from the said date.

f. Divestment of 100% stake in Siemens Nixdorf Information Systems Pvt. Ltd., Mumbai (SNISL)

SNISL was 100% subsidiary of SISL and being a subsidiary of a subsidiary, SNISL was considered as a subsidiary of the Company. On 2nd June, 2009, SISL sold its 100% equity stake in SNISL to SCFPL. SNISL has thus, ceased to be a subsidiary of the Company with effect from the said date.

6. Subsidiary companies

a. Flender Ltd., Kolkata - a 100% subsidiary

Flender Ltd., is engaged in the business of manufacturing gear boxes, couplings and spares. For the year ended on 30th September, 2009, Flender Ltd. reported a total income of Rs.398 million and a Net Profit of Rs.45 million.

b. Siemens Rolling Stock Pvt. Ltd., Mumbai (SRSPL) – a 100% subsidiary

SRSPL was incorporated on 4th July, 2008 and is engaged in the manufacture of Railway Rolling Stock. For the year ended on 30th September, 2009, SRSPL reported a total income of Rs.16.35 million and a Net Loss of Rs.135.04 million.

Directors' Report (continued)

c. Siemens Building Technologies Pvt. Ltd., Chennai (SBTPL) - a 86.15% 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, 2009, SBTPL recorded a total income of Rs.2,051 million and a Net Loss of Rs.146.81 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.2,597 million and a Net Loss of Rs.234.8 million.

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 on 30th September, 2009. 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 52nd 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 prescribed Accounting Standards.

7. Foreign Exchange Earnings and Expenditure

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

8. 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.

9. 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 Company is introducing an Equity Based Compensation Program "Siemens Limited – Share Matching Plan" for the Eligible Officers of the Company and its subsidiaries. This Plan provides an opportunity to reap sustainable, long-term benefits from the Company's success. The necessary resolutions with respect to implementation of the said Plan forms part of the Notice of the 52nd Annual General Meeting and the same are recommended for your approval.

The total number of permanent employees of the Company as on 30th September, 2009, was 6,683 (as on 30th September, 2008: 6,502).

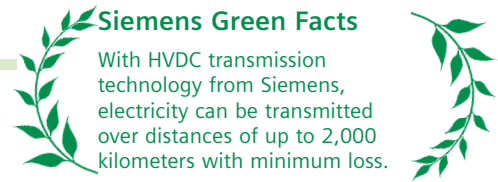
Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Report and Accounts 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.

10. 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.

11. General Shareholder Information

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



12. 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 along with 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, 2009 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.

13. Directors

Mr. V. B. Parulekar, on completion of his term, ceased to be a Whole-time Director and Director of the Company with effect from 1st October, 2009. The Board places on record its appreciation for the services rendered by Mr. Parulekar during his tenure with the Company.

At the 52nd Annual General Meeting, Mr. Joe Kaeser, Mr. V. V. Paranjape and Mr. N. J. Jhaveri retire by rotation and being eligible, offer themselves for re-appointment.

The above re-appointments form part of the Notice of the forthcoming 52nd Annual General Meeting and the respective resolutions are recommended for your approval.

Profiles of these Directors as required under Clause 49 of the Listing Agreement are given in the Notice of the 52nd Annual General Meeting.

14. Auditors

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

15. Cost Auditors

In accordance with the requirements of Central Government and pursuant to Section 233B of the Companies Act, 1956, the Company carries out an audit of cost accounts for the product "Electric Motors" every year. M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, have been conducting this audit since 1972.

16. Acknowledgements

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
Monday, 30th November, 2009

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

a. Measures taken

- Regrouping of the lights in the Traction bay.
- Replacement of lower wattage bulbs / Lamps instead of higher wattage in all the factories.
- Upgrading 80kW impregnation curing oven on 'Thyristor Drive' principle.
- Implementation of Delta Reflex system and Real Time clock.
- Intermediate arrangements between Phase 1 and 2 for utilization of solar hot water for canteen cooking and washing.
- Use of natural light at production area during day time.
- Use of Heavy Duty Corrugated Box for the packing of panels.
- High density I/O modules conceived.
- I/O modules without requirement of FIM conceived.
- Use of low power consumption controller as well as low voltage electronics component.

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

- PLC based lighting control for manufacturing and administration building.
- Customisation and use of power plant optimisation packages for Indian power plant projects.

c. 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:

- Prototype development of Windmill Generator of 1.875 MW rating. Prototype made ready and is under evaluation.
- Developed 1.35 MW induction motor.
- Received accreditation for BEE 'Star' rating label for the energy efficient motors from the Bureau of Energy Efficiency (Ministry of Power, Government of India).
- Localisation of new range of fuses and RCCBs.
- New range of DBs.
- 10 KA MCB Housing and cover in Urea.
- Development of MV Drives.

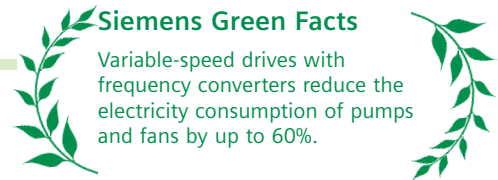
- WDG4 Converter for Indian Railways.
- New series of contactors type 3TS and overload relays type 3US.
- New series of Pushbuttons and actuators type 3SB5.
- In house Type Testing facilities expanded as per plan to support timely introduction of Roadmap projects.
- Development of products - Multix Focus and Multiphos 450 (High Frequency Generator).
- Test on silicon bellow for use in outdoor VCB.
- Design & type test on 12 kV panels for withstanding 40 kA, 1s internal arc fault.
- Design & type tests on enclosure for outdoor R.M.U. to withstand 20 kA, 0.1s internal arc fault.
- Cost effective circuit breakers of 145 kV & 245 kV range were designed developed and tested.
- 50 KA design of 400 KV HCB, DBR disconnecter and earth switch.
- 40 KA 3 sec. 400 KV HCB Isolator and earth switch copper design.
- Indigenisation of low cost PG400/245/145 localisation and manufacture and assembly process.
- Design developed centre break 3150 Amp at low cost upto 245 KV.
- Development of User friendly Historian package.
- Development of FIM-less I/O system architecture.
- Development of Speed measurement module.
- Development of project specific features.

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

- Increase in market share.
- Energy efficient products.
- Overall cost reduction.
- Opportunity to tap new market.
- Recognition of SGR-R&D as Global R&D, by Siemens AG
- Introduction of cost competitive R.M.U. in domestic market.
- Reduced time to market the product.
- Improved segment specific business potential, especially service & captive power plant projects.
- Improved system acceptance.
- Improved quality.
- Lower lifetime costs for customers.

3. Further Plan of action:

- Development and Testing of induction motors as per IE2 complying to IEC 60034-30.
- Localisation of 70 mm MCBs with higher breaking capacities and features.



- Development for series production.
- Development of New products with primary focus on State of Art Contactors & Relays.
- Build R&D capacity and capability for further research oriented activities/projects.
- Solar Power for Generator, Smart Camera for C Arms.
- Implementation of improved designs & cost effective designs for 420 kV circuit breakers.
- Low cost design of disconnecter for local low end market.
- 63 KA rating 400 KV disconnecter.
- 765 KA localization.
- Customization of optimization package.
- Customization of simulator.
- Development of PSS for excitation system.
- Further developments in IO modules.
- Enhancing SW testing by use for standard services & tools.
- Development of MOR package

4. Expenditure on R&D:

- a. Capital Expenditure: Rs.21.40 million
- b. Revenue Expenditure: Rs.57.50 million
- c. Total Expenditure: Rs.78.90 million

C. Technology Absorption & Innovation

1. Efforts undertaken:

- Full depth manufacturing of Traction Motors for Diesel Electric Locomotive application. This included necessary indigenisation of components and parts.
- Indigenisation of c-parts for all the traction motors.
- Introduction of Medium Voltage Motors manufacturing. This included necessary indigenisation of components and parts, introduction of additional technology in shaft insertion in rotors, assembly and testing processes.
- Introduction of ENSIS Oiling process for Magnets.
- 800 kV Circuit Breaker Development work in process.
- Indigenisation of low cost PG400/245/145 manufacture and assembly process.
- Design & development centre break 3150 Amp at low cost upto 245 KV.
- Technological Assistance for Instrument Transformer Manufacturing of 245kV & 420kV Current Transformers.
- Technological Assistance for Transformer Manufacturing for 400 kV rating of Power Transformers including HVDC transformers.
- Introduction of 4th Generation DCS SPPA T3000.

- Localisation of ST Technology for SST 300 C Blading and SST 600 Turbine.

2. Benefits derived from the above:

- Reduction in imports of the motors.
- Meeting the demand of Indian Railways for increased local content in manufacturing.
- Environment friendly process, reduction in hazardous waste.
- Reduction in consumption of paint.
- Overall cost reduction.
- Increased market coverage.

3. Imported Technology:

Technology Imported	Year of Import	Has the technology has been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.
- Coil manufacture and winding process. - Process of machining of components for traction motor. - Assembly and testing process.	2007-08	Yes	Not Applicable
Ensis Oil Spraying Automat	2008-09	Yes	Not Applicable
Technology for manufacture of 800 kV GCB	2008-09	No	Development work in progress and manufacturing would commence after successful type testing
Technology for manufacture of 245 kV & 400 kV Current Transformers	2007-08	Yes	Not Applicable
Technology for manufacture of 400 kV Power Transformers	2007-08	No	Process of absorption of HVDC technology is expected to be fully absorbed by FY 2009-10.
Distributed control System SPPA T3000	2007-08	Yes	Not Applicable
Steam Turbine & Condenser engineering and production	2008-09	No	C Blading manufacturing under localisation, SST 600 localisation started from September, 2009.

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

Deepak S. Parekh
Chairman

Mumbai
Monday, 30th November, 2009

General Performance Review

The fiscal year 2008-09 began amidst financial slowdown, which decelerated the economic growth of India to 6.7%. This depicted a decline of 2.1% from the average growth rate of 8.8% recorded in the previous five years. While the GDP growth in the first two quarters was above 7.5%, it fell sharply in the third and fourth quarter to 5.8% as compared to GDP growth rate of 9.3% and 8.6% recorded in Q3 and Q4 of 2007-08.

The moderation in growth for 2008-09 is mainly attributed to steep slowdown in growth in industry to 3.9 per cent from 8.1 per cent in 2007-08. Within industry, the manufacturing, electricity, gas and water supply and construction activities declined sharply, while growth in mining and quarrying sector showed a marginal growth. Growth in agriculture, forestry and fisheries declined from 4.9% in 2007-08 to 1.6% in 2008-09. The growth slowdown in services sector was moderate. It was estimated at 9.7% in 2008-09 as compared to 10.9% in 2007-08.

While the market witnessed slowdown in new investments, the rise in inflation, high interest rates and liquidity crunch also led to cancellation, renegotiation and delay of many planned projects in India. To counter this negative fallout of the global economic slowdown, the Indian Government implemented fiscal stimulus packages to boost demand and increased expenditure on public projects. The RBI took a number of monetary easing and liquidity enhancing measures to facilitate flow of funds to meet the needs of infrastructure sectors.

As a result, in the second quarter (July-September 2009), the economic indicators were looking up. After growing by 6.1% in the first quarter, the GDP is estimated to have grown by 6.8% in the second quarter. The growth was led by an estimated 7% growth in the industrial sector, as compared to 5% in the first quarter. While, the industry as well as services sector were on recovery track, the performance of the agriculture sector remained a cause of concern.

Considering the overall market conditions during the last fiscal of the company (October – September 2009), Siemens continued to achieve stable performance.

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

Industry Sector

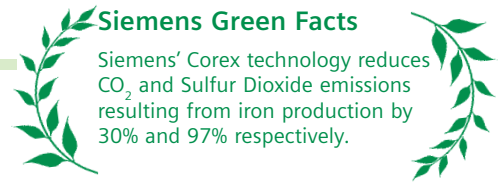
The Industry sector was impacted the most as a result of the global economic slowdown, with growth rates declining from 8.1% in FY08 to 3.9% in FY09. With an acute liquidity crunch, most investments were deferred and projects were scaled down or deferred in sectors such as Automotive, Textiles, Paper, FMCG, F&B, Cement, Metal Technologies and other infrastructure projects. This decline in demand

led to severe price pressures in the market with companies anxious to fill up idle capacities. The heartening fact was that the Railway sector had a marginal impact of the economic crisis. The freight and passenger loading did not decline in absolute terms and registered a growth over previous years. Considering the overall market pressures, Siemens Industry Sector, which is a mix of short and long cycle businesses performed on expected lines during the last fiscal. It secured a good order intake and increased its revenue by 12% with strong order backlog. Its profit margin remained good at 5%.

A major contributor to the Industry Sector performance was the Mobility division, which grew by 48% over the previous fiscal. Siemens Mobility division is a key player in Rail based transport solutions. With the addition of Infrastructure Logistics and Traffic Solutions business, the division grew to a full spectrum of Mobility solutions provider. It continued to gain market share due to its state-of-the-art technology and in-depth local infrastructure including manufacture of propulsion equipment at Nashik and Kalwa Works, progressive localization of baggage handling solutions, a vast network of service infrastructure and dedicated personnel. The order intake of Industry Solutions (IS) division, which handles project business, was affected due to postponement of investment decisions in the respective market segments. With some large order back log, the turnover of IS division remained steady. Industry Automation and Drive Technologies (IA&DT), the product and solution division was also moderately affected and its order intake was a reflection of prevailing market trends.

With its edge in providing innovative and customized products & solutions, Siemens IA&DT division won several noteworthy orders amidst stiff competition and price pressures. The division also signed important alliances with Steel Authority of India Ltd., Indian Machine Tools Manufacturers Association (IMTMA) and with the Indo Danish Tools Room (IDTR) Jamshedpur to impart technical training to their employees and end customers. IA&DT further expanded their training





network by setting three new authorized training centers catering to the northern, southern and eastern regions of the country.

The highlight of IS division was the success achieved in its new business ventures such as water technologies, infrastructure projects and service businesses. The division also retained its leadership position in the metal and mining sector by winning a number of key orders and executing them successfully. It won a breakthrough order for the country's biggest capacity electro-chlorination plant along with some large orders from the Metal Sector to supply electricals, power distribution equipment and automation solutions.

The Mobility division won its first order in India for the Metro electrification from Delhi Airport Metro Express Link (DAMEL), in addition to modern signaling and state-of-the-art baggage handling systems with city check-in facility. The division also won major orders to supply IGBT (Insulated Gate Bipolar Transistors technology) based propulsion and control equipment for diesel electric locomotives. The modern state-of-the-art IGBT based electricals are highly reliable, require low maintenance and provide better lifecycle cost position. The strategic success was that the Mobility division was also able to establish its footprint in the traffic solutions segment in the country.

During the year 2008-09, the Industry Sector launched several innovative products across its businesses. For instance, G120 drive series, Medium Voltage motors, localized version of new design traction motors for Diesel Locomotives and Conveyor belts 'Vario Belt V2,' etc. The Sector was also accredited with the 'BEE Star' rating by the Bureau of Energy Efficiency (Ministry of Power, Govt. of India) for the energy efficient motors manufactured at Kalwa, near Mumbai. The Mobility division was successful in the development of the 500KVA Hotel Load converter that is energy efficient and will be used in the Rajdhani and Shatabdi express trains. The division has also completed the important development of the SIBAS based locomotive controller for 4500 HP IGBT based Diesel Electric Locomotives, which is a microprocessor based control system that controls complete locomotive functioning and enable its efficient operations.

On the R&D front the Sector made numerous noteworthy investments. The Nasik Works developed and installed Water-cooled Converter & Controls (including software) for Shovels used in the export mining market. The Switchgear Kalwa Works has indigenously developed a new range of 3 TS contactors & 3 US overload relays and 3 SB5 Pushbutton stations & actuators. The factory is also considering registration of four patents in switchgear R&D.

Outlook: The Government rolled out significant economic policy reforms and fiscal stimulus packages to boost demand and increase expenditure on public projects. Also a number of monetary easing and liquidity enhancing measures were

undertaken to facilitate flow of funds from the financial systems to meet the needs of infrastructure sectors. These developments will revive the projects undertaken by industries and thereby support the Industry Sector growth plans. There are various indicators, which show that global economic slowdown has started bottoming out. Going further, the sector will focus on energy efficient products / solutions and enhance its GREEN portfolio, which will create sustainable value for customers. This will give an added dimension to the sector's strategy in the coming years and also offer a substantial business potential.

Energy Sector

As a consequence of the global economic crisis, the energy market witnessed a clear downward trend in the last fiscal. The power generation market fell by about 15% while the distribution segment declined by about 30%. The heartening sign was that the transmission segment continued to grow, with the Power Grid Corporation of India spearheading the progress in the transmission sector. The last fiscal saw a significant shift towards supercritical technology with the Central Electricity Authority (CEA) mandating stricter efficiency guidelines for supercritical equipment to ensure reliability and good performance of power plants. While low cost suppliers continued to lead the market, more new players entered the competitive space, which led to heightened price pressures.

In such a market environment, Siemens Energy Sector performed well and retained its market position in the industry. During 2008-09, the order value rose by 21%, while its sales increased marginally by 2%. Profits rose by 91% on account of the substantial completion of certain large projects, which has resulted in significant savings in estimated costs and consequential recognition of additional



Management's Discussions and Analysis

revenue and profits. During the year, the Sector continued to invest for expanding its manufacturing capabilities. It commenced operations at its Gas Insulated Switchgear (GIS) factory at Aurangabad, which was the first GIS factory to be fully operational in India. The Sector also expanded its Steam Turbine factory at Vadodara.

Amongst the many orders won by the Energy Sector, the most prominent contract was from Adani Power Ltd. to construct India's first private sector High-voltage-direct-current (HVDC) transmission system. This environment friendly system will help reduce millions of tons of CO2 emissions and provide energy efficient transmission of power over a distance of 1,000 km from Mundra power plant in Gujarat to Mohindergarh in Haryana. Apart from orders, the Energy Sector also rolled out new products and solutions. It introduced many innovative products such as power plant control system SPPA-T3000, 400kV Power Transformer, Traction Transformer, localized Grading Capacitors, 420kV, 50kV Disconnectors, etc. Siemens was awarded the EnerTia Award 2008 for technology innovation for the Talcher-Kolar HVDC link capacity enhancement.

Outlook: The early signs of an economic recovery is expected to lead to a revival of deferred projects. The substantial capacity addition will generate a market for our products down to the distribution level. The growth in the Transmission sector is expected to continue, while the recent resurgence in the industrial sector is expected to help the Distribution segment. The power and industry sectors will continue to be key drivers for our growth. The increased demand for supercritical technology with CEA mandating stricter efficiency guidelines will benefit the Energy Sector with its technology edge in providing supercritical technology. While the Government has initiated bulk tendering of fossil supercritical units, the Power Grid has moved towards implementation of 800kV HVDC transmission lines and the next focus is to adopt 1200kV AC lines. As innovation leaders, the Sector will continue to leverage growth opportunities by widening the spectrum of its high-tech products and solutions and expanding manufacturing capacities.

Healthcare

In the beginning of FY2009, the industry witnessed hardening of credit and spiraling of interest rates, with weakening of the Indian Rupee against the US Dollar. This led to slowdown in the private sector investment in the Healthcare sector however the investments by the public sector compensated for the slowdown in the private sector. During the fourth quarter of the last fiscal, there were signs of recovery in the private sector investments. Thus, the overall healthcare equipment market grew by 10% - 12% in the last financial year.

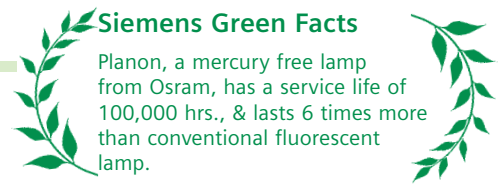
Despite the intense competition in the market, Siemens Healthcare Sector further consolidated its leadership

position by gaining market share, especially in segments of CT scanners, MRI, Molecular Imaging & Special Products and grew faster than the market. With healthy Order intake and improved profitability, the overall performance of the Sector was very good. On a comparable basis, for the total business, orders grew by 20%, sales grew by 5%, while profits rose by 24%. For only the direct business, Sales declined by 10%, Orders declined by 6%, while Profits rose by 24%.

In line with its business philosophy, the Healthcare Sector introduced several first-of-its-kind products in the country. For instance, it launched SOMATOM Definition Flash CT scanner, which is the fastest CT scanner in the world with a low radiation dose. The world's first molecular CT scanner called Biograph mCT was installed for the first time in India. The Sector also introduced country's first robotic cathlab, Artis Zeego. One of the most outstanding technologies introduced by Siemens was Liver Elastography using ACUSON S2000 ultrasound system. With this ultrasound system, for the first time in India it is now possible to non-invasively diagnose liver disorders. Another ultrasound system launched was ACUSON SC2000 which provides exclusive cardiac and vascular diagnosis. With this ultrasound system, Siemens also introduced a technology called Echo in a Heartbeat that allows volume scanning of a heart in one second. Siemens Healthcare won noteworthy multi-modality orders, which included two large private sector orders for providing a range of imaging equipments. The sector also received the single largest bulk order from one of the government entities. A significant export order was won from China for 20 units of Multimobil 5C C-arm systems and 40 units of Multimobil 2.5 X-rays.

The Healthcare Sector enhanced its post sale support and service and at present has over 700 systems connected to Siemens Remote Service for remote monitoring and servicing. It continued to conduct advance training workshops for customers as well as for the application teams, which significantly helped the sector to perform better. In FY2008-09, Healthcare was credited with Frost & Sullivan's





Best CT Scan Equipment Company of the Year award.

Outlook: The trend of the Indian Rupee appreciating against the US Dollar and recovery of the private sector investment is expected to augur well for the industry. The Oncology and Cardiology segment will be the major growth drivers. Some of the Corporate groups are looking for 'Pay per Use models' and the Government hospitals are looking for public private partnerships. The Tier II and Tier III cities will continue to see big growth. Siemens will leverage these business opportunities by focusing on high potential areas and emerging markets. It will also focus on 'Imaging inside Operation room' market and the replacement market. The Sector will continue to launch world-class innovative technologies in India and also invest in R&D at its Goa factory.

Group companies of Siemens Ltd.

Industry

Siemens Building Technologies Pvt. Ltd. (SBTPL)

As a consequence of the global economic slowdown and acute liquidity crunch, the demand in the building technologies market fell sharply by about 20%. The business potential in segments such as Commercial Real Estate, Retail, IT and BPOs reduced considerably in turn affecting the performance of Siemens Building Technologies.

The fiscal 2008-09 was one of the most difficult years for Siemens Building Technologies Pvt. Ltd. (SBTPL), which is an 86% subsidiary of Siemens Ltd. The revenues fell by 21% while the profitability was impacted severely. In addition, the subsidiaries of SBTPL in UK and Ireland also witnessed tough market conditions. In spite of the adverse market conditions resulting in severe price pressures, the company secured some noteworthy orders for Integrated Buildings Management Systems (IBMS), fire suppression equipment and annual maintenance contracts. One of their major achievements was the establishment of the Graphics & Engineering Competence



Siemens Ltd.

Center (GECC) in Chennai for Building Automation Systems. The GECC will provide engineering design services for the Indian market and for the Asia Pacific region.

Outlook: Though there are signs of revival in the industry, the related market for building technologies such as commercial real estate and retail are not expected to see a speedy recovery. SBTPL expects to improve its business performance by focusing on key verticals like Government, Pharma and Data Centers. The company will establish greater competence in Energy Efficiency Services to optimize energy consumption in existing building infrastructure. SBTPL will also focus on increasing its services portfolio to provide value added offerings to the existing installed base, especially in the area of knowledge services to create greater value from existing investment.

Flender Ltd.

Flender Ltd., a 100% subsidiary company of Siemens Ltd, manufactures mechanical and electrical components for power transmission equipment. Their profile covers a diversified product range from individual components to complete drive systems.

Despite the market pressures during the last financial year, Flender continued to do well. Orders increased by 9%. A slowdown in the cement sector, which contributed to more than half of the company's order intake in the past was compensated by increased demand in the Power sector. Its sales increased by 13%, while profits rose by 15%.

The merger process of Flender with Siemens Ltd. is currently underway and an application has been filed in the High Court of Calcutta. The appointed date for the merger is October 1, 2009.

Corporate Functions Review

Internal Control Systems

The mandate of internal audit in Siemens Ltd. is to add value and improve the operations and processes of the Company. This is done by independently and objectively evaluating and reporting on Siemens' financial reporting integrity, the effectiveness of risk management and internal control systems and the adherence to Siemens' compliance policies in a systematic and disciplined manner. Siemens has outsourced the internal audit function to Corporate Finance Audit, the Global Audit Department of Siemens AG, majority shareholder of Siemens Ltd.

To deliver on its mandate, the Internal Audit department develops a flexible audit plan for Siemens and its subsidiary companies using an appropriate risk-based methodology and considering the work performed by Siemens' other control and monitoring functions and external auditors, to provide optimal audit coverage at a reasonable overall cost. The audit plan is submitted to the Audit Committee of Siemens

for review and concurrence at least annually. The results from the audit are reported to the Audit Committee on a quarterly basis.

Compliance

Siemens Ltd. also strengthened its Compliance function during the Internal Control Remediation implementation phase and thereafter in October 2008, restructured this function based on focus areas and sector requirements. Each sector of the company has a dedicated Sector Compliance team that helps to ensure on one hand, the effectiveness of the defined controls in the business environment and on the other hand supports in reducing the response time to help the business in day to day operations, without escalating queries to the Regional Compliance Office (RCO).

During the year 2008-2009, the RCO team helped to 'Build Trust' and inculcated a strong 'Conviction for Compliance'. It continued its conviction even outside the realms of Siemens to other organizations through Collective Action Plan and with the support from NGOs, Transparency International, India (TI I) and Government bodies.

The RCO supervises Compliance program of all Group Companies to achieve synergies within Siemens in India.

Safety & Environment

Siemens has always considered safety and environment one of its key focus areas and has always strived to make continues improvements in these two aspects.

The highlight of the FY 2008-2009, was the standardization of Safety & Environmental Management System as per International Standards for Certification. During this year, the Transformer, Switchboard and Aurangabad Circuit Breaker Factories have implemented Safety Management System as per International Standard OHSAS 18001. Our factories are now certified by OHSAS 18001 through external auditors.

At Siemens, environment concerns have always taken precedence; hence all our factories at Kalwa, Aurangabad

and Nashik have re-certified for international standard ISO 14001 for Environment Management System. To address the concerns of Environment Protection, concrete efforts were made towards natural resource conservation. For example, a Sewage Treatment Plant was commissioned at Kalwa Works and the Kalwa Switchgear factory started a pilot Rain Water Harvesting project. The treated and collected water is currently used for flushing and gardening. The Kalwa Switchgear Factory has reduced waste material by reusing process scrap, thermoplastic, so far the total quantity of 10 tons/year has been recycled.

For creating a safe work environment, this year total 2,760 employees including contractors have been trained on various Safety & Environment topics. This is a three fold growth in terms of numbers as compared to previous year. The determination of our line managers towards Safety & Environment supported by strong Management Commitment has led to a significant reduction in accidents in all our manufacturing Units. There have been no accidents reported at Kalwa Switchgear Factory, Goa Works, Nashik Works and Baroda Works. The number of Total Accidents at all our production units of has reduced by 29%.

In order to tackle any fire emergency, Nashik Works has installed a new state-of-the-art fire hydrant system. The new system has a pumping mechanism to supply minimum of 4,500 liters/per minute at a pressure of 7kg/cm² along with a jockey pump and a diesel backup pump.

Siemens has also included Safety & Environment clauses in all its Purchase Orders. This reinforces our communication towards compliant behavior by all our vendors in our premises and of their own.

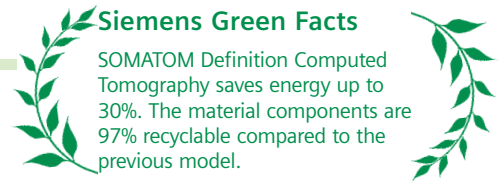
An exhaustive Safety & Environment Protocol Manual for Siemens Project sites was prepared to specific safety legal and technical safety requirements. This Protocol Manual has been distributed among our project sites across the country. As a part of preventive crisis management, emergency drills were conducted at all our factories and offices.

Human Resource Initiatives

Employees are the back bone of a good organisation and to motivate them to achieve greater heights HR undertook several initiatives towards their development, enhancement and retention. Despite the difficult market conditions, the Company hired around 130 fresh Graduate Trainee Engineers (GTE) who joined the Siemens family. The program titled 'Welcoming the Young Giants' was planned to welcome and integrate the young engineers in the house of Siemens.

Keeping in line with the business growth and constantly changing market demands, the company invested significantly in various training and development activities to better equip our employees by enhancing their competencies in order to





successfully meet future challenges. Nearly 290 programs were conducted during the year covering 3,500 participants.

In the area of leadership development, the existing Program for Business Managers (PBM), meant for our talent at the mid-management level, was re-designed with greater focus on Business Strategy. This year, 35 Managers across the Companies went through the program and their projects will be closely tracked for implementation. Additionally, a specialized program was designed for the Senior Management team known as Strategic Leadership Development Programme (SLDP) in collaboration with Indian Institute of Management, Ahmedabad (IIM-A). It is a two weeks intensive training on Business Skills and Leadership development. Another new initiative that has been undertaken by HR is Executive Coaching for select Top Management to hone their business and leadership skills by bringing in an external perspective.

The Company has put a lot of emphasis towards developing the young talent and as an example; recently five of our employees were selected to present new ideas to the Board Members in Germany. The company worldwide, as well as in India, is also focusing on building greater diversity in its efforts towards making the organization truly global.

Last year, under the new shared service concept, HR services were bundled and several processes were re-designed to bring in higher efficiency at significantly lower costs primarily with the effective use of IT enabled tools, as also by outsourcing of transactional work to our in-house Shared Services outfit, SIPS.

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

Outlook for Siemens Ltd.

India has established itself as one of the world's fastest growing economies — this fact has been attracting many investors across the world to leverage opportunities in this growing market. However, the financial meltdown and consequent economic slowdown that impacted the world last year, had its effect on the Indian economy as well. But despite the slowdown, investment remained relatively buoyant, growing at a rate higher than the GDP (32.2% from 31.6% in 2007-08). Towards the end of the fiscal 2008-09, the economy saw a silver lining when the government stepped in with its fiscal stimulus initiatives. India is now on track to improve its economy and the Reserve Bank of India (RBI) recently projected the country's economic growth at 6% in fiscal 2009-10.

As the markets are currently under a phase of correction, the competition to win orders is getting intense. Projects that were delayed last year are expected to resume, primarily helping

the Industry sector to gain stability, which got impacted the most in the economic slowdown. Overall the business sentiment is now positive. Investments in the infrastructure sector are also likely to help boost the economy. With expected investments of about US\$500 billion, a number of infrastructure projects have been announced by the Railways, Urban authorities and Power especially on a public-private-partnership (PPP) model.

The challenges that confronted the Indian economy in 2008-09 will remain in 2009-10 as well. The first area of challenge will be of monetary and fiscal policy and the other will be of returning to the high growth path. However, compared to other emerging economies, India has several strengths that can help an early mitigation of the adverse effects of the global economic crisis — high share of services in GDP, high domestic saving rate, growing infrastructure investment and most preferred destination for investments among others. Siemens Ltd. will focus on providing solutions to the infrastructure challenges faced by the country and will maintain its market position by driving profitable growth. While focusing on sustainability, Siemens will strengthen its solutions for environment protection and energy efficiency.

Note: This report contains forward-looking statements based on beliefs of Siemens' management. The words 'anticipate,' 'believe,' 'estimate,' 'forecast,' 'expect,' 'intend,' 'plan,' 'should,' and 'project' are used to identify forward-looking statements. Such statements reflect the company's current views with respect to 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
Monday, 30th November, 2009

Annexure III to the Directors' Report

Corporate Governance Report

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

I. Company's Philosophy on Corporate Governance

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

II. Board of Directors (Board)

• Composition

During the year under consideration, the Board comprises of 12 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.

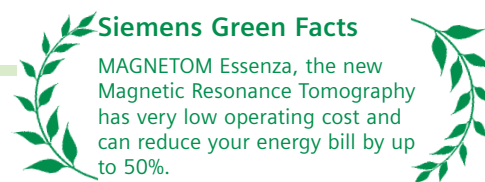
Particulars	Composition of the Board		Minimum Requirement as per Clause 49
	No. of Directors	% of Total Directors	
Non-executive Directors (therein Independent Directors)	8 (6)	66.67 (54.54)	50% (33.33%)
Whole-time Directors	4	33.33	-
Total	12	100	

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, 2009, 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 the FY 2008-09		Attendance at last AGM held on 30.01.09	Other Directorships in India ⁽²⁾	Other Committee positions in India ⁽³⁾	
		Held ⁽⁵⁾	Attended			Member	Chairman
1 Mr. Deepak S. Parekh (Chairman)	NED (I)	6	6	Yes	17	1	5
2 Dr. Armin Bruck	WTD	6	5	Yes	2	1	Nil
3 Mr. Darius C. Shroff	NED (I)	6	6	Yes	13	4	2
4 Mr. Yezdi H. Malegam	NED (I)	6	6	Yes	9	2	3
5 Mr. Wolfgang Dehen ⁽⁴⁾ (Nominee of Parent Company, Siemens AG) (from 19.12.2008)	NED	5	2	No	Nil	N.A.	N.A.
6 Prof. Dr. Hermann Requardt ⁽⁴⁾ (Nominee of Parent Company, Siemens AG) (upto 19.12.2008)	NED	1	Nil	N.A.	Nil	N.A.	N.A.
7 Mr. Stephan Schneider ⁽⁴⁾⁽⁶⁾ (Alternate for Mr. Wolfgang Dehen from 19.12.2008)	NED	5	2	Yes	Nil	N.A.	N.A.
8 Mr. Narendra J. Jhaveri	NED (I)	6	4	Yes	13	4	4
9 Mr. Keki Dadiseth	NED (I)	6	5	Yes	9	1	2
10 Mr. Pradip V. Nayak	NED (I)	6	6	Yes	4	2	1
11 Mr. Joe Kaeser ⁽⁴⁾	NED	6	4	Yes	Nil	N.A.	N.A.
12 Dr. Otmar Schmitt ⁽⁴⁾ (Alternate for Mr. Joe Kaeser)	NED	6	2	Yes	Nil	N.A.	N.A.



	Name	Category ⁽¹⁾	Board Meetings during the FY 2008-09		Attendance at last AGM held on 30.01.09	Other Directorships in India ⁽²⁾	Other Committee positions in India ⁽³⁾	
			Held ⁽⁵⁾	Attended			Member	Chairman
13	Mr. Patrick de Royer (Executive Director) (upto 31.12.2008)	WTD	2	1	N.A.	Nil	N.A.	N.A.
14	Mr. Vijay V. Paranjape	WTD	6	4	Yes	2	Nil	Nil
15	Mr. Vilas B. Parulekar (upto 30.09.09)	WTD	6	6	Yes	Nil	Nil	Nil
16	Mr. Sunil Mathur	WTD	6	6	Yes	2	1	1

Notes:

- (1) Category: WTD - Whole-time Director, NED – Non-executive Director , NED (I) – Non-executive Director and Independent.
- (2) Includes Alternate Directorships and Directorships in private companies.
- (3) Includes only Audit Committee and Investors Grievance Committee of Public Limited Companies.
- (4) In the whole-time employment of parent company, Siemens AG, Germany.
- (5) Details provided for the period for which the individuals held Directorship of the Company.
- (6) Ceased to be an Alternate Director for Prof. Dr. Hermann Requardt w.e.f. 19th December, 2008. From 1st October, 2008 to 19th December, 2008, he attended one Board Meeting as an Alternate Director for Prof. Dr. Hermann Requardt.

• **Board Meetings**

During the Financial Year 2008-09, 6 Meetings were held on 25th November, 2008, 19th December, 2008, 9th January, 2009, 30th January, 2009, 30th April, 2009 and 23rd July, 2009.

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

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

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

III. Committees of Directors

A Mandatory Committees

i. Audit Committee of Directors (Audit Committee)

Composition

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

Name	From	No. of meetings during FY 2008-09	
		Held	Attended
Mr. Yezdi H. Malegam, Chairman	15.12.2000	6	6
Mr. Joe Kaeser / Dr. Otmar Schmitt (Alternate Director for Mr. Joe Kaeser)	01.10.2006	6	5 *
Mr. Deepak S. Parekh	22.11.2004	6	4
Mr. Keki Dadiseth	01.02.2006	6	5

* Mr. Kaeser attended 4 meetings and Dr. Schmitt attended 1 Meeting.

Corporate Governance Report

Mr. Ajai Jain, Vice President (Legal) & Company Secretary, is appointed as Secretary to the Committee w.e.f. 1st August, 2008.

During the Financial Year 2008-09, 6 Meetings were held on 7th November, 2008, 24th November, 2008, 19th December, 2008, 30th January, 2009, 30th April, 2009 and 23rd July, 2009.

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

Terms of reference

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

The terms of reference are briefly described below:

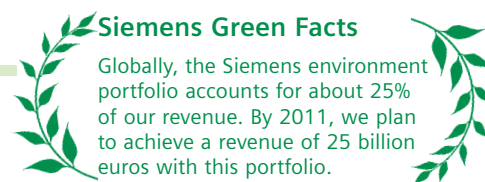
- a. Oversight of the Company's financial reporting process and disclosure of financial information.
- b. Recommend the appointment, re-appointment and, if required, replacement or removal of Statutory Auditors, fixation of audit fees and approving payments for any other services.
- c. Review with management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

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

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

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

The Chairman of the Audit Committee was present at the 51st Annual General Meeting held on 30th January, 2009.



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

Composition

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

Name	From	No. of meetings during FY 2008-09	
		Held	Attended
Mr. Darius C. Shroff, Chairman	15.12.2000	2	2
Mr. Pradip V. Nayak	01.02.2006	2	2
Dr. Armin Bruck	01.01.2008	2	1

During the Financial Year 2008-09, the Committee met on 29th January, 2009 and 22nd September, 2009. 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 (RTA), attend to all grievances of the investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

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

The details of Complaints received, cleared / pending during the Financial Year 2008-09 is given below:

Nature of Complaints	Received	Cleared	Pending
Non-receipt of Share Certificates duly transferred	7	7	0
Non-receipt of dividend warrants	19	19	0
Letters from SEBI	7	6	1
Letters from Stock Exchanges	8	8	0
Total	41	40	1

Number of complaints received during the year as a percentage of total number of Members as on 30th September, 2009, is 0.02%.

B. **Non-Mandatory Committees**

Remuneration Committee of Directors (Remuneration Committee)

Composition

Name	From
Mr. Narendra J. Jhaveri, Chairman	15.12.2000
Mr. Darius C. Shroff	15.12.2000
Mr. Deepak S. Parekh	01.10.2004
Mr. Pradip. V. Nayak	23.07.2007

During the Financial Year 2008-09, the Committee met on 25th November, 2008 and 30th April, 2009.

Corporate Governance Report

Terms of reference

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

Remuneration Policy

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

1. For Whole-time Directors

The Board of Directors / the Remuneration Committee of Directors is authorised to decide the remuneration of the Whole-time Directors, subject to the approval of the Members and Central Government, if required. The remuneration structure comprises of Salary, Perquisites, Retirement Benefits, Performance Linked Incentive (PLI), Commission and Compensation under Stock Option Plan(s) of Siemens AG, Germany, parent company/ Siemens Limited- Share Matching Plan (SMP Scheme), India. The Whole-time Directors shall be entitled to payment of 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. They shall be entitled to Cash Incentive under SMP Scheme, as applicable from time to time. Annual increments are decided by the Remuneration Committee within the salary grade approved by the Members.

In addition to the above remuneration, Expatriate Directors are paid Overseas Allowance and certain other Perquisites as per the Rules of the Company. They are also entitled to the Company's Retirement Benefits as per the law applicable from time to time.

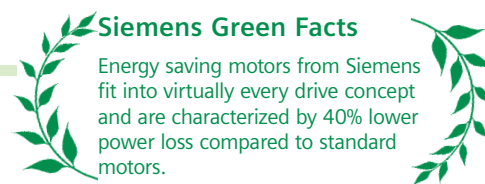
PLI, Compensation under Stock Option Plan(s) of Siemens AG/ SMP Scheme and Commission constitute the variable component of remuneration. PLI is computed on the basis of specific targets set for each Whole-time Directors every year. The targets are also linked to the Company's targets. PLI is paid to the Whole-time Directors on achievement of the said targets.

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

Remuneration paid / payable to the Whole-time Directors for the Financial Year 2008-09

(Amount in Rs.)

	Dr. Bruck	Mr. Mathur	Mr. Paranjape	Mr. Parulekar ⁽²⁾	Mr. de Royer ⁽³⁾
Salary	9,517,200	5,830,500	4,254,600	3,936,000	1,606,500
Perquisites ⁽¹⁾	21,352,798	15,039,321	3,992,288	5,929,689	6,453,013
Performance Linked Incentive	32,465,741	21,841,594	12,377,216	8,693,837	Nil
Compensation under Stock Option Plan(s) of Siemens AG	Nil	Nil	Nil	Nil	5,631,043



	Dr. Bruck	Mr. Mathur	Mr. Paranjape	Mr. Parulekar ⁽²⁾	Mr. de Royer ⁽³⁾
Commission	Nil	Nil	Nil	Nil	Nil
Total	63,335,739	42,711,415	20,624,104	18,559,526	13,690,556
Tenure					
From	01.10.2007	22.07.2008	01.02.2007	01.02.2007	01.10.2006
To	30.09.2012	21.07.2013	30.09.2010	30.09.2009	31.12.2008
Shares of Rs.2 each held as on 30.09.2009	Nil	Nil	4,200	5,000	N.A.

Notes:

- (1) Perquisites include Company's contribution to Provident and Superannuation Funds for Directors and Overseas Allowance for Expatriate Directors viz. Mr. de Royer and Dr. Bruck. Perquisites paid to Mr. Mathur include Special Allowance.
- (2) The Board sanctioned a lump sum gratuitous payment of Rs. 5,000,000/- on account of his long association with the Company. This payment is subject to the approval of the members of the Company at the forthcoming 52nd Annual General Meeting to be held on 29th January, 2010.
- (3) Pro-rata payment from 1st October, 2008 to 31st December, 2008.
- (4) Mr. Upili, a former Whole-time Director of the Company was paid a total remuneration of Rs. 2,53,446/- towards the arrears for the Financial Year 2007-08.

No severance fees are payable to the Directors on termination of employment. The Company did not have its scheme of stock options for the Financial Year 2008-09. However, the Compensation under Stock Option Plan(s) of Siemens AG, Germany and the SMP Scheme, India, 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 stated 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

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

Corporate Governance Report

Remuneration paid / payable to the Non-executive Directors for the Financial Year 2008-09

Name	Sitting Fees for Board / Committee Meetings attended (Rs.)	Commission ⁽¹⁾ (Rs.)	Total (Rs.)	Number of Equity Shares of Rs.2 each held as on 30.09.09
Mr. Deepak S. Parekh	260,000	3,150,000	3,410,000	9,000
Mr. Yezdi H. Malegam	290,000	2,100,000	2,390,000	6,250
Mr. Darius C. Shroff	170,000	1,650,000	1,820,000	9,000
Mr. Narendra J. Jhaveri	100,000	1,200,000	1,300,000	5,000
Mr. Keki Dadiseth	200,000	1,350,000	1,550,000	Nil
Mr. Pradip V. Nayak	200,000	1,700,000	1,900,000	Nil
Mr. Joe Kaeser ⁽²⁾	N.A.	N.A.	N.A.	Nil
Mr. Wolfgang Dehen ⁽²⁾	N.A.	N.A.	N.A.	Nil
Dr. Otmar Schmitt	80,000	450,000	530,000	Nil
Mr. Stephan Schneider ⁽²⁾	N.A.	N.A.	N.A.	Nil
Prof. Dr. Hermann Requardt ⁽²⁾	N.A.	N.A.	N.A.	Nil

Notes:

- (1) Subject to the approval of Annual Accounts for the Financial Year 2008-09 by the Members at the 52nd Annual General Meeting to be held on 29th January, 2010.
- (2) Opted not to accept any Sitting Fees or Commission.

Mr. Darius C. Shroff is a Senior Partner of M/s. Crawford Bayley & Co., Solicitors & Advocates, who has a professional relationship with the Company. The professional fees of Rs. 514,000/- 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

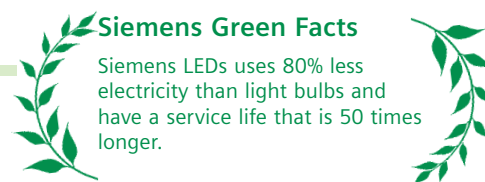
i. Corporate Governance Committee of Directors (Corporate Governance Committee)

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
Mr. Keki Dadiseth, Chairman	1.06.2007
Mr. Deepak S. Parekh	1.06.2007
Mr. Yezdi H. Malegam	1.06.2007
Mr. Darius C. Shroff	23.07.2007
Mr. Joe Kaeser / Dr. Otmar Schmitt (Alternate Director for Mr. Joe Kaeser)	1.06.2007
Dr. Armin Bruck	1.01.2008

During the Financial Year 2008-09, the Corporate Governance Committee Meeting was held on 30th April, 2009. All the members except Mr. K. Dadiseth attended the said Meeting.



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

Composition

Name	Tenure		Position
	From	To	
Mr. Deepak S. Parekh	23.07.2007	-	Chairman
Mr. Yezdi H. Malegam	23.07.2007	-	Member
Mr. Pradip V. Nayak	23.07.2007	-	Member
Mr. Joe Kaeser / Dr. Otmar Schmitt (Alternate Director for Mr. Joe Kaeser)	23.07.2007	-	Member
Mr. Patrick de Royer	23.07.2007	31.12.2008	Member
Mr. Sunil Mathur	01.10.2008	-	Member

The Investment Committee Meetings are held as and when required. During the Financial Year 2008-09, 4 Meetings were held on 24th November, 2008, 19th December, 2008, 9th January, 2009 and 23rd July, 2009. The role of the Committee includes reviewing guidelines for investing surplus funds of the Company, reviewing proposals of mergers and acquisitions, valuations, investment proposals and periodical monitoring of investments, authorizing negotiation of the terms and conditions of the various credit/financial facilities and carrying out such other function as may be delegated by the Board from time to time.

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

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

Composition

Name	Tenure		Position
	From	To	
Dr. Armin Bruck	01.01.2008	-	Chairman
Mr. Sunil Mathur	01.10.2008	-	Member
Mr. Patrick de Royer	01.02.2006	31.12.2008	Member
Mr. Ajai Jain	01.08.2008	-	Member and Secretary

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 2008-09.

ii. **Finance Committee (FC)**

Composition

Name	Tenure		Position
	From	To	
Mr. Sunil Mathur	01.10.2008	-	Chairman
Dr. Armin Bruck	01.01.2008	-	Member
Mr. Patrick de Royer	01.02.2006	31.12.2008	Member
Mr. Ajai Jain	01.08.2008	-	Member and Secretary

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. 13 Meetings of the FC were held during the Financial Year 2008-09.

Corporate Governance Report

iii. Delegation of Powers Committee (DPC)

Composition

Name	Tenure		Position
	From	To	
Dr. Armin Bruck	01.01.2008	-	Chairman
Mr. Patrick de Royer	01.02.2006	31.12.2008	Member
Mr. Sunil Mathur	22.07.2008	-	Member
Mr. Ajai Jain	01.08.2008	-	Member and Secretary

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. 10 Meetings of the DPC were held during the Financial Year 2008-09.

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, 2009.

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. Sunil Mathur (Executive Director / CFO).

VII. Risk Management Framework

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

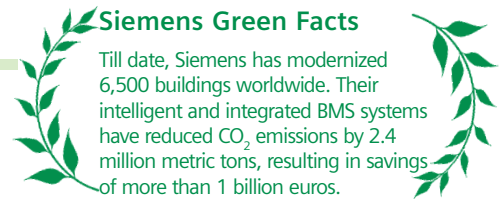
VIII. Business Conduct Guidelines (BCGs)

The Company has adopted BCGs as the Code of Conduct for Directors, including Non-executive Directors and Senior Management of the Company, as per the requirement of Clause 49 I D of the Listing Agreement. The Company has received confirmations from all the Directors and Senior Management of the Company regarding compliance with the BCGs for the year ended on 30th September, 2009. A certificate from Dr. Armin Bruck, Managing Director, to this effect, is attached to this Report. The BCGs can be viewed on the website of the Company www.siemens.co.in.

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, in line with Clause 7 of Annexure I D to Clause 49 of the Listing Agreement. No personnel have been denied access to the Audit Committee.

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



X. Code of Conduct for Prevention of Insider Trading

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a Code of Conduct for Prevention of Insider Trading with effect from 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 as well as of the group companies who are expected to have access to unpublished price sensitive information relating to the Company.

XI. General Body Meetings

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

Financial Year	AGM No.	Venue	Day and Date	Time
2007-08	51 st	Yashwantrao Pratishthan Auditorium	Friday, 30 th January, 2009	3.00 p.m.
2006-07	50 th	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.

- b. Special Resolutions passed at the last three AGM:
- At 51st AGM held on 30th January, 2009 – Approving Amendment to the Articles of Association of the Company pertaining to addition of new clause with respect to implementation of Siemens Internal Regulations.
 - At 50th AGM held on 31st January, 2008 –
 - Approving Amendment to the Articles of Association of the Company pertaining to the Authorised Share Capital of the Company.
 - Appointment of Ms. Mukta Paranjape, d/o Mr. Vijay V. Paranjape, Whole-time Director, to an office or place of profit.
 - At 49th AGM held on 18th January, 2007 – Approving change in place of keeping Register and Index of Members, etc.
- c. During the last Financial Year, no resolution was passed through Postal Ballot in accordance with Section 192A of the Companies Act, 1956.

XII. Disclosures

- Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed elsewhere in this Annual Report.
- 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.
- 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.
- Disclosures have also been received from the senior managerial personnel relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, none of these transactions have potential conflict with the interests of the Company at large.

XIII. Means of Communication

- The Quarterly / Annual Financial Results of the Company are published in the Business Standard and Navshakti.
- 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.

Annexure III to the Directors' Report (continued)

Corporate Governance Report

- 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. As mentioned earlier, the Company has adopted Whistleblower Policy.
3. The Company is in the regime of unqualified financial statements.

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



Deepak S. Parekh
Chairman

Mumbai
Monday, 30th November, 2009

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

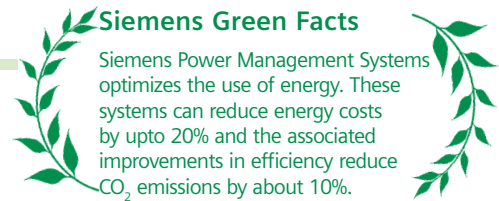
In accordance with Clause 49 I D of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Business Conduct Guidelines (Code of Conduct), as applicable to them, for the Financial Year ended on 30th September, 2009.

For **Siemens Ltd.**



Dr. Armin Bruck
Managing Director

Mumbai
Thursday, 26th November, 2009



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

To the Board of Directors of Siemens Ltd.,

Dear Sirs,

- a) We have reviewed the financial statements and the cash flow of Siemens Ltd. ('the Company') for the year ended 30 September, 2009 and to the best of our knowledge and belief:
 - i.) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii.) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into between the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i.) Significant changes in the internal control over financial reporting during the year;
 - ii.) Significant changes in accounting policies during the year and that the same have been disclosed suitably in the notes to the financial statements;
 - iii.) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Yours truly

Sunil Mathur
Executive Director / CFO

Dr. Armin Bruck
Managing Director / CEO

Mumbai
Thursday, 26th November, 2009

Certificate of Compliance

To

The Members of Siemens Limited

We have examined the compliance of conditions of corporate governance by Siemens Limited ('the Company'), for the year ended on September 30, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

**For S. R. Batliboi & Associates
Chartered Accountants**

per
Sudhir Soni
Partner
Membership No.:41870

Mumbai
November 30 2009

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. 52nd Annual General Meeting

Day, date and time	Friday, 29 th January, 2010 at 3.00 P.M.
Venue	Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

2. Financial Calendar

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

For the Financial Year 2009-10, Financial Results will be announced as per the following tentative schedule:

1 st quarter ending 31 st December, 2009	Last week of January, 2010
2 nd quarter ending 31 st March, 2010	Last week of April, 2010
3 rd quarter ending 30 th June, 2010	Last week of July, 2010
Year ending 30 th September, 2010	Last week of November, 2010

3. Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Thursday, 21st January, 2010 to Friday, 29th January, 2010 (both days inclusive).

4. Dividend

Dividend will be paid on or before Wednesday, 24th February, 2010.

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/1
G Block, Bandra - Kurla Complex
Bandra (E), Mumbai - 400 051

The Company has paid the listing fees for the Financial Year 2009-10 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 752.

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 2009-10 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

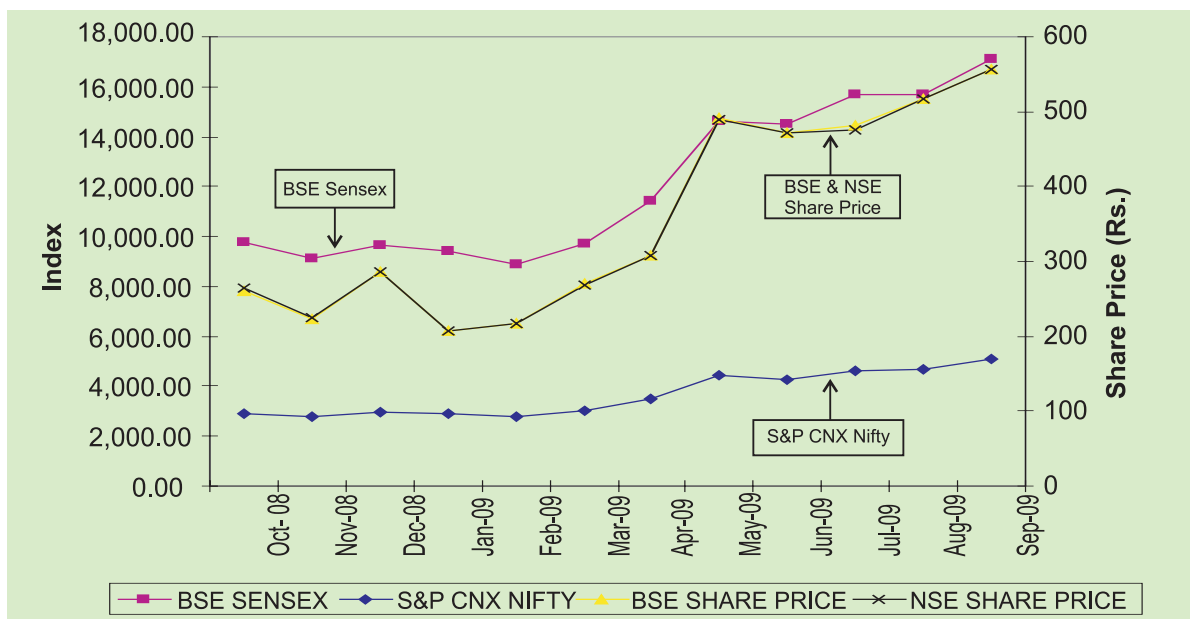
8. Market Price Data

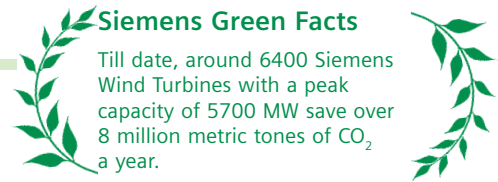
- (1) The market price and volume of the Company's Shares traded on BSE and NSE during each month of the last Financial Year from 1st October, 2008 to 30th September, 2009 are as follows:

Face Value of Share of Rs. 2 each

	BSE			NSE		
	High Rs.	Low Rs.	Volume Nos.	High Rs.	Low Rs.	Volume Nos.
October 2008	418.40	210.00	3,984,510	418.00	206.10	13,133,604
November 2008	339.00	215.10	5,918,178	337.30	212.70	17,656,113
December 2008	294.00	214.00	5,136,035	294.05	212.80	14,316,370
January 2009	322.00	186.20	6,313,041	321.50	186.35	17,975,599
February 2009	236.20	195.00	5,178,005	236.40	193.50	16,685,881
March 2009	274.80	190.35	5,172,145	274.80	191.20	15,281,711
April 2009	329.75	255.30	5,291,695	330.50	255.10	17,164,052
May 2009	502.40	296.00	4,790,651	502.80	314.10	17,640,683
June 2009	527.80	409.45	3,276,157	538.20	447.50	12,887,178
July 2009	541.20	375.50	3,238,710	557.40	376.00	13,888,132
August 2009	521.60	426.00	2,525,996	522.00	420.05	12,088,192
September 2009	574.40	485.10	2,065,767	579.00	485.00	8,597,887

- (2) Company's closing share price movement during the Financial Year 2008-09 on BSE and NSE vis-à-vis respective indices:

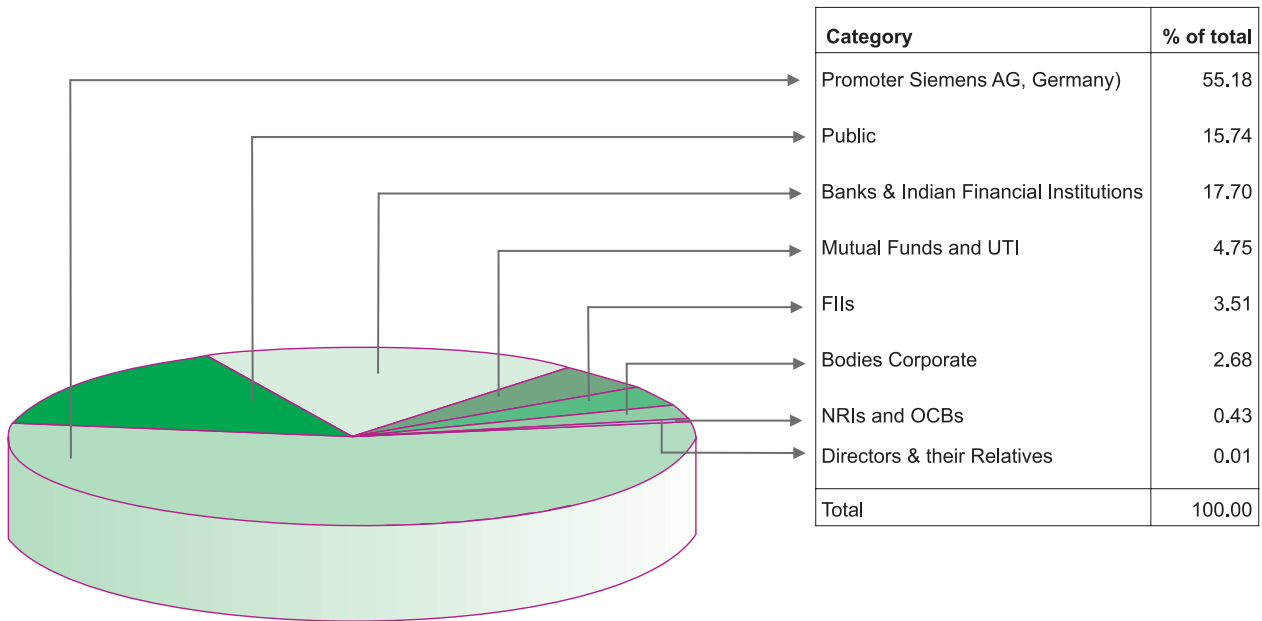




9. Distribution of Shareholding as on 30th September, 2009

Number of Shares held (Face Value of Rs.2 each)	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	175,690	90.87	10,747,156	3.19
501-1000	7,253	3.75	5,577,256	1.66
1001-2000	4,677	2.42	7,047,203	2.09
2001-3000	2,117	1.10	5,361,173	1.59
3001-4000	1,266	0.65	4,497,151	1.33
4001-5000	600	0.31	2,777,186	0.82
5001-10000	978	0.51	6,845,127	2.03
10001 & above	761	0.39	294,307,948	87.29
Total	193,342	100.00	337,160,200	100.00

10. Shareholders' Profile as on 30th September, 2009



No. of shareholders as on 30 th September	2009	2008
		193,342

Annexure IV to the Directors' Report (continued)

General Shareholder Information

11. Top Ten Shareholders of the Company as on 30th September, 2009

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	46,215,233	13.71
3	HDFC Standard Life Insurance Company Ltd.	Body Corporate	4,813,981	1.43
4	Bharat Bijlee Ltd.	Body Corporate	2,825,160	0.84
5	Reliance Capital Trustee Co. Ltd. A/C Reliance Diversified Power Sector Fund	Mutual Fund	3,999,638	1.19
6	General Insurance Corporation of India	Financial Institution	2,369,890	0.70
7	Azim Hasham Premji	Resident Individual	2,273,018	0.67
8	Bajaj Allianz Life Insurance Company Ltd.	Body Corporate	1,768,170	0.52
9	National Insurance Company Ltd.	Financial Institution	1,450,530	0.43
10	The New India Assurance Company Ltd.	Financial Institution	1,314,530	0.39
	Total		253,071,240	74.06

* 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

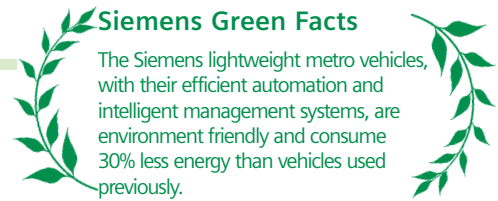
The details of Equity Shares dematerialised and those held in physical form as on 30th September, 2009 are given hereunder:

Particulars of Equity Shares	Equity Shares of Rs.2 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialised form				
NSDL	322,839,069	95.75*	138,527	71.65*
CDSL	7,025,438	2.09	44,888	23.22
Sub-total	329,864,507	97.84*	183,415	94.87*
Physical Form	7,295,693	2.16	9,927	5.13
Total	337,160,200	100	193,342	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., (TSRD) 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 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 (22) 6656 8484
Fax: +91 (22) 6656 8494
Email: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

For the convenience of shareholders based in the following cities, transfer documents and letters will also be accepted at the following Branch Offices of TSRDL:

- TSR Darashaw Ltd.
503 Barton Centre, 5th Floor
84, M G Road
Bangalore - 560 001
Phone:+91 (80) 2532 0321
Fax:+ 91 (80) 2558 0019
Email: tsrdlbgang@tsrdarashaw.com
- TSR Darashaw Ltd.
Tata Centre 1st Floor,
43, Jawaharlal Nehru Road
Kolkata - 700 071
Phone:+91 (33) 2288 3087
Fax:+91 (33) 2288 3062
Email: tsrdlcal@tsrdarashaw.com
- TSR Darashaw Ltd.
Plot No 2/42, Sant Vihar,
Ansari Road, Daryaganj
New Delhi - 110 002
Phone:+ 91 (11) 2327 1805
Fax:+91 (11) 2327 1802
Email: tsrdldel@tsrdarashaw.com
- TSR Darashaw Ltd.
Bungalow No. 1, 'E' Road
Northern Town, Bistupur
Jamshedpur - 831 001
Phone:+ 91 (657) 2426 616
Fax:+91 (657) 2426 937
Email: tsrdljsr@tsrdarashaw.com
- Shah Consultancy Services Pvt. Ltd
Agents : TSR DARASHAW LIMITED
3, Sumatinath Complex,
Pritam Nagar, Akhada Road
Ellisbridge
Ahmedabad - 380 006
Telefax:+ 91 (79) 2657 6038
Email:shahconsultancy8154@gmail.com

14. Share Transfer System

Documents for transfer of shares in physical form can be lodged with TSRDL at its registered address or at any of the above mentioned branch offices. The transfers are normally processed within 20-23 days from the date of receipt, if the documents are complete in all respects.

Annexure IV to the Directors' Report (continued)

General Shareholder Information

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, Vadodara – 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 (22) 2498 7000 Fax: +91 (22) 2498 7500
 Website: www.siemens.co.in

Investor Relations Team:

Contact Person: Ms. Sheetal Vyas
 Email: Corporate-Secretariat.in@siemens.com
 Phone: +91 (22) 2498 7173 Fax: +91 (22) 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.



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

Auditors

S. R. Batliboi & Associates

Cost Auditors

R. Nanabhoy & Co.

On behalf of the Board of Directors

For **Siemens Ltd.**

Deepak S. Parekh
Chairman

Mumbai

Monday, 30th November, 2009

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

Corporate Social Responsibility

Corporate Social Responsibility forms an integral part of the Company's corporate principles and business philosophy. As a company with a strong sense of values and commitment, Siemens believes that profitability must go hand in hand with a sense of responsibility towards employees, stakeholders and the society. The basic aim is to play a positive role towards the advancement of the society. During the last fiscal, Siemens supported various social causes with active participation from employees.

St. Catherine's Home, Mumbai

Siemens has been associated with St. Catherine's Home, a primary school and orphanage for street children, at Bandra, Mumbai for over seven years. The objective is to provide a normal childhood to the 210 vulnerable children resident at St. Catherine's. So far Siemens has adopted three batches of 115 children and contributes towards their boarding and educational expenses on a yearly basis. As part of these efforts, the company has undertaken refurbishment work and upgradation of infrastructure. This year, enthusiastic employee volunteers also celebrated the Republic day along with the children. An Adventure cum Arts camp was organized for the children to encourage their athletic and artistic skills. Like every year, to take care of the children's recreational and emotional needs, the company organized a picnic to Water Kingdom wherein the employees actively participated. A special 'Teachers day' workshop for care givers and teachers of the children was also arranged. Another important initiative supported by Siemens is 'Happy Feet', wherein dance is combined with counseling and life skills education. Happy Feet provides children with opportunities to channelize their troubled energies into constructive and aesthetic expressions and addresses their psychosocial concerns in an interactive and interpretive manner.

Tsunami Rehabilitation



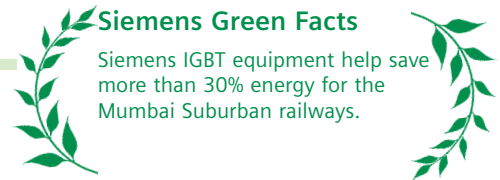
Realizing the need for long-term rehabilitation for the Tsunami victims, Siemens along with the German Business

Community joined hands with Srinivasan Services Trust, a reputed NGO and adopted 4 villages in the worst affected regions of Nagapattinam and Kanyakumari districts. The rehabilitation plan covers five areas, namely Healthcare, Housing, Education, providing livelihood opportunities and Rural Development. After four years of initiating this program, all the activities are well under way. Each of the four medical and social centers in the villages has one fulltime doctor, a nurse and an attendant with around 40-50 patients visiting every day. The medical centers conduct anemia camps and women are made aware about issues like nutrition, child-care, etc. through regular training sessions conducted at the social center. Camps monitoring nutrition and health of the children are also conducted regularly. The Infant Mortality Rate & Maternal Mortality Rate in all 4 villages is 0%. So far, around 122,000 patients have been treated. The housing project has been completed and all the 139 houses have been handed over to the beneficiaries. These houses have been specially designed to suit coastal climactic conditions and are located at a safe distance from the coastline. The refurbishment of schools, construction of toilets and additional classrooms has been completed in all the villages and programs like adult literacy, computer training and coaching for weak learners are in progress. About 1030 adults can now read and write. With a view to provide livelihood opportunities, the women are trained for making various decorative and utility items like candles, soap, etc and unemployed youth members are trained for computer operations, office administration and automobile repairs. Over 1480 women and the youngsters have already started earning income in the range of Rs.800/- to Rs.3,000/- every month. The Rural development program focuses on maintaining cleanliness in the villages and activities like setting up kitchen gardens, soak pits and compost yards. So far, 4700 kitchen yards, 186 soak pits and 1540 individual compost pits have been set up. 3 out of 4 adopted villages were selected for the 'Nirmal Gram Puraskar Award-2008' by the Government of India for their outstanding performance on total sanitation.

The long-term goal of the project is to lift 80 % of the people in the adopted villages above the poverty line.

Seva Chakkara Ashrama, Chennai

Siemens has partnered with Seva Chakkara Orphanage, a registered NGO in Chennai, which houses 84 boys and girls from different backgrounds such as street children, children of single parent, etc. Led by the Siemens Information Processing Services Ltd. (SIPS), the objective of this initiative is to provide a normal childhood to the children. Associated with the project since two years, Siemens has adopted 15 children by taking over their education and boarding expenses. As part of these efforts, the company has also undertaken refurbishment work and up gradation of infrastructure such



as painting of the building, refurbishment of the classrooms, washrooms, Kitchen renovations, setting a medical unit, etc. The enthusiastic and involved employee volunteers of Siemens Chennai visit the Ashrama frequently and spend quality time with the children celebrating various festivals and picnics/outings with the children.

Equal employment opportunity for the Differently Abled

Siemens, on a proactive basis, has undertaken an initiative of providing equal opportunities for the differently abled persons. Siemens Information Processing Services (SIPS), a division of Siemens, in co-ordination with Ability Foundation, an NGO, invites candidates who are physically challenged. The applicants go through an online assessment test that helps evaluate the Candidate's Aptitude and skills. The selected candidates are employed on basis of merit and treated on par with other employees at the work place. The company ensures that the employees are provided with a suitable physical infrastructure and conducive working environment. SIPS presently employs 35 personnel who are differently abled and have graduated from different streams like commerce, science and engineering. They have been hired for processes like Transaction, Finance and Accounting.

Akshar Trust, Vadodara

As a leading company engaged in the business of hearing instruments, Siemens understands and empathizes with the needs of the hearing impaired. Siemens has been associated with Akshar Trust, a school for Hearing Impaired children based in Vadodara since two years. Siemens Ltd. and Siemens Hearing Instruments Ltd. made a joint donation of specially molded hearing instruments to 20 underprivileged students of the Akshar Trust last year. Since Akshar trust had shifted to a new location, as an expression of involvement, Siemens



decided to support the paint work of the school building. On January 22, 2009, enthusiastic Siemens Vadodara employees painted the school building into a livelier place.

Tree Planting Initiative, Chennai

As Siemens is deeply committed to sound environmental practices, it has adopted the issue of protecting the environment as one of the CSR objectives. An employee driven initiative was designed by Siemens for creating awareness amongst employees and the society about preservation of trees and the hazardous consequences of stationary, water and energy wastage. This initiative is being implemented with the NGO partner, Nizhal that spreads awareness about issues related to environment and trees in urban areas. As part of the project, employee volunteers have undertaken 4 tree walks in Chennai, conducted Tree surveys in the Gandhi Nagar area in Chennai and sensitized 5 schools in the area on conservation of trees.



**Is it only grass that
makes a city green?**

With sustainable infrastructure solutions, Siemens helps big cities become even greener.

Ask any big city resident how to improve everyday life and you'll hear plenty of ideas: cleaner air, purer water, better public transport, crime-free streets, reliable power supply, affordable and efficient healthcare. Our answer: An extensive range of innovative products and solutions that help to make city life a greener, healthier and a more enjoyable experience.

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SIEMENS

How do we make our production plants fit for energy savings?

Energy-efficient drive technology and intelligent software tools reduce energy costs by up to 70%.

The fitness training for your plant: First, make the energy flows in your plant transparent. Then, analyze the cost-saving potential. And finally, replace existing technology by energy-efficient components. We'll support you during every single stage of this process, offering a complete range of products, systems and tools for efficient up-to-date energy management.

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SIEMENS




Is there a safer way to
look inside our bodies?

The new record-breaking Computed Tomography scanner from Siemens – combining the fastest scans in the world with the lowest dose.

For the first time, a thorax can be scanned in less than one second, a heart even in a quarter of a second. While revealing the most intricate vessels, radiation dose is far lower than with conventional methods, for a heart scan even below annual natural exposure levels. Thanks to this breakthrough technology, patients experience faster, easier and safer imaging.

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SIEMENS



How can old buildings set new standards for energy efficiency?

Affordable building modernization: With our intelligent energy efficiency solutions for less emissions and less energy costs.

From intelligent building solutions, lighting and light management by OSRAM in financing, Siemens offers comprehensive energy saving solutions for the modernization of buildings. That means for the environment: less CO₂ emissions. And for our customers: up to 30% less energy costs – and even up to 30% less lighting costs.

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SIEMENS

Siemens Limited
Fiftysecond Annual Report
for the year ended 30 September 2009

Auditors' Report to the Members of Siemens Limited

1. We have audited the attached balance sheet of Siemens Limited ('the Company') as at September 30, 2009 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, 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 Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on September 30, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on September 30, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at September 30, 2009;
 - 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 S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sudhir Soni
Partner
Membership No.:41870

Place: Mumbai
Date: November 26, 2009

Annexure to the Auditors' Report

- (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) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (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, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) According to the information and explanations provided by the management, there are no particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that 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 made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, in respect of electrical motors and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (Rs.'000)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944 and Service Tax	Duty and Penalty	670	1993-96, 1998-99, 2000-02, 2007-08	Commissioner (Appeals)
		65,609	1980-81, 1988-90, 1991-93, 1994-98, 2001-06, 2006-08	Customs, Excise, Service tax Appellate Tribunal
		324	1991-1995	High Court
State & Central Sales Tax Acts, Works Contract Tax Acts, Entry Tax	Tax, Interest and Penalty	71,956	1967-69, 1970-71, 1972-74, 1979-90, 1991-94, 1998-09	Assistant Commissioner
		145,776	1974-78, 1987-88, 1992-93, 1995-97, 1999-02, 2002-07	Deputy Commissioner
		33,510	1986-87, 1989-91, 1992-04	Sales Tax Tribunal
		50,426	1984-85, 1993-97, 2000-01, 2003-04, 2005-07	High Court
Customs Act, 1962	Duty	120,000	1998-99	High Court

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) The company did not have any borrowings from financial institutions, bank or by way of debentures during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised

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

- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The company has not raised any money by way of public issues during the year.
- (xxi) According to the information and explanations given to us, the Company has noticed and reported certain instances of frauds relating to theft by third party and employees amounting to Rs 14,019 thousand. The investigations relating to these cases are either closed or in progress and the amounts have been recovered or the Company is covered by insurance. According to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place: Mumbai
Date: November 26, 2009

Balance sheet
as at 30 September 2009
(Currency : Indian rupees thousands)

	<i>Schedule</i>	2009	2008
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	5	674,320	674,320
Reserves and surplus	6	<u>28,491,887</u>	<u>20,016,524</u>
		<u><u>29,166,207</u></u>	<u><u>20,690,844</u></u>
Loan funds			
Unsecured loans	7	<u>5,906</u>	<u>10,614</u>
		<u><u>29,172,113</u></u>	<u><u>20,701,458</u></u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	8	11,347,774	9,910,985
Accumulated depreciation/ amortisation		<u>(5,052,761)</u>	<u>(4,339,333)</u>
Net block		<u>6,295,013</u>	<u>5,571,652</u>
Capital work-in-progress including capital advances		<u>1,057,018</u>	<u>870,136</u>
		<u><u>7,352,031</u></u>	<u><u>6,441,788</u></u>
Investments	9	4,769,723	5,236,464
Deferred tax asset, net	10	1,119,126	910,247
Current assets, loans and advances			
Inventories	11	9,721,971	7,621,143
Sundry debtors	12	34,583,115	34,327,991
Cash and bank balances	13	14,449,022	9,130,895
Loans and advances	14	<u>10,457,640</u>	<u>6,312,513</u>
		<u><u>69,211,748</u></u>	<u><u>57,392,542</u></u>
Current liabilities and provisions			
Current liabilities	15	<u>(40,585,370)</u>	<u>(42,663,570)</u>
Provisions	16	<u>(12,695,145)</u>	<u>(6,616,013)</u>
		<u><u>(53,280,515)</u></u>	<u><u>(49,279,583)</u></u>
Net current assets		<u><u>15,931,233</u></u>	<u><u>8,112,959</u></u>
		<u><u>29,172,113</u></u>	<u><u>20,701,458</u></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 of even date.

For S.R.Batliboi & Associates
Chartered Accountants

per Sudhir Soni
Partner
Membership No: 41870

Mumbai
26 November 2009

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

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

Mumbai
26 November 2009

Profit and loss account for the year ended 30 September 2009 (Currency : Indian rupees thousands)

	Schedule	2009	2008
INCOME			
Sales and services (gross)		85,554,114	85,588,746
Excise duty		(2,186,779)	(3,085,118)
Sales and services (net)		83,367,335	82,503,628
Commission income		520,410	451,826
		83,887,745	82,955,454
Interest income	17	523,002	471,937
Other operating income, net	18	697,219	621,790
Other income	19	2,341,188	67,214
		87,449,154	84,116,395
EXPENDITURE			
Cost of sales and services	20	63,976,912	67,730,513
Personnel costs	21	5,498,989	4,475,751
Depreciation/amortisation	8	777,794	637,344
Interest Expense		58,772	40,535
Other costs, net	22	4,877,553	3,560,352
		75,190,020	76,444,495
Profit before tax before exceptional income		12,259,134	7,671,900
Exceptional income:			
- Profit on sale of investments in subsidiaries	3	2,059,459	-
- Profit on sale of Building Technologies division		-	10,635
- Profit on sale of Automotive division		-	1,235,151
Profit before tax		14,318,593	8,917,686
Consists of:			
- Discontinued operations	4	-	8,232
- Continuing operations		14,318,593	8,909,454
		14,318,593	8,917,686
Provision for tax			
Current tax		(4,007,464)	(3,493,161)
Deferred tax credit/(charge)		208,879	629,037
Fringe benefit tax		(71,500)	(120,296)
Profit after tax		10,448,508	5,933,266
Consists of:			
- Discontinued operations	4	-	5,434
- Continuing operations		10,448,508	5,927,832
Profit available for appropriation		10,448,508	5,933,266
Appropriations:			
Proposed dividend		1,685,801	1,011,481
Tax on proposed dividend		286,502	171,901
Net deficit on account of amalgamation of erstwhile Siemens Industrial Turbomachinery Services Private Ltd.	2	-	172,640
Transfer to general reserve		8,476,205	4,577,244
		10,448,508	5,933,266
Earnings per share ('EPS') (Equity share of face value Rs 2 each)			
- Basic and diluted	34	30.99	17.60
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 of even date.

For S.R.Batliboi & Associates
Chartered Accountants

per Sudhir Soni
Partner
Membership No: 41870

Mumbai
26 November 2009

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

Deepak S. Parekh
Dr. Armin Bruck
Sunil Mathur
Yezdi H. Malegam

Ajai Jain

Chairman
Managing Director
Executive Director
Director & Chairman
of Audit Committee
Vice President (Legal) &
Company Secretary

Mumbai
26 November 2009

Cash flow statement for the year ended 30 September 2009 (Currency : Indian rupees thousands)

	Schedule	2009	2008
Cash flow from operating activities			
Profit before tax		14,318,593	8,917,686
Adjustments for:			
Interest expense		58,772	40,535
Bad debts	22	246,216	34,943
Provision for doubtful debts/advances, net	22	(121,563)	311,643
Depreciation and amortisation	8	777,794	637,344
Profit on sale of fixed assets, net	18	(238,276)	(259,256)
Profit on sale of long term investment (equity shares in Siemens Information Systems Ltd.)		(1,942,882)	-
Profit on sale of long term investment (equity shares in Siemens Information Processing Systems Ltd.)		(116,577)	-
Profit on sale of Building Technologies division	4	-	(10,635)
Profit on sale of Automotive division	4	-	(1,235,151)
Sale of lease rights		(78,000)	-
Profit on sale of Electronics Assembly Division		(30,307)	-
Unrealised exchange gain, net		(1,027,379)	(232,046)
Interest income	17	(523,002)	(471,937)
Dividend income	19	(2,232,881)	(67,214)
Operating profit before working capital changes		9,090,508	7,665,912
Increase in inventories		(2,100,828)	(396,396)
Increase in sundry debtors and other receivables		(1,261,079)	(10,521,707)
Increase in sundry creditors and other current liabilities		(1,862,579)	11,000,201
Increase in provisions		5,233,690	1,138,892
Net change in working capital		9,204	1,220,990
Cash generated from operations		9,099,712	8,886,902
Direct taxes paid, net		(5,631,333)	(3,969,992)
Net cash provided by operating activities		3,468,379	4,916,910
<i>of which discontinued operations</i>	4	-	(104,951)
<i>of which continuing operations</i>		3,468,379	5,021,861
Cash flow from investing activities			
Purchase of fixed assets		(1,708,871)	(1,946,909)
Proceeds from sale of fixed assets		258,268	290,309
Purchase of investments		(1,700,999)	(250,000)
- In subsidiary companies (total consideration is in cash or cash equivalent)		-	(962,215)
- In mutual funds		-	-
Sale of investments		3,021,459	-
- In subsidiary company (total consideration is in cash or cash equivalent)		1,205,740	744,889
- In mutual funds		-	-
Dividend received		2,229,459	-
- From subsidiary company	19	3,422	67,214
- From mutual funds	19	520,377	482,513
Interest received		(10,845,000)	(750,000)
Inter corporate deposits placed		9,050,000	325,000
Inter corporate deposits received back		-	1,700,000
Sale of Automotive division (total consideration is in cash or cash equivalent)	4	78,000	-
Sale of lease rights (total consideration is in cash or cash equivalent)		28,150	-
Sale of EA business (total consideration is in cash or cash equivalent)		-	-
Cash generated from investing activities		2,140,005	(299,199)
<i>of which discontinued operations</i>	4	-	(42,358)
<i>of which continuing operations</i>		2,140,005	(256,841)
Cash flow from financing activities			
Interest paid		(2,251)	(20,535)
Dividend paid (including tax thereon)		(1,180,526)	(945,555)
Repayment of long term borrowings		(4,708)	(4,709)
Net cash used in financing activities		(1,187,485)	(970,799)
<i>of which discontinued operations</i>	4	-	-
<i>of which continuing operations</i>		(1,187,485)	(970,799)
Net increase in cash and cash equivalents		4,420,899	3,646,912
Cash and cash equivalents at beginning of the year		9,130,895	4,636,219
Cash and cash equivalents acquired on merger of SITS	2	-	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		897,228	656,663
Cash and cash equivalents at the end of the year	13	14,449,022	9,130,895

Note: Cash and cash equivalents at the end of the period include current account balances with banks of Rs 13,863 (2008: Rs 11,007) which are restricted in use.

As per our report of even date.

For S.R.Batliloi & Associates
Chartered Accountants

per Sudhir Soni
Partner
Membership No: 41870

Mumbai
26 November, 2009

For and on behalf of the Board of Directors of
Siemens Limited
Deepak S. Parekh
Dr. Armin Bruck
Sunil Mathur
Yezdi H. Malegam
Ajai Jain
Chairman
Managing Director
Executive Director
Director & Chairman
of Audit Committee
Vice President (Legal) &
Company Secretary

Mumbai
26 November, 2009

Schedules to the financial statements for the year ended 30 September 2009 (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%-33.33%
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 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 2009 (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 cash generating unit. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. 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 had no impairment been recognised.

1.6 Investments

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

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

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. Cost is determined on a weighted average basis.

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

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

Where the Company is the lessee:

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

1.9 Leases (Continued)

Where the Company is the lessor:

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

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, pension 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. Non monetary items are stated in the balance sheet using the exchange rate at the date of the transaction.

Derivative instruments

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

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

Schedules to the financial statements (*continued*) for the year ended 30 September 2009 (Currency : Indian rupees thousands)

1.12 Taxation (*Continued*)

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 supported by convincing evidence of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

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.

1.14 Provision

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

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

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

1.15 Cash and cash equivalents

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

2. 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.

Consequently, the figures for the current year are not strictly comparable to those of the prior year.

3. Investments

During the year the company sold its holdings in Siemens Information Systems Limited & Siemens Information Processing Services Private Limited for a sale consideration of Rs 3,021,459 resulting in a profit of Rs 2,059,459 which is disclosed under Exceptional income.

4. Discontinued operations

Automotive and Building Technologies segment

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') and "Building Technologies" ('SBT') segment of the Company.

After obtaining necessary approvals the SVDO segment was sold with effect from 1 December 2007 and SBT was sold with effect from 1 October 2007.

Consequently, the figures for the current year are not strictly comparable to those of the prior year.

	2009	2008
5. Share capital		
Authorised		
1,000,000,000 Equity shares of Rs 2 each (2008: 1,000,000,000 Equity shares of Rs 2 each)	<u>2,000,000</u>	<u>2,000,000</u>
	<u>2,000,000</u>	<u>2,000,000</u>
Issued		
338,024,465 Equity shares of Rs 2 each (2008: 338,024,465 Equity shares of Rs 2 each)	<u>676,049</u>	<u>676,049</u>
Subscribed and fully paid-up		
337,160,200 Equity shares of Rs 2 each fully paid-up (2008: 337,160,200 Equity shares of Rs 2 each fully paid-up)	<u>674,320</u>	<u>674,320</u>
	<u>674,320</u>	<u>674,320</u>
Of the above:		
186,041,090 (2008: 186,041,090) Equity shares of Rs 2 each, fully paid-up, are held by the Holding company, Siemens AG, Germany;		
55,500,000 (2008: 55,500,000) Equity shares of Rs 2 each, fully paid-up, were allotted as fully paid-up bonus shares by capitalisation of the General reserve;		
168,580,100 (2008: 168,580,100) 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 (2008: 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	1,520,495	1,857,655
- Issue of bonus shares	-	(337,160)
	<u>1,520,495</u>	<u>1,520,495</u>
Revaluation reserve		
- Balance brought forward	14,036	14,882
revaluation transferred from profit and loss account	(842)	(846)
	<u>13,194</u>	<u>14,036</u>
General reserve		
- Balance brought forward	18,425,670	13,642,776
- Addition on amalgamation of erstwhile SITS (Refer Schedule 2)	-	205,650
- Transfer from profit and loss account	8,476,205	4,577,244
	<u>26,901,875</u>	<u>18,425,670</u>
	<u>28,491,887</u>	<u>20,016,524</u>
7. Unsecured loans		
Interest free loans under		
- sales tax deferral scheme	<u>5,906</u>	<u>10,614</u>
	<u>5,906</u>	<u>10,614</u>
The loan under the sales tax deferral scheme is payable upto 2011		
- Amounts payable within one year	3,495	4,708

Schedules to the financial statements (*continued*)
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8. Fixed assets

	Intangible assets		Tangible assets					Total	Previous year
	Goodwill	Technical knowhow	Land (Refer note i)	Buildings (Refer note i and iii)	Plant and machinery	Furniture, fittings and office equipment	Vehicles		
Gross block									
At 1 October 2008	239,558	147,739	584,293	3,055,514	4,563,819	1,300,784	19,278	9,910,985	8,701,239
Additions on amalgamation of erstwhile SITS (Refer Schedule 2)	-	-	-	-	-	-	-	-	57,769
Additions	-	-	-	402,420	916,307	203,262	-	1,521,989	1,912,520
Deductions/ adjustments	-	-	-	(22,904)	(41,756)	(19,757)	(783)	(85,200)	(760,543)
At 30 September 2009	239,558	147,739	584,293	3,435,030	5,438,370	1,484,289	18,495	11,347,774	9,910,985
Accumulated depreciation									
At 1 October 2008	164,049	75,136	37,924	530,068	2,498,203	1,018,289	15,664	4,339,333	4,063,785
Additions on amalgamation of erstwhile SITS (Refer Schedule 2)	-	-	-	-	-	-	-	-	31,671
Charge for the year (Refer note ii)	31,477	18,257	6,908	83,413	495,059	141,813	1,709	778,636	638,190
Deductions/ adjustments	-	-	-	(5,400)	(36,217)	(23,206)	(385)	(65,208)	(394,313)
At 30 September 2009	195,526	93,393	44,832	608,081	2,957,045	1,136,896	16,988	5,052,761	4,339,333
Net block									
At 30 September 2009	44,032	54,346	539,461	2,826,949	2,481,325	347,393	1,507	6,295,013	5,571,652
At 30 September 2008	75,509	72,603	546,369	2,525,446	2,065,616	282,495	3,614	5,571,652	

Notes:-

i Included in the gross block of land at 30 September 2009 is freehold land of Rs 16,447 (2008: Rs 16,447) and buildings includes Rs 175,722 (2008: Rs 201,543) representing 560 shares of Rs 50 each and 10 shares of Rs 100 each (2008: 595 shares of Rs 50 each and 10 shares of Rs 100 each) in various co-operative housing societies.

ii Depreciation provided has been disclosed as under:

	2009	2008
Charge for the year	778,636	638,190
Transfer to Revaluation reserve	(842)	(846)
As per profit and loss account	777,794	637,344

iii Buildings include assets held for sale:

	2009	2008
Acquisition Value	10,018	-
Accumulated depreciation	(3,683)	-
Written Down Value	6,335	-

iv Assets includes assets given on operating lease

Particulars	2009				2008			
	Buildings	Furniture and Fixture and office equipment	Land	Plant and Machinery	Buildings	Furniture and Fixture and office equipment	Land	Plant and Machinery
Gross Block	547,886	137,540	28,783	286,218	731,006	180,016	79,858	336,258
Written Down Value	440,245	46,866	18,671	131,287	577,324	49,871	66,279	125,449
Depreciation charge for the year	11,523	12,508	-	22,005	16,434	15,812	-	25,435

	2009	2008
9. Investments		
Non-Trade, long term (at cost)		
In government securities (unquoted)		
National Savings Certificates	5	5
	<u>5</u>	<u>5</u>
Investment in subsidiary companies (unquoted)		
Nil (2008: 6,815,000) Equity Shares of Rs 10 each fully paid-up in Siemens Information Systems Ltd. (Nil holding; 2008: 100% holding)	-	851,000
Nil (2008: 2,123,800) Equity Shares of Rs 10 each fully paid-up in Siemens Information Processing Services Private Ltd. (Nil holding; 2008: 51% holding)	-	111,000
3,216,870 (2008: 2,962,027) Equity Shares of Rs 10 each fully paid-up in Siemens Building Technologies Private Ltd. (86.15% holding; 2008: 79.32%) (Refer note i)	2,932,095	2,141,031
25,000,000 (2008: 25,000,000) Equity Shares of Rs 10 each fully paid-up in Siemens Rolling Stock Private Ltd. (100% holding; 2008: 100% holding)	250,000	250,000
4,320,000 (2008: 2,160,000) Equity Shares of Rs 10 each fully paid-up in Flender Ltd. (formerly an associate company) (100% holding; 2008: 50%holding)	1,587,515	677,580
	<u>4,769,610</u>	<u>4,030,611</u>
Note: i) The company is committed to acquire balance 13.85% shares by 2012		
Investment in other companies		
(Quoted)		
10,485 (2008: 10,485) Equity Shares of Re 1 each fully paid up in PRICOL Ltd.	8	8
10,000 (2008: 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 (2008:1) 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 (2008: 30,611,083) Sundaram BNP Paribas Money Fund - Super Institutional - Daily Dividend Reinvestment	-	309,028
Nil (2008: 28,970,500) Birla Cash Plus -Institutional Premium- Daily Dividend Reinvestment	-	290,270
Nil (2008: 30,885,544) units of ING Liquid Fund Super Institutional -Daily Dividend Option	-	309,004
Nil (2008: 24,261,211) units of HDFC Liquid Fund Premium Plan-Daily Dividend Reinvestment Option	-	297,438
	<u>-</u>	<u>-</u>
	-	1,205,740
	<u>4,769,723</u>	<u>5,236,464</u>
- Aggregate book value of unquoted investments	4,769,615	5,236,356
- Aggregate book value of quoted investments	108	108
- Aggregate market value of quoted investments	355	400

Schedules to the financial statements (*continued*)
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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
Birla Cash Plus -Institutional Premium - Daily Dividend Reinvestment	83,369	835	83,369	835
Sundaram BNP Paribas Money Fund - Super Institutional - Daily Dividend Reinvestment	94,466	954	94,466	954
ING Liquid Fund Super Institutional - Daily Dividend Option	81,648	817	81,648	817
HDFC Liquid Fund Premium Plan - Daily Dividend Reinvestment Option	66,574	816	66,574	816
	<u>326,057</u>	<u>3,422</u>	<u>326,057</u>	<u>3,422</u>

	2009	2008
10 Deferred tax assets		
Deferred tax assets		
Arising on account of timing differences in:		
Provision for doubtful debts and advances	309,642	333,805
Expenditure debited to profit & loss account but allowed for tax purposes in following years	732,587	458,953
Other provisions	414,514	413,454
	<u>1,456,743</u>	<u>1,206,212</u>
Deferred tax liability		
Arising on account of timing differences in :		
- Excess of depreciation allowable under income tax law over depreciation provided in accounts	337,617	295,965
Deferred tax assets (net)	<u>1,119,126</u>	<u>910,247</u>
11 Inventories		
Raw materials [includes Goods in Transit Rs 965,031 (2008 : Rs 321,750)]	2,531,516	1,526,726
Work-in-progress		
- factory related	329,855	554,148
- project related	5,749,589	4,051,773
Finished goods	1,111,011	1,488,496
	<u>9,721,971</u>	<u>7,621,143</u>
12 Sundry debtors		
Debts outstanding		
- over six months	15,998,492	12,098,840
- other debts	19,353,824	23,105,063
	<u>35,352,316</u>	<u>35,203,903</u>
Of which		
- considered good	34,583,115	34,327,991
- considered doubtful	769,201	875,912
	<u>35,352,316</u>	<u>35,203,903</u>
Provision for doubtful debts	(769,201)	(875,912)
	<u>34,583,115</u>	<u>34,327,991</u>

	2009	2008
12 Sundry debtors (Continued)		
Sundry debtors are unsecured and include:		
Project related retention money		
- over six months	13,753,293	11,741,312
- other	<u>3,122,451</u>	<u>4,968,932</u>
	16,875,744	16,710,244
Included in debtors are debts due from companies under the same management:		
- Osram India Private Ltd.	16	2,000
- Siemens Information Systems Ltd.	44,799	103,115
- Siemens Information Processing Services Private Ltd.	11,158	6,157
- Siemens Power Engineering Private. Ltd.	2,953	8,883
- Powerplant Performance Improvement Ltd.	10,336	-
- Siemens Hearing Instruments Private Ltd.	4,310	1,895
- Flender Ltd.	13,515	5,143
- Siemens Rolling Stock Private Ltd.	6,307	4,703
- Morgan Construction Company India Private Ltd.	6,357	72,577
- Siemens Building Technology Private Ltd.	3,884	26,830
- Winergy Drive Systems India Private Ltd.	95	663
- Siemens Corporate Finance Private Ltd.	17,592	7,781
- Bangalore International Airport Ltd.	-	94,443
- Siemens VAI Metals Technologies Private Ltd.	552,586	1,709
- Siemens Healthcare Diagnostics Ltd. (formerly known as Siemens Medical Solutions Diagnostics Ltd.)	3,689	843
13 Cash and bank balances		
Cash in hand	5,691	8,707
Cheques in hand	792,587	1,348,131
Balances with scheduled banks		
- on current account	1,486,035	1,560,670
- on deposit account	10,473,300	4,580,700
Balances with other banks	<u>1,691,409</u>	<u>1,632,687</u>
	14,449,022	9,130,895
Bank balances with other banks in current account includes :		
- Citibank, Colombo	10,286	16,270
- Deutsche Bank, Colombo	1,048	-
- Standard Chartered Bank, Nepal	36	32
- Standard Chartered Bank, Doha	65,797	-
- Standard Chartered Bank, Qatar	180,265	543,859
- The Hongkong & Shanghai Banking Corporation Ltd.,Khulna	6,658	-
- The Hongkong & Shanghai Banking Corporation Ltd.,Dhaka	11,796	24,585
- The Hongkong and Shanghai Banking Corporation, Doha	<u>1,415,523</u>	<u>1,047,941</u>
	1,691,409	1,632,687
Maximum amount outstanding at any time during the year :		
- Citibank, Colombo	124,005	16,629
- Citibank, Dhaka	-	38
- Deutsche Bank, Colombo	1,182	1,020

Schedules to the financial statements (*continued*)
as at 30 September 2009
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	2009	2008
13 Cash and bank balances (<i>Continued</i>)		
- Standard Chartered Bank, Qatar	192,410	605,935
- Standard Chartered Bank, Nepal	142	32
- Standard Chartered Bank, Doha	598,217	-
- The Hongkong & Shanghai Banking Corporation Ltd., Colombo	-	67
- The Hongkong & Shanghai Banking Corporation Ltd., Dhaka	35,376	3,990
- The Hongkong and Shanghai Banking Corporation, Doha	5,913,155	2,276,531
- The Hongkong & Shanghai Banking Corporation Ltd., Khulna	9,279	-
14 Loans and advances (<i>Unsecured</i>)		
Loans and advances recoverable in cash or kind or for value to be received		
- considered good	4,265,843	3,548,303
- considered doubtful	141,779	156,631
	<u>4,407,622</u>	<u>3,704,934</u>
Provision for doubtful advances	<u>(141,779)</u>	<u>(156,631)</u>
	<u>4,265,843</u>	<u>3,548,303</u>
Advance payments of income tax [net of provision for tax Rs 14,184,946 (2008: Rs 10,177,482)]	2,069,722	517,353
Balances with customs, port trusts etc.	799,425	721,832
Inter corporate deposits		
- Subsidiaries	1,450,000	800,000
- Others	1,860,000	715,000
Interest accrued on inter corporate deposits	12,650	10,025
	<u>10,457,640</u>	<u>6,312,513</u>
Amount receivable from Customs authorities towards excess payment of Customs duty	2,225	2,225
Loans and advances includes :		
(a) Inter-corporate deposits given to companies under the same management:		
- Osram India Private Ltd.	800,000	250,000
- Siemens Building Technologies Private Ltd.	850,000	800,000
- Winergy Drive Systems India Private Ltd.	660,000	380,000
- Siemens Rolling Stock Private Ltd.	600,000	-
- Siemens Healthcare Diagnostics Ltd.	400,000	-
- Morgan Construction Company India Private Ltd.	-	85,000
	<u>3,310,000</u>	<u>1,515,000</u>
Maximum amount outstanding at any time during the year:		
- Flender Ltd.	-	50,000
- Osram India Private Ltd.	800,000	270,000
- Siemens Building Technologies Private Ltd.	1,100,000	800,000
- Siemens Healthcare Diagnostics Ltd.	400,000	-
- Siemens Rolling Stock Private Ltd.	600,000	-
- Winergy Drive Systems India Private Ltd.	660,000	380,000
- Morgan Construction Company India Private Ltd.	175,000	85,000

	2009	2008
15 Current liabilities		
Sundry creditors		
- Micro and Small Enterprises (Refer Schedule 35)	653,274	331,311
- Subsidiaries	33,142	93,090
- Others	23,769,726	21,234,804
Advances from customers (Refer note 2)	16,115,365	20,993,358
Unclaimed dividend (Refer note 1)	13,863	11,007
	<u>40,585,370</u>	<u>42,663,570</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 include progress payments billed and advances received from project related work	14,975,178	20,053,468
16 Provisions		
Pension	174,983	160,326
Leave wages	240,841	233,379
Medical benefits	70,754	45,169
Silver jubilee	74,418	68,925
Warranty	1,980,532	1,248,631
Loss order	891,614	1,099,514
Liquidated damages	5,651,320	1,574,211
Contingencies	1,638,380	1,002,476
Proposed dividend	1,685,801	1,011,481
Tax on proposed dividend	286,502	171,901
	<u>12,695,145</u>	<u>6,616,013</u>
17 Interest income		
Interest income - others [includes tax deducted at source Rs 119,717, (2008 : Rs 95,380)]	523,002	471,937
	<u>523,002</u>	<u>471,937</u>
18 Other operating income, net		
Export incentives	97,375	60,174
Profit on sale of fixed assets, net	238,276	259,256
Recoveries from subsidiary companies, associates and third parties	337,627	283,592
Miscellaneous income	23,941	18,768
	<u>697,219</u>	<u>621,790</u>
19 Other income		
Dividend from subsidiary companies	2,229,459	-
Dividend from mutual fund investments	3,422	67,214
Miscellaneous other Income	108,307	-
	<u>2,341,188</u>	<u>67,214</u>
20 Cost of sales and services		
Raw materials and components consumed	18,929,334	16,214,299
Traded goods purchased	11,335,326	12,229,124
Spares and stores consumed	266,601	393,325
Project bought outs	28,430,906	36,330,363
Change in inventories	(1,096,038)	11,074
Other costs	6,110,783	2,552,328
	<u>63,976,912</u>	<u>67,730,513</u>
Included in other costs, change in excise duty on closing stock of finished goods	19,788	82,313

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	2009	2008
21 Personnel costs		
Salaries, wages and bonus, net	4,629,505	3,931,583
Contribution to provident and other funds	525,841	298,010
Workmen and staff welfare	343,643	246,158
	<u>5,498,989</u>	<u>4,475,751</u>
22 Other costs, net		
Exchange loss/ (gains), net	82,520	(2,016,693)
Travel and conveyance	862,588	968,445
External software services and data processing	558,457	658,367
Rates and taxes	543,057	582,487
Communications	364,919	358,188
Packing and forwarding	349,372	342,288
Power and fuel	267,554	278,681
Insurance	264,184	237,697
Rent	196,513	211,148
Repairs		
- on building	89,782	84,739
- on machinery	68,354	64,134
- others	118,830	113,923
Legal and professional	173,914	143,878
Advertising and publicity	5,185	127,889
Office supplies, printing and stationery	76,079	86,251
Research and development expenditure	171,022	85,619
Bank guarantee commission/ bank charges	97,697	67,861
Lease rentals	36,044	44,307
Donation	1,580	2,091
Commission to directors	11,600	14,000
Directors' fees	1,300	1,440
Bad debts	246,216	34,943
Provision for doubtful debts and advances, net	(121,563)	311,643
Miscellaneous expenses	412,349	757,026
	<u>4,877,553</u>	<u>3,560,352</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)	712,829	552,034
(b) Contingent liabilities		
Taxation matters (excluding interest)		
- In respect of certain completed assessments where matters are under appeal by the Company	432,706	295,807
Excise/ sales tax liabilities, under dispute	309,422	409,373
Customs liabilities, under dispute	120,000	120,000
Claims against the Company not acknowledge as debts	47,055	43,812

	2009	2008
24 Supplementary statutory information		
(i) <i>Managerial remuneration</i>		
Personnel and other costs include remuneration paid to Directors' as set out below:		
Salaries	25,145	29,814
Perquisites	53,183	62,680
Commission	11,600	14,000
Performance linked incentive	75,378	64,896
Payment of stock appreciation rights	5,631	40,745
Directors sitting fees	1,300	1,440
Contribution to provident fund	2,734	1,483
Contribution to superannuation fund	2,103	1,854
	<u>177,074</u>	<u>216,912</u>

Managerial remuneration includes Rs 5000 (2008: 8,184) towards consideration in connection with retirement from office.

Certain wholetime Directors are covered under the Company's gratuity, leave, medical and silver/ golden jubilee schemes along with the other employees of the Company. These liabilities are determined for all employees by an independent actuarial valuation. The specific amount for such benefits can't be ascertained separately and accordingly the same has not been included above.

Computation of Managerial Remuneration:

Profit before tax	14,318,593	8,917,686
Add:		
Managing and other director's remuneration and commission	177,074	216,912
Depreciation charged in the accounts (Refer Schedule 8)	777,794	637,344
Profit on sale of fixed assets, net (as per Section 349 of the Act)	239,974	4,419
Provision for doubtful debts and advances, net	(121,563)	311,643
Provision for wealth tax	(17,381)	2,447
Profit on sale of tenancy rights	78,000	-
Profit on sale of EA business	30,307	-
Less:		
Profit on sale of investment	(2,059,459)	-
Profit on sale of fixed assets, net (as per profit and loss account)	(238,276)	(259,256)
- 'SBT' division	-	(10,635)
- 'SVDO' division	-	(1,235,151)
Depreciation as computed under Section 350 of the Act (see note below)	(777,794)	(637,344)
Net profit as per Section 349 of the Act	<u>12,407,269</u>	<u>7,948,065</u>
Performance linked incentive to Managing and wholetime directors at 0.61% of the (2008: 0.81%) net profits as calculated above	75,378	64,896
Commission to other directors at 0.09% of the (2008: 0.18%) net profits as calculated above	11,600	14,000
	<u>86,978</u>	<u>78,896</u>

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.

Schedules to the financial statements (*continued*)
as at 30 September 2009
(Currency : Indian rupees thousands)

	2009	2008
24 Supplementary statutory information (<i>Continued</i>)		
(ii) <i>Auditors' remuneration (for Audit services exclusive of service tax)</i>		
- Audit fees	12,500	7,020
- Tax audit fees	4,000	3,000
- Other services	11,680	3,100
- Reimbursement of expenses	915	737
	29,095	13,857
(iii) <i>Earnings and expenditure in foreign exchange (on accrual basis)</i>		
(a) Earnings in foreign currency		
- Exports of goods		
- Direct on FOB basis	2,569,481	2,839,181
- Under IDA/IBRD/ADB credits	2,829,935	1,194,038
- Project business	5,486,774	26,377,412
- Commission	520,410	451,826
- Service charges and others	9,130,899	94,324
(b) Expenditure in foreign currency (on accrual basis)		
- Travelling	79,158	92,691
- Installation charges	40,723	3,871
- Expenditure on contracts at foreign sites	2,741,317	10,122,364
- Commission	175,630	2,719
- Service charges	1,652,704	1,257,464
- Others	622,355	417,371
(c) Value of imports calculated on CIF basis		
- Raw material	5,015,591	4,432,304
- Components, spare parts and traded goods	21,382,256	19,949,757
- Capital goods	528,565	174,506
(iv) <i>Net dividend remitted in foreign exchange</i>		
<i>Final:</i>		
Period to which the dividend relates	1.04.2007 to 31.03.2008	1.04.2006 to 31.03.2007
Number of non-resident shareholders	One	One
Number of equity shares held on which dividend was due	186,041,090	93,020,545
Amount remitted	558,123	446,499
25 Disclosure as per Clause 32 of the listing Agreement		
Loans and advances in the nature of loans	Amount at 30 September 2009	Maximum amount outstanding at any time during the year
<i>Subsidiary company</i>		
- Siemens Building Technologies Private Ltd.	850,000	1,100,000
- Siemens Rolling Stock Private Ltd.	600,000	600,000

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	2009		2008	
	Quantity	Value	Quantity	Value
Refer Note (a) and (d) below				
Switchgear items		8,738,746		9,194,551
Electric motors/ generators	87,452 Nos.	2,388,714	110,136 Nos.	3,336,349
Switchboards, control boards and miscellaneous accessories		4,111,312		5,052,256
X-ray equipment		230,307		347,495
Railway equipment		9,647,280		6,708,855
Variable speed AC/DC drive systems, motor control modules and programmable control systems		5,041,047		4,941,696
Protection systems		926,084		420,286
Data acquisition, logging and control systems		981,629		-
Medical electronic diagnostic equipment		4,202,445		5,533,864
Other engineering project goods		33,754,477		40,261,709
Maintenance, repairs and other services		8,510,311		1,303,147
Industrial turbines		3,571,504		4,068,391
Rental Income		463,291		464,333
Automotive - Traded goods		-		231,596
Transformer		800,188		639,100
		83,367,335		82,503,628
Commission income		520,410		451,826
		83,887,745		82,955,454

(ii) Imported and indigenous raw materials and components consumed

	2009		2008	
	Value	% of total consumption	Value	% of total consumption
Imported	6,947,605	37	5,550,153	34
Indigenous	11,981,729	63	10,664,146	66
	18,929,334	100	16,214,299	100

(iii) Inventories

Finished goods

Refer Note (a) below

Class of goods	2009		2008	
	Quantity	Value	Quantity	Value
Switchgear items		308,637		411,257
Electric motors/generators	2,672 Nos.	123,143	3,871 Nos.	164,618
Switchboards, control boards, etc.		25,232		54,244
X-ray equipment		4,743		11,649
Medical electronic diagnostic equipment		72,200		116,724
Railway equipment		228,313		303,391
Variable speed AC/DC drive systems, motor control modules and programmable control systems		284,378		391,579
Protection systems/ uninterrupted power		1,324		-
Data acquisition, logging and control systems		13,806		14,824
Others		49,235		20,210
		1,111,011		1,488,496
Work-in-progress				
- factory related		329,855		554,148
- project related		5,749,589		4,051,773
		7,190,455		6,094,417

Schedules to the financial statements (*continued*)
for the year ended 30 September 2009
(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*):

(iv) Purchases

Refer Note (a) below

Class of goods	2009 Value	2008 Value
Medical electronic diagnostic equipment	3,274,879	3,707,141
Others	8,060,447	8,521,983
Towards projects execution	28,430,906	36,330,363
	<u>39,766,232</u>	<u>48,559,487</u>

(v) Raw materials, bought out components consumed during the year

	Unit	2009		2008	
		Quantity	Value	Quantity	Value
Copper flats, strips and profiles	MT	1,659	550,923	1,078	394,707
Enamelled copper wire	MT	13,692	198,300	690	274,698
Brass sheets and strips	MT	214,397	17,320	77	28,956
Aluminium ingots, profiles and castings	MT	188	46,620	453	71,944
Iron and steel castings and shafts	MT	5,599	585,771	8,994	594,886
Dynamo steel sheets, strips and laminations	MT	3,091	289,006	4,910	379,459
Hot rolled and cold rolled steel sheets, strips, housings, etc.	MT	21,455	652,845	1,434	243,465
Cables and wires	Kms	11,030	104,412	2,303	80,852
Silver components	Kgs	6,440	212,485	8,036	300,199
Ball and roller bearings	Nos	189,585	237,836	433,963	177,794
Thyristors, diodes and transistors	Nos	128,907	580,264	132,040	448,205
X-ray tubes	Nos	30	6,337	31	1,083
Amphenol terminals	Nos	1,023,967	37,149	687,024	26,686
Vacuum tubes	Nos	17,966	252,140	35,660	369,808
Integrated circuits	Nos	38,003	10,853	33,966	4,748
Capacitors and condensers	Nos	146,094	63,282	156,972	54,367
Printed circuit boards	Nos	13,860	25,264	14,783	33,189
Turbine components	Pcs	2,300,235	2,096,391	688,216	725,246
Others			12,962,136		12,004,007
			<u>18,929,334</u>		<u>16,214,299</u>

(vi) Capacities and Production

Refer Note (b) below

Class of goods manufactured	Unit	2009		2008	
		Annual installed capacity (refer Note (c) below)	Actual production	Annual installed capacity (refer Note (c) below)	Actual production
Switchgear items	Nos	16,263,493	12,216,614	16,263,493	15,033,076
Electric motors/ generators	Nos	20,023	16,008	20,023	18,769
Switch boards, control boards and miscellaneous accessories	Nos	8,000 (Boards)	2,279 (Boards)	8,000 (Boards)	2,672 (Boards)
X-ray equipment	Nos	1,283	958	1,283	1,070
Electromedical equipment	Nos	209	23	209	36
Variable speed AC/DC drive systems, motor control modules and programmable control system	Nos	6,248	1,924	6,248	1,774

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)

Instrument Transformers	Nos	1,133	421	5,000	3
Static Converter for railways	Nos	610	129	610	139
Audio frequency track circuit	Nos	900	336	900	348
Interlocking relays	Nos	250,000	130,130	250,000	160,160
Auxiliary inverter for AR locomotive	Nos	150	131	120	120
Traction converter for diesel locomotive	Nos	72	72	72	84
Electrical control cabinet	Nos	288	138	288	191
Circuit breakers above 1000 volts	Nos	2,250	1,270	1,000	1,170
Power Transformers	MVA	15,000	2,140	15,000	1,306
Single stage/ multi stage turbines	MW	69	33	69	45
Traction Converters for EMU	Nos	180	140	180	129
Auxiliary Converters for EMU	Nos	180	142	180	141
High Frequency Power Supply	Nos	600	-	600	135

Licensed Capacity is not applicable in terms of the Government of India's notification No. S.O. 477(E) dated 25 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.

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.

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.

Schedules to the financial statements (*continued*) for the year ended 30 September 2009 (Currency : Indian rupees thousands)

The movements in the above provisions are summarised below:

	Warranties	Liquidated damages	Loss orders	Contingencies
Balance as at 1 October 2008	1,248,631	1,574,211	1,099,514	1,002,476
Provisions:				
- Created	1,096,676	4,575,933	692,148	841,697
- Utilised	(103,141)	(182,918)	(838,809)	(47,877)
- Reversed	(261,634)	(315,906)	(61,239)	(157,916)
Balance as at 30 September 2009	<u>1,980,532</u>	<u>5,651,320</u>	<u>891,614</u>	<u>1,638,380</u>

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

	2009	2008
(i) Contract Revenue recognised for the year ended 30 September 2009	55,167,095	50,884,780
(ii) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress as at 30 September 2009	154,693,242	119,307,554
(iii) Amount of advances received	6,648,354	5,644,363
(iv) Amounts due from customers	5,854,199	2,846,638
(v) Amounts due to customers	8,684,323	15,137,749

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:

	2009	2008
(i) Amount due not later than one year from the balance sheet date	30,988	27,258
(ii) Amount due later than one year and not later than five years	80,332	91,909
(iii) Amount due later than five years	60,682	80,093
	<u>172,002</u>	<u>199,260</u>

Lease rent debited to profit and loss account Rs 232,557 (2008: Rs 255,455)

Sub-lease payments recognised in the profit and loss account Rs 28,559 (2008: Rs 23,930)

There is no contingent rent recognised in the P&L account

General description of the leasing arrangement:

- The Company has entered into operating lease arrangements for its office premises and storage locations and residential premises for its employees.
- The future lease rental payments are determined on the basis of the monthly lease payment terms as per the agreements
- At the expiry of the non cancellable lease period the option of renewal rests with the Company.
- Some of the lease agreements have escalation clause. There are no exceptional/ restrictive covenants in the lease agreements.

30. Related party transactions

30.1 Parties where control exists

Siemens AG	Holding company
Siemens Information Systems Ltd. (SISL)	Wholly owned subsidiary company (upto 24 June 2009)
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) (upto 24 June 2009)
Siemens Industrial Turbomachinery Services Private Ltd.	Wholly owned subsidiary company (upto 31 March 2008)
Siemens Rolling Stock Private Ltd.	Wholly owned subsidiary company (w.e.f. 4 July 2008)

30.1 *Parties where control exists (Continued)*

Flender Ltd.	Wholly owned subsidiary company (w.e.f. 1 August 2009)
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 Ltd. (Ireland)	Subsidiary of Siemens Building Technologies Private Ltd.
Europlex Technologies Ltd. (United Kingdom)	Wholly owned subsidiary of iMetrex Technologies Ltd. (Ireland)
Europlex Technologies (Ireland) Ltd. formerly known as Europlex Manufacturing Ltd. (Ireland)	Wholly owned subsidiary of iMetrex Technologies Ltd. (Ireland)
Europlex Research Ltd. (Ireland)	Wholly owned subsidiary of iMetrex Technologies Ltd. (Ireland)
Clonshaugh Security Ltd. formerly known as Europlex Technologies Ltd. (Ireland)	Wholly owned subsidiary of iMetrex Technologies 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 Ltd.	Australia
	Siemens Aktiengesellschaft Österreich	Austria
	ETM professional control GmbH	Austria
	Siemens VAI Metals Technologies GmbH & Co	Austria
	Siemens Transportation Systems GmbH & Co KG	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
	Iriel Ind. Com. Sist. Eletr. Ltda.	Brazil
	Siemens Milltronics Process Instruments, Inc.	Canada
	Trench Ltd.	Canada
	Siemens Canada Ltd.	Canada
	Siemens Medium Voltage Switching Technologies (Wuxi) Ltd.	China
	Siemens International Trading Ltd., Shanghai	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 Manufacturing and Engineering Centre 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 Switchgear Co. Ltd.	China
	Siemens Industrial Automation Ltd.	China
	Siemens Numerical Control Ltd.	China
	Siemens Electrical Drives (Shanghai) Ltd.	China
	Siemens Mindit Magnetic Resonance Ltd.	China
	Zhenjiang Siemens Busbar Trunking Systems Co. Ltd.	China
	Siemens S.A.	Columbia
	Siemens S.A.	Costa Rica
	Koncar Power Transformers Ltd.	Croatia

Schedules to the financial statements (*continued*) for the year ended 30 September 2009 (Currency : Indian rupees thousands)

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

Fellow Subsidiaries	Siemens Elektromotory s.r.o.	Czech Republic
	Siemens Industrial Turbomachinery s.r.o.	Czech Republic
	OEZ s.r.o.	Czech Republic
	Siemens Wind Power A/S	Denmark
	Siemens S.A.	Ecuador
	Siemens Technologies S.A.E.	Egypt
	Siemens Osakeyhtiö	Finland
	Siemens S.A.S.	France
	Siemens Production Automatisations S.A.S.	France
	Trench France S.A.S.	France
	Siemens Transmission & Distribution SAS	France
	Siemens VAI Metals Technologies SAS	France
	Siemens Transportation Systems S.A.S.	France
	Flender-Graffenstaden SAS	France
	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	Germany
	Mechanik Center Erlangen GmbH	Germany
	LINCAS Export Services GmbH	Germany
	Siemens Turbomachinery Equipment GmbH	Germany
	Siemens Busbar Trunking Systems GmbH & Co. KG	Germany
	Trench Germany GmbH	Germany
	Wallace & Tiernan GmbH	Germany
	mdexx Magnetric Devices GmbH & Co. KG (upto 31 December 2008)	Germany
	Alpha Verteilertechnik GmbH	Germany
	Lincas Electro Vertriebsgesellschaft mbH	Germany
	Loher GmbH	Germany
	Siemens Geared Motors Gesellschaft mit beschränkter Haftung	Germany
	Siemens Finance & Leasing GmbH	Germany
	Ruhrtal Hochspannungsgeräte GmbH & Co. OHG (Upto 30 June 2009)	Germany
	HSP Hochspannungsgeräte GmbH	Germany
	Flender Industriegetriebe GmbH	Germany
	Ruhrtal Hochspannungsgeräte GmbH	Germany
	evosoft GmbH	Germany
	FEAG Fertigungscenter für Elektrische Anlagen GmbH	Germany
	Siemens Building Technologies GmbH & Co. oHG	Germany
	Siemens Financial Services GmbH/WCF	Germany
	Siemens Real Estate GmbH & Co. OHG	Germany
	Siemens Product Lifecycle Management Software (DE) GmbH	Germany
	A Friedr. Flender AG	Germany
	Siemens plc	Great Britain
	Siemens Industrial Turbomachinery Ltd.	Great Britain
	Siemens Protection Devices Ltd.	Great Britain
	Chemfeed Ltd.	Great Britain
	Electrocatalytic Ltd.	Great Britain
	Electrium Sales Ltd.	Great Britain
	Siemens Magnet Technology Ltd.	Great Britain
	Siemens Busbar Trunking Systems Ltd., in Liquidation	Great Britain
	Siemens A.E., Elektrotechnische Projekte und Erzeugnisse	Greece
	Eviop-Tempo A.E. Electrical Equipment Manufacturers	Greece
	Siemens Ltd.	Hongkong
	Siemens Erömütechnika Kft.	Hungary
	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.	India
	Siemens Corporate Finance Private Ltd.	India
	Winergy Drive Systems India Private Ltd.	India

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

Fellow Subsidiaries	<p>Morgan Construction Company India Private Ltd. Siemens Enterprise Communications Private Ltd. (Upto 31 March 2009) Powerplant Performance Improvement Ltd. Siemens Information Systems Ltd. (w.e.f. 25 June 2009) Siemens Information Processing Services Private Ltd. (w.e.f. 25 June 2009) Siemens Product Lifecycle Management Software (India) Private Ltd. P.T. Siemens Indonesia Siemens Sherkate Sahami (Khash) Siemens Israel Ltd. Siemens S.p.A. Trench Italia S.r.l. Siemens K.K. Siemens TOO Siemens Kenya Ltd. Siemens Ltd. Siemens Electrical & Electronic Services K.S.C. Osram Opto Semiconductors (Malaysia) Sdn Bhd Siemens Malaysia Sdn. Bhd. Siemens Industrial Workshop Sdn. Bhd. Siemens, S.A. de C.V. Siemens S.A. Siemens Nederland N.V. Siemens Industrial Turbomachinery B.V. Siemens (N.Z.) Ltd. Siemens Ltd. Siemens Oil and Gas Offshore AS (upto 30 June 2009) Siemens L.L.C. Siemens Pakistan Engineering Co. Ltd. Siemens, Inc. Siemens Power Operations, Inc. Siemens Sp. z o.o. Siemens W.L.L. Siemens S.R.L. OOO Siemens ISCOSA Industries and Maintenance Ltd. Siemens Ltd. Arabia Electric Ltd. (Equipment) Siemens Pte. Ltd. Power Automation Pte. Ltd. Siemens Electronics Assembly Systems Pte. Ltd Siemens Energy Management and Information Systems Pte. Ltd. Siemens d.o.o. Siemens Ltd. Siemens S.A. Siemens Industrial Turbomachinery AB Siemens AB Siemens Schweiz AG, Building Technologies Division, International Headquarters Siemens Schweiz AG Siemens Ltd. Siemens Ltd. Siemens Ltd. Siemens Sanayi ve Ticaret A.S. Siemens LLC Siemens Ukraine Siemens Energy, Inc. Siemens Building Technologies, Inc. Siemens Demag Delaval Turbomachinery, Inc. Siemens Energy & Automation, Inc. Siemens Water Technologies Corp.</p>	<p>India India India India India Indonesia Iran Israel Italy Italy Japan Kazakhstan Kenya Korea Kuwait Malaysia Malaysia Malaysia Mexico Morocco Netherlands Netherlands New Zealand Nigeria Norway Oman Pakistan Philippines Philippines Poland Qatar Romania Russia Saudi Arabia Saudi Arabia Saudi Arabia Singapore Singapore Singapore Singapore Slovenia South Africa Spain Sweden Sweden Switzerland Switzerland Taiwan Tanzania Thailand Turkey UAE Ukraine USA USA USA USA USA</p>
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Schedules to the financial statements (*continued*) for the year ended 30 September 2009 (Currency : Indian rupees thousands)

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

Fellow Subsidiaries	Siemens Medical Solutions USA, Inc.	USA
	Siemens Shared Services, LLC	USA
	Morgan Construction Company	USA
	Siemens Transportation Systems, Inc.	USA
	Siemens Power Transmission & Distribution, Inc.	USA
	PETNET Solutions, Inc.	USA
	SMS Inc. - Customer Solutions Group	USA
	Siemens S.A.	Venezuela
	Siemens Automation Systems Ltd.	Vietnam
	Siemens Ltd.	Vietnam
Associates	Flender Ltd. (upto 31 July 2009)	India

30.3 Directors of the Company

Wholetime Directors	Dr. Armin Bruck (w.e.f. 1 October 2007)
	Mr. Sunil Mathur (w.e.f. 22 July 2008)
	Mr. Patrick de Royer (Retired on 31 December 2008)
	Mr. K. R. Upilli (Retired on 27 July 2008)
	Mr. Vijay V. Paranjape
	Mr. J. Schubert (Retired on 1 January 2008)
	Mr. Vilas Parulekar (Retired on 25 September 2009)

30.4

Description	2009					2008				
	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel
Sales										
- Siemens AG	2,024,042	-	-	-	-	1,246,622	-	-	-	-
- Siemens Information Systems Ltd.	-	280,376	-	-	-	-	390,972	-	-	-
- Siemens Energy & Automation, Inc	-	-	519,617	-	-	-	-	366,026	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	-	784,264	-	-	-	-	104,360	-	-
- Siemens VAI Metals Technologies SAS	-	-	154,578	-	-	-	-	266,413	-	-
- Flender Ltd.	-	592	-	3,006	-	-	-	-	3,395	-
- Others	-	51,007	1,156,885	-	-	-	6,851	743,905	-	-
Commission income										
- Siemens AG	481,223	-	-	-	-	441,661	-	-	-	-
- Siemens Industrial Turbomachinery AB	-	-	17,576	-	-	-	-	-	-	-
- Siemens Industrial Turbomachinery Ltd.	-	-	16,047	-	-	-	-	-	-	-
- Siemens Pte. Ltd.	-	-	2,586	-	-	-	-	3,764	-	-
- Siemens Building Technologies, Inc.	-	-	-	-	-	-	-	1,496	-	-
- Others	-	-	2,978	-	-	-	-	075	-	-
Other recoveries										
- Siemens AG	153,633	-	-	-	-	145,641	-	-	-	-
- Siemens Information Systems Ltd.	-	78,636	17,457	-	-	-	102,245	-	-	-
- Siemens Information Processing Services Private Ltd.	-	11,881	7,688	-	-	-	15,739	-	-	-
- Siemens Corporate Finance Private Ltd.	-	-	13,259	-	-	-	-	2,798	-	-
- Siemens Enterprise Communications Private Ltd.	-	-	25,727	-	-	-	-	60,589	-	-
- Siemens Transportation Systems S.A.S.	-	-	-	-	-	-	-	15,950	-	-
- Siemens Pte. Ltd.	-	-	-	-	-	-	-	16,686	-	-
- Flender Ltd.	-	3,528	-	6,178	-	-	-	-	750	-
- Others	-	17,681	30,307	-	-	-	6,900	17,476	-	-
Reimbursement of expenses										
- Siemens AG	352,973	-	-	-	-	106,979	-	-	-	-
- Siemens Information Systems Ltd.	-	6,830	10,115	-	-	-	33,630	-	-	-
- Siemens Rolling Stock Private Ltd.	-	-	-	-	-	-	5,180	-	-	-
- Siemens Enterprise Communications Private Ltd.	-	-	2,357	-	-	-	-	21,556	-	-
- Siemens Pte. Ltd.	-	-	569	-	-	-	-	5,588	-	-
- Siemens Wind Power A/S	-	-	13,044	-	-	-	-	-	-	-
- Siemens Electronics Assembly Systems Pte. Ltd.	-	-	11,231	-	-	-	-	-	-	-
- Flender Ltd.	-	-	-	018	-	-	-	-	342	-
- Others	-	1,059	1,210	-	-	-	4,992	4,605	-	-

Description	2009					2008				
	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel
Purchase/Other services										
- Siemens AG	15,502,378	-	-	-	-	14,799,173	-	-	-	-
- Siemens Information Systems Ltd.	-	99,365	58,397	-	-	-	217,762	-	-	-
- Siemens Building Technologies Private Ltd.	-	14,350	-	-	-	-	20,519	-	-	-
- Siemens Information Processing Services Private Ltd.	-	28,468	-	-	-	-	290	-	-	-
- Koncar Power Transformers Ltd.	-	-	43,327	-	-	-	-	3,554,963	-	-
- Siemens Electrical Apparatus Ltd.	-	-	602,950	-	-	-	-	-	-	-
- Siemens Medical Solutions USA, Inc.	-	-	566,228	-	-	-	-	-	-	-
- Flender Ltd.	-	-	-	19,439	-	-	-	-	22,339	-
- Others	-	-	2,407,778	-	-	-	100	3,276,771	-	-
Interest Income										
- Siemens Building Technologies Private Ltd.	-	72,726	-	-	-	-	67,305	-	-	-
- Osram India Private Ltd.	-	-	29,877	-	-	-	-	23,442	-	-
- Winergy Drive Systems India Private Ltd.	-	-	42,392	-	-	-	-	18,331	-	-
- Morgan Construction Company India Private Ltd.	-	-	8,783	-	-	-	-	1,650	-	-
- Siemens Rolling Stock Private Ltd.	-	14,975	-	-	-	-	-	-	-	-
- Flender Ltd.	-	-	-	-	-	-	-	-	1,498	-
- Others	-	-	8,796	-	-	-	-	-	-	-
Sale of division/ investments										
- Siemens Electronics Assembly Systems Pte. Ltd.	-	-	30,307	-	-	-	-	-	-	-
- Siemens VDO Automotive Components Private Ltd.	-	-	-	-	-	-	-	1,700,000	-	-
Purchase of Investments/ Equity Contribution										
- Siemens Building Technologies Private Ltd.	-	-	-	-	-	-	275,000	-	-	-
- Siemens Rolling Stock Private Ltd.	-	-	-	-	-	-	250,000	-	-	-
- A Friedr.-Flender AG	-	-	909,935	-	-	-	-	-	-	-
Sale of investments in subsidiaries										
- Siemens Corporate Finance Private Ltd.	-	-	3,021,459	-	-	-	-	-	-	-
Dividend paid	558,123	-	-	-	-	446,499	-	-	-	-
Dividend received										
- Siemens Information Systems Ltd.	-	2,112,650	-	-	-	-	-	-	-	-
- Siemens Information Processing Services Private Ltd.	-	116,809	-	-	-	-	-	-	-	-
Purchase of Fixed assets/ Capital work in progress										
- Siemens AG	30,371	-	-	-	-	23,076	-	-	-	-
- Siemens Building Technologies Private Ltd.	-	12,478	-	-	-	-	-	-	-	-
- Trench Germany GmbH	-	-	042	-	-	-	-	6,488	-	-
- Others	-	-	1,550	-	-	-	-	2,330	-	-
Purchase of Intangible assets (Technical knowhow)										
- Siemens AG	-	-	-	-	-	29,223	-	-	-	-
Bonus shares issued										
- Siemens AG	-	-	-	-	-	186,011	-	-	-	-
Managerial Remuneration										
- Mr. J. Schubert	-	-	-	-	-	-	-	-	-	52,704
- Dr. Armin Bruck	-	-	-	-	63,336	-	-	-	-	52,137
- Mr. Sunil Mathur	-	-	-	-	42,771	-	-	-	-	7,552
- Mr. Vijay V. Paranjape	-	-	-	-	20,624	-	-	-	-	15,373
- Mr. Vilas Parulekar	-	-	-	-	23,560	-	-	-	-	14,333
- Mr. Patrick de Royer	-	-	-	-	13,691	-	-	-	-	33,664
- Mr. K. R. Upilli	-	-	-	-	253	-	-	-	-	25,708
Inter Corporate Deposits given										
- Siemens Building Technologies Private Ltd.	-	3,700,000	-	-	-	-	300,000	-	-	-
- Siemens Rolling Stock Private Ltd.	-	1,300,000	-	-	-	-	-	-	-	-
- Osram India Private Ltd.	-	-	1,950,000	-	-	-	-	50,000	-	-
- Winergy Drive Systems India Private Ltd.	-	-	2,360,000	-	-	-	-	240,000	-	-
- Morgan Construction Company India Private Ltd.	-	-	735,000	-	-	-	-	85,000	-	-
- Siemens Healthcare Diagnostics Ltd.	-	-	800,000	-	-	-	-	-	-	-
- Flender Ltd.	-	-	-	-	-	-	-	-	75,000	-

Schedules to the financial statements (*continued*)
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30.4

Description	2009					2008				
	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel
Inter Corporate Deposits repaid										
- Siemens Building Technologies Private Ltd.	-	3,650,000	-	-	-	-	-	-	-	-
- Siemens Rolling Stock Private Ltd.	-	700,000	-	-	-	-	-	-	-	-
- Osram India Private Ltd.	-	-	1,400,000	-	-	-	-	70,000	-	-
- Winergy Drive Systems India Private Ltd.	-	-	2,080,000	-	-	-	-	180,000	-	-
- Morgan Construction Company India Private Ltd.	-	-	820,000	-	-	-	-	-	-	-
- Siemens Healthcare Diagnostics Ltd.	-	-	400,000	-	-	-	-	-	-	-
- Flender Ltd.	-	-	-	-	-	-	-	-	75,000	-
Outstanding Balances										
Debtors										
- Siemens AG	880,283	-	-	-	-	175,814	-	-	-	-
- Siemens Building Technologies Private Ltd.	-	3,884	-	-	-	-	8,860	-	-	-
- Siemens Rolling Stock Private Ltd.	-	6,307	-	-	-	-	4,703	-	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	-	552,601	-	-	-	-	-	-	-
- Siemens Information Systems Ltd.	-	-	33,684	-	-	-	103,115	-	-	-
- Siemens Enterprise Communications Private Ltd.	-	-	-	-	-	-	-	56,547	-	-
- Morgan Construction Company India Private Ltd.	-	-	6,105	-	-	-	-	72,577	-	-
- Flender Ltd.	-	13,515	-	-	-	-	-	-	5,143	-
- Others	-	-	156,348	-	-	-	24,128	22,774	-	-
Creditors										
- Siemens AG	4,100,111	-	-	-	-	3,700,397	-	-	-	-
- Siemens Building Technologies Private Ltd.	-	26,785	-	-	-	-	12,515	-	-	-
- Flender Ltd.	-	6,357	-	-	-	-	-	-	8,576	-
- Siemens Information Systems Ltd.	-	-	45,729	-	-	-	72,187	-	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	-	37,948	-	-	-	-	2,218	-	-
- Siemens Information Processing Services Private Ltd.	-	-	35,756	-	-	-	3,553	-	-	-
- Siemens Power Engineering Private Ltd.	-	-	32,645	-	-	-	-	25,896	-	-
- Siemens industrial turbomachinery	-	-	135,153	-	-	-	-	-	-	-
- Others	-	-	1,098,914	-	-	-	4,834	92,163	-	-
Inter Corporate Deposits										
- Siemens Building Technologies Private Ltd.	-	850,000	-	-	-	-	800,000	-	-	-
- Siemens Rolling Stock Private Ltd.	-	600,000	-	-	-	-	-	-	-	-
- Osram India Private Ltd.	-	-	800,000	-	-	-	-	250,000	-	-
- Winergy Drive Systems India Private Ltd.	-	-	660,000	-	-	-	-	380,000	-	-
- Morgan Construction Company India Private Ltd.	-	-	-	-	-	-	-	85,000	-	-
- Siemens Healthcare Diagnostics Ltd.	-	-	400,000	-	-	-	-	-	-	-
Interest receivable on Inter Corporate Deposits										
- Siemens Building Technologies Private Ltd.	-	2,358	-	-	-	-	6,596	-	-	-
- Osram India Private Ltd.	-	-	3,995	-	-	-	-	1,532	-	-
- Morgan Construction Company India Private Ltd.	-	-	-	-	-	-	-	1,650	-	-
- Winergy Drive Systems India Private Ltd.	-	-	976	-	-	-	-	247	-	-
- Siemens Rolling Stock Private Ltd.	-	2,985	-	-	-	-	-	-	-	-
- Siemens Healthcare Diagnostics Ltd.	-	-	2,336	-	-	-	-	-	-	-
Managerial Remuneration payable										
- Dr. Armin Bruck	-	-	-	-	32,466	-	-	-	-	22,400
- Mr. Sunil Mathur	-	-	-	-	21,842	-	-	-	-	2,950
- Mr. Vijay V. Paranjape	-	-	-	-	12,377	-	-	-	-	7,680
- Mr. Vilas Parulekar	-	-	-	-	13,694	-	-	-	-	6,144
- Mr. Patrick de Royer	-	-	-	-	-	-	-	-	-	18,578
- Mr. K. R. Upilli	-	-	-	-	-	-	-	-	-	7,144

31 (i) Information about business segments

	Revenue						Results	
	External sales		Inter segmental sales		Total		2009	2008
	2009	2008	2009	2008	2009	2008		
Industry Automation	8,638,758	9,144,510	983,424	759,552	9,622,182	9,904,062	628,823	916,358
Drive Technologies	5,476,354	5,968,184	6,205,892	4,139,996	11,682,246	10,108,180	736,630	826,544
Building Technologies	817,447	866,018	32,955	58,841	850,402	924,859	32,141	55,711
Industry Solutions	11,377,433	11,205,235	119,377	234,009	11,496,810	11,439,244	1,071,628	1,503,794
Mobility	10,260,282	6,952,028	-	-	10,260,282	6,952,028	(76,905)	(184,426)
Fossil Power Generation	4,219,875	1,299,414	7,681	338	4,227,556	1,299,752	441,639	(1,858,132)
Oil & Gas	5,631,183	5,100,002	-	14,717	5,631,183	5,114,719	811,993	570,592
Power Transmission	24,237,201	28,244,868	481,737	169,757	24,718,938	28,414,625	4,004,832	3,412,775
Power Distribution	7,145,102	7,245,609	1,696,864	650,652	8,841,966	7,896,261	652,076	972,429
Healthcare	5,431,079	6,053,460	-	-	5,431,079	6,053,460	413,083	335,303
Real Estate	653,031	644,530	-	-	653,031	644,530	844,186	614,104
Discontinued Operations*	-	231,596	-	-	-	231,596	-	8,232
Eliminations	-	-	(9,527,930)	(6,027,862)	(9,527,930)	(6,027,862)	-	-
Total	83,887,745	82,955,454	-	-	83,887,745	82,955,454	9,560,126	7,173,284
Interest expenses							(58,772)	(40,535)
Interest income							523,002	471,937
Exceptional income							2,059,459	1,245,786
Unallocable corporate items							2,234,778	67,214
Profit before tax							14,318,593	8,917,686
Income tax							(4,007,464)	(3,493,161)
Deferred tax							208,879	629,037
Fringe benefit tax							(71,500)	(120,296)
Profit after tax							10,448,508	5,933,266
Consolidated total	83,887,745	82,955,454	-	-	83,887,745	82,955,454	10,448,508	5,933,266

* Discontinued operations (refer schedule 4)

	Assets		Liabilities		Capital Expenditure		Non cash expenditure			
							Depreciation		Others	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Industry Automation	3,893,282	3,632,063	2,465,910	2,189,927	210,146	146,268	93,083	75,269	221,742	(151,508)
Drive Technologies	3,488,451	3,533,372	3,005,161	2,449,817	173,105	139,788	102,907	77,903	(34,245)	(147,679)
Building Technologies	495,993	569,536	1,940,723	151,652	49,649	52,530	24,766	18,953	(4,345)	(34,564)
Industry Solutions	5,662,121	4,431,915	6,045,058	5,770,733	12,736	15,789	10,448	7,848	51,600	34,992
Mobility	3,154,534	2,506,146	3,399,790	2,947,982	1,355	2,323	4,996	5,982	46,764	(49,734)
Fossil Power Generation	751,998	1,926,790	2,534,254	3,020,798	1,543	2,464	3,941	4,921	47,086	(46,506)
Oil & Gas	2,495,405	2,726,040	3,225,582	2,920,384	368,713	197,936	54,570	63,618	25,090	29,180
Power Transmission	25,675,227	24,882,449	18,022,565	18,102,867	479,164	379,436	237,800	193,252	(1,277,509)	(249,016)
Power Distribution	4,676,538	4,211,815	3,063,500	3,108,613	37,157	40,731	25,873	19,358	(28,807)	180,063
Healthcare	1,587,538	1,631,308	2,106,517	1,854,429	43,871	13,327	17,331	18,657	(25,893)	(79,663)
Real Estate	2,144,171	1,827,767	338,813	352,977	276,282	903,036	175,187	124,387	(4,652)	9,953
Discontinued Operations*	-	-	-	-	-	25,663	-	5,492	-	(632)
Total	54,025,258	51,879,201	46,147,873	42,870,179	1,653,721	1,919,291	750,902	615,640	(983,169)	(505,114)
Unallocable corporate items	28,427,370	18,101,840	7,138,548	6,420,017	55,150	27,663	26,892	21,704	80,443	619,654
Consolidated total	82,452,628	69,981,041	53,286,421	49,290,196	1,708,871	1,946,954	777,794	637,344	(902,726)	114,540

Schedules to the financial statements (*continued*)
for the year ended 30 September 2009
(Currency : Indian rupees thousands)

31 (ii) Secondary segment information

	Revenue based on location of customers		Carrying amount of segment assets by location		Additions to fixed assets and intangible assets	
	2009	2008	2009	2008	2009	2008
Within India	66,618,911	53,644,537	50,326,018	36,897,384	1,708,871	1,946,954
Outside India	17,268,834	29,310,917	32,126,610	33,083,657	-	-
Total	83,887,745	82,955,454	82,452,628	69,981,041	1,708,871	1,946,954

31 (iii) Other disclosures:

- Inter-segment prices are normally negotiated amongst the segments with reference to the costs, market price and business risks.
- Profits/ losses on inter segment transfers are eliminated at the Company level.
- Balances with group companies and related parties have been included in unallocable corporate items.
- During the year there has been reorganisation of Business Segments. Figures for the year ended 30 September 2009 and year ended 30 September 2008 has been regrouped to make them comparable.

31 (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 :

- **Industry Automation:-** Provides complete range of automation products & systems, industrial automation systems & low-voltage Switchgears.
- **Drive Technologies:-** Provides complete range of large and standard drives and motors, special purpose motors, process and motion control systems.
- **Building Technologies :-** Electrical Installation Technologies, i.e. Products for Building, e.g. miniature circuit breakers, distribution boards, residual current circuit breakers, etc.
- **Industry Solutions:-** 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.
- **Mobility:-** Provides solutions for rail automation, railway electrification, light and heavy rail, locomotives, trains, turnkey projects and integrated services.
- **Fossil Power Generation:-** The Fossil Power Generation Division offers highly efficient products and solutions for power generation based on fossil fuels. They range from individual gas and steam turbines and generators, to turnkey power plants. The Division also develops instrumentation and control systems for every type of power plant.
- **Oil & Gas:-** The Oil & Gas Division offers customers products and solutions that are used for the extraction, conversion and transport of oil and gas. The Division portfolio also includes solutions for power generation and distribution, compressors with electrical and mechanical drives, process and automation technologies, and integrated IT solutions for pipeline and storage applications.
- **Power Transmission:-** The Power Transmission Division offers products and solutions in the high-voltage field – such as High Voltage Direct Current (HVDC) transmission systems, substations, switchgear and transformers.
- **Power Distribution:-** The specialties of the Power Distribution Division range from solutions for the automation of power grids, to products like medium-voltage switchgear and components.
- **Healthcare:-** Provides diagnostic, therapeutic and life-saving products in computer tomography (CT), magnetic resonance imaging (MRI), ultrasonography, nuclear medicine, digital angiography, patient monitoring systems, digital radiography systems, radiology networking systems, lithotripsy and linear accelerators.
- **Real Estate:-** Provides comprehensive real estate management.

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

* Discontinued operations (refer Schedule 4)

32 Disclosure pursuant to Accounting Standard - 15 'Employee Benefits' :

(i) **Defined Contribution plans**

Amount of Rs 98,881 (2008: Rs 81,959) is recognised as an expense and included in "Personnel costs" (Refer schedule 21) in the Profit and loss account.

(ii) **Defined benefit plans**

a **Amounts for the current period are as follows:**

	Gratuity		Pension		Medical	
	2009	2008	2009	2008	2009	2008
I Change in benefit obligation						
Liability at the beginning of the year	466,489	442,128	160,326	166,549	45,169	42,699
Interest cost	37,249	35,959	12,826	13,324	3,555	2,989
Current service cost	22,783	22,415	-	-	2,980	3,205
Liability transfer in	9,528	1,928	-	-	-	-
Liability transfer out	(1,222)	(11,412)	-	-	-	-
Benefit paid	(44,038)	(32,165)	(28,305)	(25,421)	(7,410)	(25,421)
Actuarial (gain)/ loss on obligations	113,813	7,636	30,136	5,874	26,460	21,697
Liability at the end of the year	604,602	466,489	174,983	160,326	70,754	45,169
II Fair value of plan assets						
Fair value of plan assets at the beginning of the year	476,575	471,412	-	-	-	-
Expected return on plan assets	50,027	37,187	-	-	-	-
Contributions	171,495	8,979	-	-	-	-
Transfer from other company	9,528	905	-	-	-	-
Transfer to other company	(1,222)	(11,412)	-	-	-	-
Benefit paid	(44,038)	(32,165)	-	-	-	-
Actuarial gain/(loss) on plan assets	(14,616)	1,669	-	-	-	-
Fair value of plan assets at the end of the year	647,749	476,575	-	-	-	-
III Actual return on plan assets						
Expected return on plan assets	50,027	37,187	-	-	-	-
Actuarial gain/(loss) on plan assets	(14,616)	1,669	-	-	-	-
Actual return on plan assets	35,411	38,856	-	-	-	-
IV Amount recognised in the balance sheet						
Liability at the end of the year	604,602	466,489	174,983	160,326	70,754	45,169
Fair value of plan assets at the end of the year	647,749	476,575	-	-	-	-
Amount recognised in the balance sheet	(43,147)	(10,086)	174,983	160,326	70,754	45,169
V Expenses recognised in the income statement						
Interest cost	37,249	35,959	12,826	13,324	3,555	2,989
Current service cost	22,783	22,415	-	-	2,980	3,205
Expected return on plan assets	(50,027)	(37,187)	-	-	-	-
Actuarial (gain)/ loss	128,429	5,967	30,136	5,874	26,460	21,697
Expense recognised in personnel costs (Schedule 21)	138,434	27,154	42,962	19,198	32,995	27,891

Schedules to the financial statements (*continued*)
for the year ended 30 September 2009
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32 Disclosure pursuant to Accounting Standard - 15 'Employee Benefits' : (continued)

	Gratuity		Pension		Medical	
	2009	2008	2009	2008	2009	2008
VI Balance sheet reconciliation						
Opening net liability	(10,086)	(29,284)	160,326	166,549	45,169	42,699
Expense as above	138,434	27,154	42,962	19,198	32,995	27,891
Transfer from other company	-	1,023	-	-	-	-
Employers contribution	(171,495)	(8,979)	(28,305)	(25,421)	(7,410)	(25,421)
Amount recognised in balance sheet	(43,147)	(10,086)	174,983	160,326	70,754	45,169

VI Actuarial Assumptions: For the Year						
Discount Rate Current	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Rate of Return on Plan Assets Current	8.0%	8.0%	-	-	-	-
Medical Cost increase rate	-	-	-	-	7.0%	5.0%
Attrition rate	5.0%	2.0%	-	-	-	-

VIII Sensitivity					1% increase	1% decrease
Change in Liability - Discount rate	-	-	-	-	(6,071)	7,373
Change in Liability - Inflation rate	-	-	-	-	7,939	(6,757)
Change in Service Cost - Discount rate	-	-	-	-	(76)	171
Change in Interest Cost - Discount rate	-	-	-	-	444	(444)

IX Amount for the Current and Previous Periods as per AS15 Para 120(n) are as follows:			
	Gratuity		
	2009	2008	2007
Liability at the end of the year	604,602	466,489	442,128
Fair value of plan assets at the end of the year	647,749	476,575	471,412
Difference	(43,147)	(10,086)	(29,284)
Experience Adjustment on Plan Liabilities (gain)/ loss	9,883	7,862	15,831
Experience Adjustment on Plan Assets (loss)/ gain	(13,897)	1,669	7,071

- b The fund formed by the Company manages the investments of the Gratuity Fund. Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio, along with the estimated incremental investments to be made during the year. Yield on portfolio is calculated based on a suitable mark-up over the benchmark government securities of similar maturities. The Company expects to contribute Rs 29,246 to gratuity fund in 2009-10.
- c The estimates of future salary increases, considered in actuarial valuation, take into 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.

(iii) General Descriptions of significant defined plans

I Gratuity Plan

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

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

II Medical

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

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

Particulars	2009	2008
Government of India securities	13%	17%
State government securities	22%	10%
Public sector unit bonds	32%	28%
Special discount scheme	33%	45%
Total Plan Assets	100%	100%

33. Derivative Instruments

a Forward Contracts

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

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

Currency	Number of contracts	Buy amount	Indian rupees equivalent	Number of contracts	Sell amount	Indian rupees equivalent
US Dollar						
2009	163	96,186	4,627,004	103	393,753	18,941,503
2008	127	123,259	5,788,859	112	291,971	13,712,408
Euro						
2009	143	165,104	11,558,916	53	51,930	3,635,600
2008	118	178,830	12,054,393	51	34,659	2,336,299
Qatari Riyal						
2009	2	1,600	21,144	13	1,303,408	17,224,543
2008	2	1,250	16,128	16	1,011,099	13,045,708
Japanese Yen						
2009	3	49,000	26,195	-	-	-
2008	3	44,243	19,563	-	-	-
Pound Sterling						
2009	13	3,855	296,258	-	-	-
2008	15	2,147	179,422	1	114	9,624
Swiss Franc						
2009	-	-	-	-	-	-
2008	3	1,517	64,463	-	-	-
CAD						
2009	1	235	10,396	-	-	-
2008	-	-	-	-	-	-
SEK						
2009	4	729	33,769	-	-	-
2008	-	-	-	-	-	-

All currency exposures having underlying transactions as at 30 September 2009 are covered by foreign currency forward contracts. The forward contracts have been converted in Indian rupees, at the spot rates, as at 30 September 2009 to facilitate reading purposes only.

Schedules to the financial statements (*continued*)
for the year ended 30 September 2009
(Currency : Indian rupees thousands)

b Commodity Contracts

The Company uses Commodity Future Contracts to hedge against fluctuations in commodity prices. The following are outstanding copper future contracts entered into by the Company as on 30 September 2009

Year	Number of Contracts	Contractual Quantity	Buy/Sell
2009	749	749 MT	Buy
2008	Nil	Nil	NA

Note: Each contract of copper is of 1,000 kg.

34. Earnings per share:

	2009	2008
Profit after tax (net profit attributable to equity shareholders)	10,448,508	5,933,266
Shares:-		
Weighted average number of equity shares outstanding during the year	337,160,200	337,160,200
Earnings per share (basic and diluted)	<u>30.99</u>	<u>17.60</u>

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

The Company has amounts due to suppliers under MSMED as at 30 September 2009. The disclosure pursuant to the said Act is as under:

	2009	2008
Principal amount due to suppliers under MSMED	653,274	331,311
Interest accrued and due to suppliers under MSMED on the above amount, unpaid	5,670	1,622
Payment made to suppliers (other than interest) beyond the appointed day during the year	2,059,172	700,857
Interest paid to suppliers under the MSMED	-	-
Interest due and payable towards suppliers under MSMED Act towards payments already made	64,676	15,891
Interest accrued & remaining unpaid at the end of the accounting Year	70,346	17,513

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.

36 Prior years comparatives

Pursuant to the purchase of SITS (Refer Schedule 2) and discontinuation of the '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. The figures of previous year were audited by a firm of Chartered Accountants other than S.R.Batliboi & Associates.

As per our report of even date.

For S.R.Batliboi & Associates
Chartered Accountants

per Sudhir Soni

Partner
Membership No: 41870
Mumbai
26 November 2009

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

Deepak S. Parekh	<i>Chairman</i>
Dr. Armin Bruck	<i>Managing 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
26 November 2009

Schedules to the financial statements (*continued*)
for the year ended 30 September 2009
(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 2009		
	Date Month Year		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	0	Private Placement	NIL

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

Total Liabilities	82,452,628	Total Assets	82,452,628
Sources of Funds			
Paid-up Capital	674,320	Reserves & Surplus	28,491,887
Secured Loans	NIL	Unsecured Loans	5,906
Application of Funds			
Net Fixed Assets	7,352,031	Investments	4,769,723
Net Current Assets	15,931,233	Miscellaneous Expenditure	NIL
Accumulated Loss	NIL	Deferred Tax Asset	1,119,126

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

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

Turnover (including other income)	Total Expenditure
87,449,154	75,190,020
+/- Profit/Loss Before Tax	+/- Profit/Loss After Tax
+ 14,318,593	+ 10,448,508
(Please tick appropriate box + for Profit, - for Loss)	
Earning per share in Rs	Dividend Rate %
30.99	250%

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 Earning per share disclosed above has been computed in accordance with the Accounting Standard - 20, Earning per share, issued by the Institute of Chartered Accountants of India ("ICAI").

For and on behalf of the Board of Directors

Deepak S. Parekh	<i>Chairman</i>
Dr. Armin Bruck	<i>Managing 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
26 November 2009

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 September 2009		30 September 2008	
Siemens Information Systems Ltd. [6,815,000 (2008: 6,815,000) Equity shares of Rs 10 each, fully paid-up i.e.100% holding (up to 24 June 2009) (2008: 100% holding)]	-	187,406	-	338,997
Flender Ltd. [4,320,000 (2008: Nil) Equity shares of Rs 10 each, fully paid-up i.e.100% holding (incorporated on 1 August 2009) (2008: 50% holding)]	-	44,979	-	-
Siemens Information Processing Services Private Ltd. [2,123,800 (2008: 2,123,800) Equity shares of Rs 10 each, fully paid-up i.e. 51% holding (up to 24 June 2009) (2008: 51% holding)]	-	107,193	-	117,250
Siemens Industrial Turbomachinery Services Private Ltd. [Nil (2008:Nil) Equity shares of Rs 100 each, fully paid-up i.e. Nil (2008: 100% holding)](up to 31 March 2008)	-	-	-	21,049
Siemens Rolling Stock Private Ltd. [25,000,000 (2008:25,000,000) Equity shares of Rs 10 each, fully paid-up, i.e.100% holding (2008: 100%)]	-	(135,042)	-	(11,276)
Siemens Building Technologies Private Ltd. [3,216,870 (2008: 2,962,027) Equity shares of Rs 10 each, fully paid-up i.e. 86.15% holding (2008: 79.32% holding)] (Additional 6.83% acquired on 7 January 2009)	-	(146,808)	-	90,754

Siemens Group
Consolidated Financial Statements
for the year ended 30 September 2009
together with Auditors' Report

Disclosure pursuant to Central Government approval no. 47/681/2009-CL-III dated 30 October, 2009 under Section 212 (8) of the Companies Act, 1956

(Currency: Indian rupees in thousands)

	Siemens Information Systems Ltd.		Siemens Nixdorf Information Systems Private Ltd.		Flender Ltd.		Siemens Industrial Turbomachinery Services Private Ltd.		Siemens Information Processing Services Private Ltd.		Siemens Rolling Stock Private Ltd.	
	Upto 24 June 2009				From 1 August 2009			Upto 31 March 2008	Upto 24 June 2009			From 4 July 2008
Particulars	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Capital	-	68,150	-	161,210	43,200	-	-	-	-	41,643	250,000	250,000
Reserves	-	3,499,690	-	328,536	850,418	-	-	-	-	350,441	-	-
Loans	-	-	-	-	-	-	-	-	-	125	600,000	-
Total Assets	-	3,567,840	-	489,746	900,893	-	-	-	-	392,209	850,000	250,000
Total liabilities	-	3,567,840	-	489,746	900,893	-	-	-	-	392,209	850,000	250,000
Details of investments:												
2040514 equity shares of Rs 10 each fully paid-up in Siemens Information Processing services Private Ltd.	29,996	29,996	-	-	-	-	-	-	-	-	-	-
Investments in mutual funds	-	629,014	-	-	-	-	-	-	-	-	-	-
Turnover	5,733,631	9,942,678	-	-	389,332	-	-	268,843	764,896	1,071,703	29,351	-
Profit / (Loss) before Tax	245,718	732,674	-	(20)	67,336	-	-	34,073	109,433	132,498	(134,524)	(11,154)
Provision For Tax	42,577	409,656	-	-	23,928	-	-	15,401	-	22,761	-	-
Deferred Tax	(1,900)	(55,073)	-	-	(1,570)	-	-	(2,811)	(2,851)	(105)	-	-
MAT credit entitlement	-	-	-	-	-	-	-	-	-	(11,242)	-	-
Fringe Benefit Tax	17,634	39,094	-	-	-	-	-	434	5,091	3,834	518	122
Profit / (Loss) After Tax	187,406	338,997	-	(20)	44,979	-	-	21,049	107,193	117,250	(135,042)	(11,276)
Interim dividend	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-	-	-

Disclosure pursuant to Central Government approval no. 47/681/2009-CL-III dated 30 October, 2009 under Section 212 (8) of the Companies Act, 1956
(Currency: Indian rupees in thousands)

Particulars	Siemens Building Technologies Private Ltd.		Vista Security Technics Private Ltd.		iMetrex Technologies Pte.Ltd (Singapore)		Avenues Hongkong Ltd. (Hong kong)	
	2009	2008	2009	2008	2009	2008	2009	2008
Capital	37,341	37,341	669	669	339	325	-	299
Reserves	571,881	642,623	81,586	80,399	260,264	138,574	-	226,129
Loans	852,873	906,718	-	-	-	-	-	-
Total Assets	1,462,095	1,586,683	82,256	81,069	260,603	138,899	-	226,428
Total liabilities	1,462,095	1,586,683	82,256	81,069	260,603	138,899	-	226,428
Details of investments	331,780	437,081	-	-	-	-	-	-
Investments in mutual funds	-	-	-	-	-	-	-	-
Turnover	1,772,635	2,085,520	251,001	320,480	554,486	742,736	-	258,919
Profit / (Loss) before Tax	(142,256)	124,751	1,875	19,584	138,284	149,934	(4,897)	(75,596)
Provision For Tax	26,758	43,250	4,074	7,617	17,452	(25,339)	-	-
Deferred Tax	(41,295)	(19,435)	(3,574)	(867)	-	-	-	-
Fringe Benefit Tax	2,929	7,605	188	271	-	-	-	-
Profit / (Loss) After Tax	(146,808)	93,331	1,187	12,564	120,831	124,594	(4,897)	(75,596)
Interim dividend	-	-	-	-	-	-	228,463	106,000
Dividend Distribution Tax	-	-	-	-	-	-	-	-

Disclosure pursuant to Central Government approval no. 47/681/2009-CL-III dated 30 October, 2009 under Section 212 (8) of the Companies Act, 1956

(Currency: Indian rupees in thousands)

Particulars	iMetrex Technologies Ltd. (Ireland)		Europlex Technologies U.K Ltd. (UK)		Europlex Technologies (Ireland) Ltd. formerly known as Europlex Manufacturing Ltd. (Ireland)		Europlex Research Ltd. (Ireland)		Clonshaugh Security Ltd. formerly known as Europlex Technologies Ltd. (Ireland)	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Capital	113,917	108,142	224,566	8	52,634	49,944	-	114	-	8
Reserves	354,169	337,448	(238,417)	(233,725)	(416,386)	(342,936)	-	(114)	-	(8)
Loans	-	-	-	-	-	-	-	-	-	-
Total Assets	415,468	445,590	(48,265)	(233,717)	(418,691)	(292,992)	-	-	-	-
Total liabilities	415,468	445,590	(48,265)	(233,717)	(418,691)	(292,992)	-	-	-	-
Details of investments	-	-	-	-	-	-	-	-	-	-
Investments in mutual funds	-	-	-	-	-	-	-	-	-	-
Turnover	-	-	69,428	95,873	174,653	152,816	-	-	-	87,805
Profit / (Loss) before Tax	(1,230)	87,826	(23,991)	(19,669)	(44,178)	(71,546)	-	(5,294)	-	25,252
Provision For Tax	-	-	-	(358)	8,067	(12,121)	-	-	-	-
Deferred Tax	-	-	-	-	-	-	-	-	-	-
Fringe Benefit Tax	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) After Tax	(1,230)	87,826	(23,991)	(20,026)	(52,245)	(83,667)	-	(5,294)	-	25,252
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	33.89	33.30
Avenues Hongkong Ltd	HK\$	6.17	6.33
iMetrex Technologies Pvt Ltd-Ireland	Euro	70.00	66.35
Europlex Technologies U.K Ltd	GBP	76.98	75.60
Europlex manufacturing Ltd.	Euro	70.00	66.35
Europlex Research Ltd.	Euro	70.00	66.35
Europlex Technologies Ltd	Euro	70.00	66.35

Auditors' Report

To the Board of Directors of Siemens Limited

We have audited the attached consolidated balance sheet of Siemens Limited, its subsidiaries and associate (collectively referred to as the 'Siemens group'), as at September 30, 2009, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Siemens Limited'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 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.

We report that the consolidated financial statements have been prepared by the Siemens Limited's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated balance sheet, of the state of affairs of the Siemens Group as at September 30, 2009;
- (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sudhir Soni
Partner
Membership No.:41870

Place: Mumbai
Date: November 26, 2009

Consolidated Balance Sheet as at 30 September 2009 (Currency: Indian rupees thousands)

	Schedule	2009	2008
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	3	674,320	674,320
Reserves and surplus	4	27,138,616	22,099,755
		<u>27,812,936</u>	<u>22,774,075</u>
Minority interest			
Equity	5	5,173	7,721
Non-equity	6	51,144	139,665
		<u>56,317</u>	<u>147,386</u>
Loan funds			
Secured loans	7	515	101,751
Unsecured loans	8	5,906	10,614
		<u>6,421</u>	<u>112,365</u>
		<u>27,875,674</u>	<u>23,033,826</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	9	16,761,573	15,551,439
Accumulated depreciation		(7,493,264)	(7,603,701)
Net block		9,268,309	7,947,738
Capital work-in-progress including capital advances		1,616,343	1,068,470
		<u>10,884,652</u>	<u>9,016,208</u>
Investments	10	113	2,450,339
Deferred tax asset, net	11	1,196,377	1,461,899
Current assets, loans and advances			
Inventories	12	10,554,838	8,257,439
Sundry debtors	13	36,134,193	37,563,888
Cash and bank balances	14	14,745,833	13,221,817
Loans and advances	15	9,198,885	6,450,042
		<u>70,633,749</u>	<u>65,493,186</u>
Current liabilities and provisions			
Current liabilities	16	(42,048,548)	(47,854,139)
Provisions	17	(12,790,669)	(7,533,667)
		<u>(54,839,217)</u>	<u>(55,387,806)</u>
Net current assets		<u>15,794,532</u>	<u>10,105,380</u>
		<u>27,875,674</u>	<u>23,033,826</u>

Significant accounting policies

1

Schedules to the consolidated financial statements

2 - 33

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

As per our report of even date.

For S.R.Batlilboi & Associates

Chartered Accountants

per Sudhir Soni

Partner

Membership No.: 41870

Mumbai

26 November 2009

For and on behalf of the Board of Directors

Deepak S. Parekh
Dr. Armin Bruck
Sunil Mathur
Yezdi H. Malegam

Chairman
Managing Director
Executive Director
Director & Chairman
of Audit Committee
Vice President (Legal) &
Company Secretary

Ajai Jain

Mumbai

26 November 2009

Consolidated Profit and Loss Account for the year ended 30 September 2009 (Currency: Indian rupees thousands)

	Schedule	2009	2008
INCOME			
Sales and services (gross)		94,581,979	99,486,310
Excise duty		(2,245,714)	(3,149,908)
Sales and services (net)		92,336,265	96,336,402
Commission income		528,263	461,809
Interest income	18	92,864,528	96,798,211
Other operating income, net	19	558,449	647,730
Other income	20	626,641	497,781
		114,910	99,052
		94,164,528	98,042,774
EXPENDITURE			
Cost of sales and services	21	65,679,226	69,643,284
Personnel costs	22	9,443,848	9,203,423
Depreciation/ amortisatio	9	1,732,689	1,616,860
Interest Expense		73,944	65,548
Other costs, net	23	7,852,671	9,326,357
		84,782,378	89,855,472
Profit before tax before exceptional income		9,382,150	8,187,302
Exceptional income:			
– Profit on sale of subsidiaries	2	1,501,019	-
– Profit on sale of Automotive division	2	-	1,235,151
Profit before tax		10,883,169	9,422,453
Consists of:			
– Discontinued operations	2	447,941	1,237,026
– Continuing operations		10,435,228	8,185,427
		10,883,169	9,422,453
Provision for tax			
Current tax (includes 2009: Rs 42,577; 2008: Rs 432,416 of discontinued operations)		(4,121,560)	(4,029,668)
Deferred tax credit ((includes 2009: Rs 4,751; 2008: Rs 55,178 of discontinued operations)		255,805	707,328
Fringe benefit tax (includes 2009 : Rs 22,726 2008; : Rs 42,928 of discontinued operations)		(94,098)	(171,654)
Minimum Alternate Tax credit entitlement (of discontinued operations)		-	11,242
Profit after tax		6,923,316	5,939,701
Share of profit of associate		81,670	74,556
Minority interest		41,052	(18,768)
Net profit after tax		7,046,038	5,995,489
Consists of:			
– Discontinued operations	2	387,389	825,304
– Continuing operations		6,658,649	5,170,185
Net profit after tax		7,046,038	5,995,489
Balance in profit & loss account brought forward		1,929,045	2,092,152
Amount available for appropriation		8,975,083	8,087,641
Appropriations:			
Proposed dividend		1,685,801	1,011,481
Tax on Proposed dividend		286,502	569,871
Transfer to general reserve		8,476,205	4,577,244
Balance carried forward		(1,473,425)	1,929,045
		8,975,083	8,087,641
Earnings per share ('EPS')	32		
(Equity share of face value Rs 2 each)			
– Basic and diluted		20.90	17.78
Significant accounting policies	1		
Schedules to the consolidated financial statements	2 - 33		
The schedules referred to above form an integral part of the consolidated profit & loss account. As per our report of even date.			

For S.R.Batliboi & Associates
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Mumbai
26 November 2009

Siemens Group

For and on behalf of the Board of Directors

Deepak S. Parekh
Dr. Armin Bruck
Sunil Mathur
Yezdi H. Malegam
Ajai Jain

Chairman
Managing Director
Executive Director
Director & Chairman
of Audit Committee
Vice President (Legal) &
Company Secretary

Mumbai
26 November 2009

Consolidated cash flow statement for the year ended 30 September 2009 (Currency: Indian rupees thousands)

	Schedule	2009	2008
<u>Cash flow from operating activities</u>			
Profit before tax		10,883,169	9,422,453
Adjustments for:			
Interest expense		73,944	65,548
Depreciation and amortisation	9	1,732,689	1,616,860
Profit on sale of fixed assets, net	19	(240,740)	(260,461)
Profit on sale of long term investment (equity shares in Siemens Information Systems Ltd.)		(1,513,879)	-
Loss on sale of long term investment (equity shares in Siemens Information Processing Systems Ltd.)		12,860	-
Profit on sale of Automotive division		-	(1,235,151)
Sale of lease rights		(78,000)	-
Profit on sale of Electronics Assembly Division		(30,307)	-
Bad debts	23	311,921	57,964
Provision for doubtful debts/ advances, net	23	112,425	408,001
Unrealised exchange gain, net		(1,027,379)	(454,670)
Interest income	18	(558,449)	(647,730)
Dividend income	20	(6,603)	(99,052)
Operating profit before working capital changes		9,671,651	8,873,762
Increase in inventories		(2,095,654)	(337,194)
Increase in sundry debtors and other receivables		(1,187,497)	(11,771,198)
Increase in sundry creditors and other current liabilities		(1,176,736)	11,403,528
Increase in provisions		5,048,707	1,842,823
Net change in working capital		588,820	1,137,959
Cash generated from operations		10,260,471	10,011,721
Direct taxes paid, net		(5,928,487)	(4,714,746)
Net cash provided by operating activities		4,331,984	5,296,975
<i>of which discontinued operations</i>			
- Information Technology Services	2	665,706	158,308
- Business Process Outsourcing	2	(227,977)	282,049
- Automotive	2	-	(104,951)
<u>Cash flow from investing activities</u>			
Purchase of fixed assets	9	(2,825,701)	(2,368,730)
Proceeds from sale of fixed assets		306,024	417,758
Purchase of investments			
- In subsidiary companies (total consideration is in cash or cash equivalent)		(1,700,999)	-
- In mutual funds		-	(1,499,053)
Sale of investments			
- In mutual funds		1,834,754	958,699
- In subsidiary company (total consideration is in cash or cash equivalent)		3,021,459	-
Dividend income received from mutual funds	20	6,603	99,052
Interest received		556,076	652,547
Sale of lease rights (total consideration is in cash or cash equivalent)		78,000	-
Sale of EA business (total consideration is in cash or cash equivalent)		28,150	-
Sale of Automotive division (total consideration is in cash or cash equivalent)		-	1,700,000
Inter corporate deposits placed		(5,845,000)	(450,000)
Inter corporate deposits received back		4,700,000	325,000
Cash generated from investing activities		159,366	(164,727)
<i>of which discontinued operations</i>			
- Information Technology Services	2	693,798	(348,161)
- Business Process Outsourcing	2	(3,722)	(21,120)
- Automotive		-	(42,358)

	Schedule	2009	2008
<u>Cash flow from financing activities</u>			
Interest paid		(17,423)	(45,548)
Repayment of short term borrowings		(101,175)	(200,006)
Dividend paid (including tax thereon)		(1,578,496)	(945,555)
Repayment of long term borrowings		(4,708)	(4,709)
Net cash used in financing activities		(1,701,802)	(1,195,818)
<i>of which discontinued operations</i>			
– Information Technology Services	2	(359,045)	-
– Business Process Outsourcing	2	(64)	(48)
– Automotive		-	-
Net increase in cash and cash equivalents		2,789,548	3,936,430
Cash and cash equivalents at beginning of the year		13,221,817	8,569,723
Cash and cash equivalents acquired on acquisition of subsidiary (Flender Ltd.)		125,991	-
Cash and cash equivalents on sale of subsidiary (Siemens Information Systems Ltd.)		(2,068,293)	-
Cash and cash equivalents on sale of subsidiary (Siemens Information Processing Systems Ltd.)		(220,459)	-
Cash and cash equivalents (Automotive division)		-	76,492
Effect of exchange gain/(loss) on cash and cash equivalents		897,229	639,172
Cash and cash equivalents at the end of the year	14	14,745,833	13,221,817

Note: Cash and cash equivalents at the end of the period include current account balances with banks of Rs 13,863 (2008: Rs 11,007) which are restricted in use.

As per our report of even date.

For S.R.Batlilboi & Associates

Chartered Accountants

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

Mumbai
26 November 2009

For and on behalf of the Board of Directors

Deepak S. Parekh
Dr. Armin Bruck
Sunil Mathur
Yezdi H. Malegam

Ajai Jain

Mumbai
26 November 2009

Chairman
Managing Director
Executive Director
Director & Chairman
of Audit Committee
Vice President (Legal) &
Company Secretary

Schedules to the Consolidated Financial Statements for the year ended 30 September 2009 (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, (as amended) issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of Companies Act, 1956 ('the Act') to the extent applicable.

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

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 2009	% holding 2008
Subsidiaries			
Siemens Information Systems Ltd. ('SISL') (100% upto 24 June 2009) (Refer note a)	India	-	100%
Siemens Information Processing Systems Private Ltd. ('SIPS') (100% upto 24 June 2009) (the balance 49% is held by SISL) (Refer note a)	India	-	51%
Siemens Building Technologies Private Ltd. ('SBTPL')	India	86.15%	79.32%
Siemens Rolling Stock Private Ltd. (incorporated on 4 July 2008)	India	100%	100%
Flender Ltd. (subsidiary from 1 August 2009) (Refer note b)	India	100%	50%
Step-down subsidiaries			
Siemens Nixdorf Information Systems Private Ltd. ('SNISL') (100% share capital held by SISL) (100% upto 1 June 2009) (Refer note a)	India	-	100%
Vista Security Technics Private Ltd. ('VSTPL') (100% share capital held by SBTPL)	India	100%	100%
iMetrex Technologies Pte Ltd. ('iTPL') (100% share capital held by SBTPL)	Singapore	100%	100%
Avenues (Hong Kong) Ltd. ('AHKL') (100% share capital held by SBTPL)	Hong Kong	100%	100%
iMetrex Technologies Ltd. ('iTL') (100% share capital held by SBTPL)	Ireland	100%	99.76%
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. (50% Upto 31 July 2009) (Refer Note b)	India	-	50%

Note:

- During the year, the Group's entire stake in Siemens Information Systems Ltd. Siemens Information Processing Services Private Ltd. and Siemens Nixdorf Information Systems Private Ltd. has been sold to Siemens Corporate Finance Private Ltd.
- During the year, the Group increased its investment in Flender Ltd. with effect from 1 August 2009 (formerly an associate, now a subsidiary company) from 50% to 100% by purchasing an additional 50% stake for a consideration of Rs. 909,935.

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.

Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.

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.

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.

Effect of Acquisition/Disposals

The effect of acquisition/disposal of stake in subsidiaries during the year on the consolidated financial statements is as under:

Name of Company	Effect on Group Profit before Tax for the year	Net Assets as at
Acquisitions:		1 August 2009
Flender Ltd.	Rs 35,148	Rs 848,639
Disposals:		24 June 2009
Siemens Information Systems Ltd. (Previous Year Rs 1,061,824 and Rs 3,564,560)	Rs 326,327	Rs 1,251,253
Siemens Information Processing Services Pvt. Ltd. (Previous Year Rs 166,990 and Rs 415,511)	Rs 121,634	Rs 240,436

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.

Schedules to the Consolidated Financial Statements (*Continued*) for the year ended 30 September 2009 (Currency: Indian rupees thousands)

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:

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.

1.5 Intangible assets

Intangible assets comprise goodwill 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

Non-compete fee is amortised over the period of the agreement of 3 years.

1.6 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset or cash generating unit. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. 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 had no impairment been recognised.

1.7 Investments

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

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

1.8 Inventories

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

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

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

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

The net realizable 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 price have declined and it is estimated that the cost of finished product will exceed their net realisable value.

1.9 Revenue recognition

Revenue from sale of products is recognised on transfer of all significant risk and rewards of ownership of the products to the customers, which is generally on despatch 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. 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.

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. 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 the Consolidated Financial Statements (*Continued*) for the year ended 30 September 2009 (Currency: Indian rupees thousands)

1.10 Leases

Where the Group is the lessee:

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

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.

Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

Where the Group is the lessor:

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

1.11 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 Group's approved superannuation scheme, employee state insurance scheme and labour welfare fund are defined contribution plans. The Group'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 Group's provident fund, gratuity, pension and medical benefits schemes are defined benefit plans. In case of one of the subsidiary 'Flender Ltd.' superannuation is a defined benefit scheme. 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.

1.12 Foreign currency transactions

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

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the 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. Non monetary items are stated in the balance sheet using the exchange rate at the date of the transaction.

In respect of Non-integral foreign operations, the assets and liabilities, both monetary and non-monetary are translated at the closing rates and income and expenses are translated at average exchange rates and all the resulting exchange differences are accumulated in foreign currency translation reserve.

Derivative instruments

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

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

1.13 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law), 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.

1.14 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.

1.15 Provisions

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

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

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

1.16 Cash and Cash equivalents

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

Schedules to the Consolidated Financial Statements (*Continued*) for the year ended 30 September 2009 (Currency: Indian rupees thousands)

2 Discontinued operations

a. Information Technology Services segment

The Board of Directors of the Group at its meeting held on 09 January 2009 approved the sale of the Group's holding in Siemens Information Systems Ltd. (SISL) (pertaining to "Information Technology Services" ('ITS') segment of the Group) to Siemens Corporate Finance Private Ltd. (SCFPL).

The shareholders, pursuant to the provisions of section 293(1)(a) and section 192A of the Act approved the sale and transfer of the investments in the ITS segment for a total consideration of Rs 2,793,882 after an adjustment of Rs 1,697,118 towards change in Net Assets from the valuation date upto the date of closing which was agreed to be 31 March 2009.

The Group recognised a pre-tax profit of Rs 1,513,879 on account of sale of the ITS segment. The income tax expense on sale is Rs 368,475.

The investments were transferred to SCFPL as at 24 June 2009 and revenue and expenses for the period ended up to 24 June 2009 recorded in the profit and loss account contains the following amounts relating to discontinued operations of 'SISL':

	For the period ended 24 June 2009	For the year ended 30 September 2008
Revenue (including interest, commission, dividend and other income)	5,774,912	9,976,833
Expenditure	(5,448,585)	(8,915,009)
Profit before tax	326,327	1,061,824
Profit after tax	268,015	668,147
	As at 24 June 2009	As at 30 September 2008
Total assets	6,126,914	8,093,863
Total liabilities	(4,875,661)	(4,529,303)

b. Business Process Outsourcing segment

The Board of Directors of the Group at its meeting held on 25 November 2008 approved the sale of the Group's holding in Siemens Information Processing Services Pvt. Ltd. (SIPS) (pertaining to "Business Process Outsourcing" ('BPO') segment of the Group) to Siemens Corporate Finance Pvt. Ltd. (SCFPL).

The shareholders, pursuant to the provisions of section 293(1)(a) and section 192A of the Act approved the sale and transfer of the investments in the BPO segment for a total consideration of Rs 227,577 after an adjustment of Rs 414,423 towards change in Net Assets from the valuation date upto the date of closing which was agreed to be 31 March 2009.

The Group recognised a pre-tax loss of Rs 12,860 on account of sale of the ITS segment. The income tax expense on sale is Rs 21,523.

The investments were transferred to SCFPL as at 24 June 2009 and revenue and expenses for the period ended up to 24 June 2009 recorded in the profit and loss account contains the following amounts relating to discontinued operations of 'SIPS':

	For the period ended 24 June 2009	For the year ended 30 September 2008
Revenue (including interest and other income)	739,339	1,098,167
Expenditure	(617,705)	(931,177)
Profit before tax	121,634	166,990
Profit after tax	119,394	151,743
	As at 24 June 2009	As at 30 September 2008
Total assets	525,308	708,043
Total liabilities	(284,872)	(292,532)

c. Automotive

The Board of Directors of the Group 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 Group.

After obtaining necessary approvals the SVDO segment was sold with effect from 1 December 2007 and SBT was sold with effect from 1 October 2007.

Consequently, the figures for the current year are not strictly comparable to those of the prior year.

	2009	2008
3 Share capital		
Authorised		
1,000,000,000 Equity Shares of Rs 2 each (2008: 1,000,000,000 Equity Shares of Rs 2 each)	<u>2,000,000</u>	<u>2,000,000</u>
	<u>2,000,000</u>	<u>2,000,000</u>
Issued		
338,024,465 Equity Shares of Rs. 2 each (2008: 338,024,465 Equity Shares of Rs 2 each)	<u>676,049</u>	<u>676,049</u>
Subscribed and paid-up		
337,160,200 Equity Shares of Rs 2 each fully paid-up (2008: 337,160,200 Equity Shares of Rs 2 each fully paid-up)	<u>674,320</u>	<u>674,320</u>
	<u>674,320</u>	<u>674,320</u>
Of the above:		
186,041,090 (2008: 186,041,090) Equity Shares of Rs 2 each, fully paid-up, are held by the Holding company, Siemens AG, Germany;		
55,500,000 (2008: 55,500,000) Equity Shares of Rs 2 each, fully paid-up, were allotted as fully paid-up bonus shares by capitalisation of the General Reserve;		
168,580,100 (2008 : 168,580,100) 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 (2008: 3,638,085) Equity Shares of Rs 2 each, were allotted as fully paid-up for consideration received other than in cash.		
	2009	2008
4 Reserves and surplus		
Capital reserve		
– Balance brought forward	688	688
– Addition on acquisition of Flender Ltd.	<u>10,164</u>	<u>-</u>
	10,852	688
Capital redemption reserve	-	9
Amalgamation reserve	55,635	55,635
Securities premium account		
– Balance brought forward	1,520,495	1,857,655
– Issue of bonus shares	<u>-</u>	<u>(337,160)</u>
	1,520,495	1,520,495
Capital reserve on consolidation	-	16,862
– Adjustment on amalgamation of erstwhile SITS	<u>-</u>	<u>(16,862)</u>
	-	-
Foreign currency translation reserve*		
– Balance brought forward	(4,398)	(40,759)
– Created during the year	(51,998)	36,361
– Share allocated to Minority	<u>7,811</u>	<u>-</u>
	(48,585)	(4,398)

Schedules to the Consolidated Financial Statements (*Continued*)
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4	Reserves and surplus (<i>Continued</i>)	2009	2008
	Revaluation reserve		
	– Balance brought forward	14,036	14,882
	– Additional depreciation on building due to revaluation transferred from profit and loss account	(842)	(846)
		13,194	14,036
		2009	2008
	General reserve		
	– Balance brought forward	18,584,245	13,966,735
	– Transfer from profit and loss account	8,476,205	4,577,244
	– Addition on account of employee benefits	-	40,266
		27,060,450	18,584,245
	Profit and loss account	(1,473,425)	1,929,045
		27,138,616	22,099,755
	* Foreign Currency translation reserve arising from consolidation of non-integral subsidiaries.		
5	Minority interest in equity		
	Siemens Building Technologies Private Ltd.		
	517,209 (2008: 772,052) equity shares held by minority interest (13.85% holding; 2008: 20.68% holding)	7,721	7,721
	Adjustment on purchase of additional interest	(2,548)	-
		5,173	7,721
6	Minority interest in non-equity		
	Siemens Building Technologies Private Ltd.		
	Balance brought forward	139,665	72,145
	Increase during the year on account of sale of SBT business segment	-	48,752
	Adjustment on purchase of additional stake	(39,658)	-
	Share of profit/(loss) for the year	(41,052)	18,768
	Share of foreign currency translation reserve	(7,811)	-
		51,144	139,665
7	Secured loans		
	From Banks		
	– Term loans	-	37,196
	– Cash credit and working capital loan	-	63,498
	Finance lease obligation (Refer schedule 25B)	515	1,057
		515	101,751
8	Unsecured loans		
	Interest free loans under		
	– sales tax deferral scheme	5,906	10,614
		5,906	10,614

9 Fixed assets

	Intangible assets			Tangible assets						Total	Previous year
	Goodwill	Technical Knowhow	Non compete fees	Land	Buildings	Plant and Machinery	Furniture, Fittings & Office Equipment	Vehicles	Vehicles taken on lease		
Gross block											
At 1 October 2008	2,572,748	147,739	-	597,236	3,462,020	5,871,118	2,781,946	117,545	1,087	15,551,439	14,106,023
Acquisition on purchase of Flender Ltd.	527,743	-	56,465	652	86,577	622,150	49,446	1,518	-	1,344,551	-
Additions (others)	1,234,244	-	-	44,020	650,459	1,124,209	467,579	551	-	3,521,062	2,363,650
Deductions/ adjustments (Refer note 6)	(578,621)	-	-	(4,418)	(538,448)	(53,943)	(2,382,642)	(96,320)	(1,087)	(3,655,479)	(918,234)
At 30 September 2009	3,756,114	147,739	56,465	637,490	3,660,608	7,563,534	916,329	23,294	-	16,761,573	15,551,439
Accumulated depreciation											
At 1 October 2008	1,196,408	75,136	-	38,115	624,905	3,508,873	2,067,764	91,483	1,019	7,603,703	6,557,867
Additions on purchase of Flender Ltd.	343,034	-	56,465	188	28,629	333,258	21,255	1,518	-	784,347	-
Charge for the year	537,327	18,257	-	7,436	103,280	513,335	455,480	10,389	70	1,645,574	1,529,018
Deductions/adjustments (Refer note 6)	(569,581)	-	-	-	(117,624)	(30,813)	1,738,557)	(82,696)	(1,089)	(2,540,360)	(483,184)
At 30 September 2009	1,507,188	93,393	56,465	45,739	639,190	4,324,653	805,942	20,694	-	7,493,264	7,603,701
Net block											
At 30 September 2009	2,248,926	54,346	-	591,751	3,021,418	3,238,881	110,387	2,600	-	9,268,309	7,947,738
At 30 September 2008	<u>1,376,340</u>	<u>72,603</u>	<u>-</u>	<u>559,123</u>	<u>2,837,115</u>	<u>2,362,245</u>	<u>714,182</u>	<u>26,062</u>	<u>68</u>	<u>7,947,738</u>	

Notes:

- Included in the gross block of land at 30 September 2009 is freehold land of Rs 19,078 (2008: Rs 23,496) and buildings includes Rs. 179,111 (2008: Rs 204,910) representing 560 shares of Rs 50 each and 10 shares of Rs 100 each (2008: 595 shares of Rs 50 each and 20 shares of Rs 100 each and 10 shares of Rs 2250 each) in various co-operative housing societies.
- Land with a value of Rs 2,136 (2008: Rs 2,136) and building with a value of Rs 6,335 (2008 : Nil) are held for sale at 30 September 2009
- Depreciation provided has been disclosed as under:

	2009	2008
Charge for the year	1,645,574	1,529,018
Goodwill on investment in associate amortised (refer Schedule 10)	87,957	105,550
Adjustment of capital reserve on consolidation with goodwill	-	(16,862)
Transfer from Revaluation reserve	(842)	(846)
As per profit and loss account	<u>1,732,689</u>	<u>1,616,860</u>

- Assets includes assets given on operating lease

Particulars	2009				2008			
	Buildings	Furniture and Fixture and office equipment	Land	Plant and Machinery	Buildings	Furniture and Fixture and office equipment	Land	Plant and Machinery
Gross Block	547,886	137,540	28,783	286,218	731,006	180,016	79,858	336,258
Written Down Value	440,245	46,866	18,671	131,287	577,324	49,871	66,279	125,449
Depreciation charge for the year	11,523	12,508	-	22,005	16,434	15,812	-	25,435

- Furniture, Fittings & Office Equipment includes Rs 24,962 (previous year Rs 24,427) cost incurred by the company on certain assets, ownership of which vests with the West Bengal State Electricity Board.
- Deductions/ adjustments to fixed asset includes transfer of assets on account of discontinued operations. (Refer Schedule 2)
- Above additions to gross block and deletions in accumulated depreciation include exchange fluctuation adjustments amounting to Rs 21,168 (2008: Rs 57,867) and Rs 20,571 (2008: Rs 54,416) respectively on consolidation of non-integral foreign operations.
- Goodwill includes goodwill on consolidations - Gross Block Rs 3,349,372 (2008: Rs 2,166,367) Net Block Rs 2,116,840 (2008: Rs 1,180,074)

Schedules to the Consolidated Financial Statements (*Continued*)
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	2009	2008
10 Investments		
Non-Trade, long term (at cost)		
In government securities (unquoted)		
National Savings Certificates	5	5
(Unquoted)		
Shares in associate company		
2,160,000 (2008: 2,160,000) Equity Shares of Rs 10 each fully paid-up in Flender Ltd. (50% holding; 2008: 50% holding)	149,837	149,837
Cumulative goodwill on purchase of shares in associate	<u>527,743</u>	<u>527,743</u>
	677,580	677,580
Cumulative amortisation of goodwill	<u>(343,034)</u>	<u>(255,077)</u>
	334,546	422,503
Cumulative share of profit in associate company	<u>274,638</u>	<u>192,968</u>
	609,184	615,471
Conversion to subsidiary pursuant to purchase of balance shares by the Group	<u>(609,184)</u>	-
	-	615,471
(Quoted)		
Investment in other companies		
10,485 (2008: 10,485) Equity Shares of Re 1 each fully paid-up in PRICOL Ltd.	8	8
10,000 (2008: 10,000) Equity Shares of Rs 10 each fully paid-up in Scooters India Ltd.	<u>100</u>	<u>100</u>
	108	108
(Unquoted)		
1 (2008: 1) Equity Share of Rs 10 each fully paid-up in International Shock Absorbers Ltd.	0.01	0.01
Current Investments, at lower of cost or fair value		
In Mutual Funds (unquoted)		
Nil (2008: 55,024,962) Birla Cash Plus- Institutional Premium - Daily Dividend Reinvestment	-	551,323
Nil (2008: 52,078,676) Sundaram BNP Paribas Money Fund - Super Institutional - Daily Dividend Reinvestment	-	525,750
Nil (2008: 30,885,544) units of ING Liquid Fund Super Institutional - Daily Dividend Option	-	309,004
Nil (2008: 36,597,419) units of HDFC Liquid Fund Premium Plan - Daily Dividend Reinvestment Option	<u>-</u>	<u>448,677</u>
	-	1,834,754
	<u>113</u>	<u>2,450,339</u>
- Aggregate book value of unquoted investment	5	2,450,231
- Aggregate book value of quoted investments	108	108
- Aggregate market value of quoted investments	355	400

	2009	2008
11 Deferred tax asset		
Arising on account of timing differences in:		
– Depreciation	7,637	13,734
– Provision for doubtful debts and advances	378,407	421,254
– Expenditure debited to profit & loss account but allowed for tax purposes in following years	732,688	458,953
– Other provisions	452,082	878,310
	<u>1,570,814</u>	<u>1,772,251</u>
Deferred tax liability		
Arising on account of timing differences in:		
– Differences in Depreciation and other differences in block of fixed assets as per tax books and financial books	374,437	310,352
Deferred tax asset (net)	<u>1,196,377</u>	<u>1,461,899</u>
12 Inventories		
Raw materials including spares	2,976,504	1,716,105
Work-in-progress		
– factory related	451,404	558,785
– project related	5,749,589	4,202,043
Finished goods	1,377,341	1,780,506
	<u>10,554,838</u>	<u>8,257,439</u>
13 Sundry debtors		
Debts outstanding		
– Over six months	16,826,807	13,147,548
– Other debts	20,281,709	25,625,333
	<u>37,108,516</u>	<u>38,772,881</u>
Of which		
– Considered good	36,134,193	37,563,888
– Considered doubtful	980,484	1,208,993
	<u>37,114,677</u>	<u>38,772,881</u>
Provision for doubtful debts	(980,484)	(1,208,993)
	<u>36,134,193</u>	<u>37,563,888</u>
Sundry debtors are unsecured and include:		
Project related retention money		
– over six months	13,753,293	11,741,312
– other	3,112,451	4,968,932
	<u>16,875,744</u>	<u>16,710,244</u>
14 Cash and bank balances		
Cash in hand	8,869	8,734
Cheques in hand	792,752	1,348,131
Balances with scheduled banks		
– on current account	1,616,326	2,292,348
– on deposit account	10,636,477	7,936,235
Balances with other banks	1,691,409	1,636,369
	<u>14,745,833</u>	<u>13,221,817</u>

Schedules to the Consolidated Financial Statements (*Continued*)
as at 30 September 2009
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	2009	2008
15 Loans and advances (Unsecured, considered good unless stated)		
Advances recoverable in cash or in kind or for value to be received		
– considered good	4,415,822	4,074,305
– considered doubtful	143,967	176,398
	<u>4,559,789</u>	<u>4,250,703</u>
Provision for doubtful advances	<u>(143,967)</u>	<u>(176,398)</u>
	4,415,822	4,074,305
Advance payments of income tax (net of provision for taxation)	2,085,388	890,158
Minimum Alternate Tax credit entitlement	-	11,242
Balances with customs, port trusts, etc.	830,369	754,404
Inter corporate deposits - Others	1,860,000	715,000
Interest accrued on inter corporate deposits	7,306	4,933
	<u>9,198,885</u>	<u>6,450,042</u>
16 Current liabilities		
Sundry creditors	25,730,724	26,665,830
Advances from customers (Refer note 1)	16,303,961	21,177,302
Unclaimed dividend (Refer note 2)	13,863	11,007
	<u>42,048,548</u>	<u>47,854,139</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 include progress payments billed and advances received from project related work	14,975,178	20,053,468
17 Provisions		
Pension	174,983	160,326
Provision for Taxation (net of advance tax payment)	23,975	39,081
Leave wages	259,204	359,568
Medical benefits	70,754	45,169
Silver Jubilee	74,418	68,925
Gratuity	7,759	82,020
Warranty	1,996,892	1,282,290
Loss order	907,939	1,099,514
Liquidated damages	5,658,161	1,804,557
Contingencies	1,644,281	1,010,865
Proposed dividend	1,685,801	1,011,481
Tax on proposed dividend	286,502	569,871
	<u>12,790,669</u>	<u>7,533,667</u>

	2009	2008
18 Interest income		
Interest income (Others)	558,449	647,730
	<u>558,449</u>	<u>647,730</u>
19 Other operating income, net		
Export incentives	97,375	60,174
Profit on sale of fixed assets, net	240,740	260,461
Recoveries from associates and third parties	223,385	112,812
Miscellaneous income	65,141	64,334
	<u>626,641</u>	<u>497,781</u>
20 Other income		
Dividend on mutual fund investment	6,603	99,052
Miscellaneous other Income	108,307	-
	<u>114,910</u>	<u>99,052</u>
21 Cost of sales and services		
Raw materials consumed	19,406,329	16,724,813
Traded goods purchased	12,322,120	13,810,998
Spares and stores consumed	279,690	393,325
Project bought outs	28,426,152	36,330,363
Change in inventories	(1,064,879)	(219,086)
Other costs	6,309,814	2,602,871
	<u>65,679,226</u>	<u>69,643,284</u>
22 Personnel costs		
Salaries, wages and bonus, net	8,210,639	8,251,420
Contribution to provident and other funds	768,214	575,366
Staff welfare	464,995	376,637
	<u>9,443,848</u>	<u>9,203,423</u>

Schedules to the Consolidated Financial Statements (*Continued*)
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	2009	2008
23 Other costs, net		
Exchange losses/(gains), net	61,657	(1,593,205)
Travel and conveyance	1,338,866	2,043,063
Legal and professional	529,430	1,046,735
External software services and data processing	766,511	925,010
Communications	678,952	749,669
Rent (Refer Schedule 25)	715,037	654,201
Project related other costs	135,898	627,409
Project related hardware cost	17,039	469,243
Repairs		
– on building	205,914	229,969
– on machinery	74,267	66,167
– others	228,265	162,281
Provision for doubtful debts and advances, net	112,425	408,001
Rates and taxes	597,327	612,902
Power and fuel	361,637	384,260
Packing and forwarding	367,178	384,060
Project related software cost	14,645	317,425
Insurance	287,365	271,419
Office supplies, printing and stationery	157,287	167,253
Advertising and publicity	6,817	161,378
Research and development expenditure	181,183	90,731
Bank guarantee commission/bank charges	114,032	86,424
Bad debts	311,921	57,964
Lease rentals (Refer Schedule 25)	36,044	40,616
Donation	1,580	2,867
Commission to directors	11,600	14,000
Directors' fees	1,300	1,440
Miscellaneous expenses	538,494	945,075
	<u>7,852,671</u>	<u>9,326,357</u>
24 Commitments and contingent liabilities		
(a) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,025,014	959,762
(b) Contingent liabilities		
Taxation matters (excluding interest)		
– In respect of certain completed assessments where matters are under appeal by the Company	432,706	302,789
Excise/ sales tax liabilities, under dispute	312,609	442,524
Customs liabilities, under dispute	120,000	120,000
Claims against the company not acknowledge as debts	117,617	43,812

25 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:

	2009	2008
A Operating Lease		
(i) Amount due not later than one year from the balance sheet date	170,417	201,221
(ii) Amount due later than one year and not later than five years	90,074	145,496
(iii) Amount due later than five years	349,104	218,862
	<u>609,595</u>	<u>565,579</u>
Lease rent debited to profit and loss account	751,081	859,406

Sub-lease payments recognised in the profit and loss account Rs 28,559 (2008: Rs. 23,930)

There is no contingent rent recognised in the P&L account

General description of the leasing arrangement:

- (i) The Company has entered into operating lease arrangements for its office premises, vehicles, storage locations, motor car, equipments 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.
- (iv) Some of the lease agreements have escalation clause. There are no exceptional/ restrictive covenants in the lease agreements.

B Future lease commitments in respect of Financial leases

(i) Within one year		
Minimum lease payments	386	577
Present value of Minimum lease payments	353	468
(ii) Later than one year and not later than five years		
Minimum lease payments	129	515
Present value of Minimum lease payments	126	479
(iii) Later than five years	-	-
(iv) Total minimum lease payments at the year end	515	1,092
Less : amount representing finance charges	36	145
Present value of minimum lease payments	479	947
(v) The Company has entered into finance lease arrangements for vehicles for a period of 5 years. There is no escalation clause and there are no exceptional/ restrictive covenants. The lease rental payments are determined on the basis of the monthly lease payment terms as per the agreements.		

26 Related party names

- 26.1 **Siemens AG** Holding company
(holds 55.18% of the Equity Share capital as at 30 September 2009)

Schedules to the Consolidated Financial Statements (*Continued*) for the year ended 30 September 2009 (Currency: Indian rupees thousands)

26.2 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 Ltd.	Australia
Siemens Aktiengesellschaft Österreich	Austria
ETM professional control GmbH	Austria
Siemens VAI Metals Technologies GmbH & Co	Austria
Siemens Transportation Systems GmbH & Co KG	Austria
VA Tech Transmission & Distribution GmbH	Austria
Siemens Ltd.	Bangkok
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
Iriel Ind. Com. Sist. Eletr. Ltda.	Brazil
Siemens Milltronics Process Instruments, Inc.	Canada
Trench Ltd.	Canada
Siemens Canada Ltd.	Canada
Siemens Medium Voltage Switching Technologies (Wuxi) Ltd.	China
Siemens International Trading Ltd., Shanghai	China
Siemens Circuit Protection Systems Ltd.	China
Siemens Electrical Apparatus Ltd.	China
Siemens Power Plant Automation Ltd.	China
Siemens Ltd.	China
Siemens Electrical Drives Ltd.	China
Siemens Manufacturing and Engineering Centre 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 Switchgear Co. Ltd.	China
Siemens Industrial Automation Ltd.	China
Siemens Numerical Control Ltd.	China
Siemens Electrical Drives (Shanghai) Ltd.	China
Siemens Mindit Magnetic Resonance Ltd.	China
Zhenjiang Siemens Busbar Trunking Systems Co. Ltd.	China
Siemens Mechanical Drive Systems (Tianjin) Co., Ltd.	China
Winergy Drive Systems (Tianjin) Co. Ltd	China
Siemens Program & System Engineer Nanjing Co Ltd.	China
Siemens S.A.	Columbia
Siemens S.A.	Costa Rica
Koncar Power Transformers Ltd.	Croatia
Siemens Elektromotory s.r.o.	Czech Republic
Siemens Industrial Turbomachinery s.r.o.	Czech Republic
OEZ s.r.o.	Czech Republic
Siemens Wind Power A/S	Denmark
Siemens S.A.	Ecuador
Siemens Technologies S.A.E.	Egypt
Siemens Osakeyhtiö	Finland
Siemens S.A.S.	France
Siemens Production Automatisations S.A.S.	France
Trench France S.A.S.	France
Siemens Transmission & Distribution SAS	France

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

Fellow Subsidiaries

Siemens VAI Metals Technologies SAS	France
Siemens Transportation Systems S.A.S.	France
Flender-Graffenstaden SAS	France
SBT HVAC Product GMBH	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	Germany
Mechanik Center Erlangen GmbH	Germany
LINCAS Export Services GmbH	Germany
Siemens Turbomachinery Equipment GmbH	Germany
Siemens Busbar Trunking Systems GmbH & Co. KG	Germany
Trench Germany GmbH	Germany
Wallace & Tiernan GmbH	Germany
mdexx Magnetric Devices GmbH & Co. KG (upto 31 December 2008)	Germany
Alpha Verteilertechnik GmbH	Germany
Lincas Electro Vertriebsgesellschaft mbH	Germany
Loher GmbH	Germany
Siemens Geared Motors Gesellschaft mit beschränkter Haftung	Germany
Siemens Finance & Leasing GmbH	Germany
Ruhrtal Hochspannungsgeräte GmbH & Co. OHG (Upto 30 June 2009)	Germany
HSP Hochspannungsgeräte GmbH	Germany
Flender Industriegetriebe GmbH	Germany
Evosoft GmbH	Germany
FEAG Fertigungscenter für Elektrische Anlagen GmbH	Germany
Siemens Building Technologies GmbH & Co. oHG	Germany
Siemens Financial Services GmbH/WCF	Germany
Siemens Real Estate GmbH & Co. OHG	Germany
Siemens Product Lifecycle Management Software (DE) GmbH	Germany
A Friedr. Flender AG	Germany
SBT Fire & Security Products GMBH & Co, Germany	Germany
Siemens Geared Motors Gesellschaft mit beschränkter Haftung	Germany
Siemens IT Solutions and Services Management GmbH	Germany
Siemens Enterprise Communications GmbH & Co KG	Germany
Siemens Enterprise Communications GmbH & Co KG/STS	Germany
R&S Restaurant Services GmbH	Germany
Siemens SIA	Germany
SBT GmbH & Co Germany	Germany
Siemens plc	Great Britain
Siemens Industrial Turbomachinery Ltd.	Great Britain
Siemens Protection Devices Ltd.	Great Britain
Chemfeed Ltd.	Great Britain
Electrocatalytic Ltd.	Great Britain
Electrium Sales Ltd.	Great Britain
Siemens Magnet Technology Ltd.	Great Britain
Siemens Busbar Trunking Systems Ltd., in Liquidation	Great Britain
SBT Security Products Ltd.	Great Britain
Siemens IT Solutions and Services Ltd.	Great Britain
Siemens A.E., Elektrotechnische Projekte und Erzeugnisse	Greece
Eviop-Tempo A.E. Electrical Equipment Manufacturers	Greece

Schedules to the Consolidated Financial Statements (*Continued*) for the year ended 30 September 2009 (Currency: Indian rupees thousands)

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

Fellow Subsidiaries

Siemens Ltd.	Hongkong
Siemens Erömütechnika Kft.	Hungary
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.	India
Siemens Corporate Finance Private Ltd.	India
Winergy Drive Systems India Private Ltd.	India
Morgan Construction Company India Private Ltd.	India
Siemens Enterprise Communications Private Ltd. (Upto 31 March 2009)	India
Powerplant Performance Improvement Ltd.	India
Siemens Information Systems Ltd. (w.e.f. 25 June 2009)	India
Siemens Information Processing Services Private Ltd. (w.e.f. 25 June 2009)	India
Siemens Product Lifecycle Management Software (India) Private Ltd.	India
P.T. Siemens Indonesia	Indonesia
Siemens Sherkate Sahami (Khash)	Iran
Siemens Ltd.	Ireland
Siemens Israel Ltd.	Israel
Siemens S.p.A.	Italy
Trench Italia S.r.l.	Italy
Siemens IT Solutions and Services SPA	Italy
Siemens K.K.	Japan
Siemens TOO	Kazakhstan
Siemens Kenya Ltd.	Kenya
Siemens Ltd.	Korea
Siemens Electrical & Electronic Services K.S.C.	Kuwait
Osram Opto Semiconductors (Malaysia) 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 Ltd.	Nigeria
Siemens Oil and Gas Offshore AS (upto 30 June 2009)	Norway
Siemens L.L.C.	Oman
Siemens Pakistan Engineering Co. Ltd.	Pakistan
Siemens, Inc.	Philippines
Siemens Power Operations, Inc.	Philippines
Siemens Sp. z o.o.	Poland
Siemens W.L.L.	Qatar
Siemens S.R.L.	Romania
OOO Siemens	Russia
ISCOSA Industries and Maintenance Ltd.	Saudi Arabia
Siemens Ltd.	Saudi Arabia
Arabia Electric Ltd. (Equipment)	Saudi Arabia
Siemens d.o.o.Beograd	Serbia
Siemens Pte. Ltd.	Singapore
Power Automation Pte. Ltd.	Singapore

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

Fellow Subsidiaries	Siemens Electronics Assembly Systems Pte. Ltd	Singapore
	Siemens Energy Management and Information Systems Pte. Ltd.	Singapore
	Siemens IT Solutions and Services	Singapore
	Siemens d.o.o.	Slovenia
	Siemens Ltd.	South Africa
	Siemens S.A.	Spain
	Siemens Holding S.L.	Spain
	Siemens Industrial Turbomachinery AB	Sweden
	Siemens AB	Sweden
	Siemens Schweiz AG, Building Technologies Division, International Headquarters	Switzerland
	Siemens Schweiz AG	Switzerland
	Siemens Ltd.	Taiwan
	Siemens Ltd.	Tanzania
	Siemens Ltd.	Thailand
	Siemens Sanayi ve Ticaret A.S.	Turkey
	Siemens LLC	UAE
	SD (Middle East) LLC	UAE
	Siemens Ukraine	Ukraine
	Siemens Energy, Inc.	USA
	Siemens Building Technologies, Inc.	USA
	Siemens Demag Delaval Turbomachinery, Inc.	USA
	Siemens Energy & Automation, Inc.	USA
	Siemens Water Technologies Corp.	USA
	Siemens Medical Solutions USA, Inc.	USA
	Siemens Shared Services, LLC	USA
	Morgan Construction Company	USA
	Siemens Transportation Systems, Inc.	USA
	Siemens Power Transmission & Distribution, Inc.	USA
	PETNET Solutions, Inc.	USA
	SMS Inc. - Customer Solutions Group	USA
	SBT Inc., USA	USA
	Siemens Building Technologies LLC	USA
	Siemens Corporation	USA
Siemens Medical Solutions Health Services Corporation	USA	
Siemens IT Solutions and Services Inc	USA	
Siemens Communications Inc	USA	
Siemens Corporate Research Inc	USA	
Siemens Healthcare Diagnostics inc	USA	
Siemens Molecular Imaging Inc	USA	
Siemens Product Lifecycle Management Software Inc	USA	
Siemens S.A.	Venezuela	
Siemens Automation Systems Ltd.	Vietnam	
Siemens Ltd.	Vietnam	
Associate	Flender Ltd. (upto 31 July 2009)	India

26.3 Key Managerial Personnel

Dr. Armin Bruck (w.e.f. 1 October 2007)
 Mr. Sunil Mathur (w.e.f. 22 July 2008)
 Mr. Patrick de Royer (Retired on 31 December 2008)
 Mr. K. R. Upili (Retired on 27 July 2008)
 Mr. Vijay V. Paranjape
 Mr. J. Schubert (Retired on 1 January 2008)
 Mr. Vilas Parulekar (Retired on 25 September 2009)

Schedules to the Consolidated Financial Statements (*Continued*) for the year ended 30 September 2009 (Currency: Indian rupees thousands)

26.4 Related party transactions

Description	2009				2008			
	Holding Company	Fellow Subsidiaries	Associate	Key Managerial Personnel	Holding Company	Fellow Subsidiaries	Associate	Key Managerial Personnel
Sales								
- Siemens AG	4,345,279	-	-	-	4,508,917	-	-	-
- Siemens Energy & Automation, Inc	-	543,157	-	-	-	366,781	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	821,417	-	-	-	104,927	-	-
- Siemens VAI Metals Technologies SAS	-	154,578	-	-	-	266,413	-	-
- Siemens Medical Solutions Health Services Corp., US	-	634,940	-	-	-	668,676	-	-
- Siemens IT Solutions & Services Ltd, UK	-	679,817	-	-	-	652,835	-	-
- Flender Ltd.	-	-	3,006	-	-	-	3,395	-
- Others	-	2,244,717	-	-	-	3,388,751	-	-
Goods in transit								
- Siemens SAS France	-	17,945	-	-	-	-	-	-
- Others	-	8,301	-	-	-	-	-	-
Commission income								
- Siemens AG	481,223	-	-	-	441,661	-	-	-
- Siemens Industrial Turbomachinery AB	-	17,576	-	-	-	-	-	-
- Siemens Industrial Turbomachinery Ltd.	-	16,047	-	-	-	-	-	-
- Siemens Pte. Ltd.	-	2,586	-	-	-	3,764	-	-
- Others	-	10,773	-	-	-	75	-	-
Other recoveries								
- Siemens AG	153,633	-	-	-	145,641	-	-	-
- Siemens Information Systems Ltd.	-	17,457	-	-	-	-	-	-
- Siemens Information Processing Services Private Ltd.	-	7,688	-	-	-	-	-	-
- Siemens Corporate Finance Private Ltd.	-	13,259	-	-	-	2,798	-	-
- Siemens Enterprise Communications Private Ltd.	-	25,727	-	-	-	60,589	-	-
- Siemens Transportation Systems S.A.S.	-	-	-	-	-	15,950	-	-
- Siemens Pte. Ltd.	-	-	-	-	-	16,686	-	-
- Flender Ltd	-	-	6,178	-	-	-	750	-
- Others	-	53,027	-	-	-	17,476	-	-
Reimbursement of expenses								
- Siemens AG	352,973	-	-	-	106,979	-	-	-
- Siemens Information Systems Ltd.	-	10,115	-	-	-	-	-	-
- Siemens Enterprise Communications Private Ltd.	-	2,357	-	-	-	21,556	-	-
- Siemens Pte. Ltd.	-	569	-	-	-	5,588	-	-
- Siemens Wind Power A/S	-	13,044	-	-	-	-	-	-
- Siemens Electronics Assembly Systems Pte. Ltd.	-	11,231	-	-	-	-	-	-
- Flender Ltd.	-	-	18	-	-	-	342	-
- Others	-	1,210	-	-	-	4,605	-	-
Purchase / Other services								
- Siemens AG	15,796,470	-	-	-	15,123,623	-	-	-
- Siemens Information Systems Ltd.	-	59,633	-	-	-	-	-	-
- Koncar Power Transformers Ltd.	-	43,327	-	-	-	3,554,963	-	-
- Siemens Electrical Apparatus Ltd.	-	602,950	-	-	-	383,784	-	-
- Siemens Medical Solutions USA, Inc.	-	566,228	-	-	-	446,384	-	-
- Flender Ltd.	-	-	19,439	-	-	-	22,339	-
- Others	-	3,185,830	-	-	-	3,292,609	-	-
Interest Income								
- Osram India Private Ltd.	-	29,877	-	-	-	23,442	-	-
- Winergy Drive Systems India Private Ltd.	-	42,392	-	-	-	18,331	-	-
- Morgan Construction Company India Private Ltd.	-	8,783	-	-	-	1,650	-	-
- Flender Ltd.	-	-	-	-	-	-	1,498	-
- Others	-	8,796	-	-	-	-	-	-
Sale of division/ investments								
- Siemens Electronics Assembly Systems Pte. Ltd.	-	30,307	-	-	-	-	-	-
- Siemens VDO Automotive Components Private Ltd.	-	-	-	-	-	1,700,000	-	-
Purchase of Investments/ Equity Contribution								
- A. Friedr.-Flender AG	-	909,935	-	-	-	-	-	-
Sale of Subsidiaries								
- Siemens Corporate Finance Private Ltd.	-	3,021,459	-	-	-	-	-	-
Dividend paid	558,123	-	-	-	446,499	-	-	-
Sale of fixed Assets/Capital WIP								
- Siemens Shared services	-	-	-	-	-	8,597	-	-

26.4 Related party transactions (Continued)

Description	2009				2008			
	Holding Company	Fellow Subsidiaries	Associate	Key Managerial Personnel	Holding Company	Fellow Subsidiaries	Associate	Key Managerial Personnel
Purchase of Fixed assets/ Capital WIP								
– Siemens AG	32,504	-	-	-	27,777	-	-	-
– Trench Germany GmbH	-	42	-	-	-	6,488	-	-
– Siemens Enterprise Communications Private Ltd.	-	4,107	-	-	-	436	-	-
– Others	-	1,804	-	-	-	10,481	-	-
Purchase of Intangible assets (Technical knowhow)								
– Siemens AG	-	-	-	-	29,223	-	-	-
Bonus shares issued								
– Siemens AG	-	-	-	-	186,011	-	-	-
Managerial Remuneration								
Mr. J. Schubert	-	-	-	-	-	-	-	52,704
Dr. Armin Bruck	-	-	-	63,336	-	-	-	52,137
Mr. Sunil Mathur	-	-	-	42,711	-	-	-	7,552
Mr. Vijay V. Paranjape	-	-	-	20,624	-	-	-	15,373
Mr. Vilas Parulekar	-	-	-	23,560	-	-	-	14,333
Mr. Patrick de Royer	-	-	-	13,691	-	-	-	33,664
Mr. K. R. Upilli	-	-	-	253	-	-	-	25,708
Inter Corporate Deposits given								
– Osram India Private Ltd.	-	1,950,000	-	-	-	50,000	-	-
– Winergy Drive Systems India Private Ltd.	-	2,360,000	-	-	-	240,000	-	-
– Morgan Construction Company India Private Ltd.	-	735,000	-	-	-	85,000	-	-
– Siemens Healthcare Diagnostics Ltd.	-	800,000	-	-	-	-	-	-
– Flender Ltd.	-	-	-	-	-	-	75,000	-
Inter Corporate Deposits repaid								
– Osram India Private Ltd.	-	1,400,000	-	-	-	70,000	-	-
– Winergy Drive Systems India Private Ltd.	-	2,080,000	-	-	-	180,000	-	-
– Morgan Construction Company India Private Ltd.	-	820,000	-	-	-	-	-	-
– Siemens Healthcare Diagnostics Ltd.	-	400,000	-	-	-	-	-	-
– Flender Ltd.	-	-	-	-	-	-	75,000	-
Outstanding Balances								
Debtors								
– Siemens AG	880,283	-	-	-	655,537	-	-	-
– Siemens VAI Metals Technologies Private Ltd.	-	588,584	-	-	-	381	-	-
– Siemens Information Systems Ltd.	-	38,635	-	-	-	-	-	-
– Morgan Construction Company India Private Ltd.	-	6,105	-	-	-	72,460	-	-
– Flender Ltd.	-	-	-	-	-	-	5,143	-
– Others	-	198,342	-	-	-	232,402	-	-
Creditors								
– Siemens AG	4,103,023	-	-	-	3,773,010	-	-	-
– Siemens Information Systems Ltd.	-	45,729	-	-	-	-	-	-
– Siemens VAI Metals Technologies Private Ltd.	-	37,948	-	-	-	2,218	-	-
– Siemens Information Processing Services Private Ltd.	-	35,756	-	-	-	-	-	-
– Siemens Power Engineering Private Ltd.	-	32,645	-	-	-	-	-	-
– Siemens industrial turbomachinery Ltd.	-	135,153	-	-	-	25,896	-	-
– Flender Ltd.	-	-	-	-	-	-	8,576	-
– Others	-	1,366,820	-	-	-	526,175	-	-
Inter Corporate Deposits								
– Osram India Private Ltd.	-	800,000	-	-	-	250,000	-	-
– Winergy Drive Systems India Private Ltd.	-	660,000	-	-	-	380,000	-	-
– Morgan Construction Company India Private Ltd.	-	-	-	-	-	85,000	-	-
– Siemens Healthcare Diagnostics Ltd.	-	400,000	-	-	-	-	-	-
Interest receivable on Inter Corporate Deposits								
– Osram India Private Ltd.	-	3,995	-	-	-	1,532	-	-
– Winergy Drive Systems India Private Ltd.	-	976	-	-	-	247	-	-
– Morgan Construction Company India Private Ltd.	-	-	-	-	-	1,650	-	-
– Siemens Healthcare Diagnostics Ltd.	-	2,336	-	-	-	-	-	-
Managerial Remuneration payable								
Dr. Armin Bruck	-	-	-	32,466	-	-	-	22,400
Mr. Sunil Mathur	-	-	-	21,842	-	-	-	2,950
Mr. Vijay V. Paranjape	-	-	-	12,377	-	-	-	7,680
Mr. Vilas Parulekar	-	-	-	13,694	-	-	-	6,144
Mr. Patrick de Royer	-	-	-	-	-	-	-	18,578
Mr. K. R. Upilli	-	-	-	-	-	-	-	7,144

Schedules to the Consolidated Financial Statements (*Continued*) for the year ended 30 September 2009 (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.

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	Contingencies
Balance as at 1 October 2008	1,282,290	1,804,557	1,099,514	1,010,865
- Created	1,116,457	4,594,724	692,646	847,598
- Additions on purchase of Flender Ltd.	10,758	8,143	15,826	-
- Utilised	(128,440)	(226,041)	(838,808)	(56,266)
- Reversed	(267,853)	(316,674)	(61,239)	(157,916)
- Disposal of Subsidiaries	(16,320)	(206,548)	-	-
Balance as at 30 September 2009	1,996,892	5,658,161	907,939	1,644,281

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

	2009	2008
(i) Contract Revenue recognised for the year ended 30 September 2009	55,187,367	50,884,780
(ii) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress as at 30 September 2009	154,713,514	119,307,554
(iii) Amount of advances received	6,648,354	5,644,363
(iv) Amounts due from customers	5,867,401	2,846,638
(v) Amounts due to customers	8,684,323	15,137,749

29 (i) Information about business segments

	Revenue						Results	
	External Revenue		Inter segmental Revenue		Total Revenue		2009	2008
	2009	2008	2009	2008	2009	2008		
Industry Automation	8,624,926	9,144,478	997,253	759,581	9,622,179	9,904,059	620,247	898,951
Drive Technologies	5,870,143	5,968,153	6,207,589	4,251,279	12,077,732	10,219,432	798,759	809,356
Building Technologies	3,311,811	4,040,966	86,514	96,785	3,398,325	4,137,751	(147,729)	309,558
Industry Solutions	11,376,532	11,204,593	120,278	234,651	11,496,810	11,439,244	1,060,712	1,487,936
Mobility	10,288,045	6,952,028	445	-	10,288,490	6,952,028	(184,327)	(195,332)
Fossil Power Generation	4,219,692	1,298,570	7,865	1,182	4,227,557	1,299,752	438,346	(1,861,253)
Oil & Gas	5,630,939	5,368,631	244	14,932	5,631,183	5,383,563	807,591	589,574
Power Transmission	24,236,130	28,244,868	482,809	169,757	24,718,939	28,414,625	3,990,678	3,394,381
Power Distribution	7,143,864	7,245,609	1,698,103	650,652	8,841,967	7,896,261	646,939	967,318
Healthcare	5,430,843	6,053,460	235	-	5,431,078	6,053,460	407,079	320,366
Real Estate	339,780	238,989	313,251	405,540	653,031	644,529	689,446	334,805
Information Technology Services *	5,654,851	9,736,966	78,780	205,712	5,733,631	9,942,678	209,759	824,340
Business Process Outsourcing *	736,972	1,069,304	27,923	2,400	764,895	1,071,704	117,251	141,155
Automotive *	-	231,596	-	-	-	231,596	-	8,232
Eliminations	-	-	(10,021,289)	(6,792,471)	(10,021,289)	(6,792,471)	-	-
Total	92,864,528	96,798,211	-	-	92,864,528	96,798,211	9,454,751	8,029,388
Interest expenses							(73,944)	(65,548)
Interest income (includes 2009: Rs 117,749; 2008: Rs 231,462 of discontinued operations)							558,449	647,730
Exceptional income							1,501,019	1,235,151
Unallocable corporate items (includes 2009: Rs 3,182; 2008 : Rs 31,837 of discontinued operations)							(557,106)	(424,268)
Profit before tax							10,883,169	9,422,453
Share of profit from associate							81,670	74,556
Minority interest							41,052	(18,768)
Current tax							(4,121,560)	(4,029,668)
Deferred tax							255,805	707,328
Fringe benefit tax							(94,098)	(171,654)
Minimum Alternative Tax credit entitlement							-	11,242
Consolidated total	92,864,528	96,798,211	-	-	92,864,528	96,798,211	7,046,038	5,995,489

* Discontinued operations (refer schedule 2)

	Net Capital Employed						Non cash expenditure			
	Assets		Liabilities		Capital Expenditure		Depreciation		Others	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Industry Automation	3,890,750	3,610,022	2,462,367	2,175,347	210,146	146,268	93,923	75,270	221,740	(151,508)
Drive Technologies	4,747,623	3,510,629	3,506,557	2,434,773	790,606	139,788	235,313	77,903	(30,071)	(147,679)
Building Technologies	2,317,030	2,759,022	2,829,664	1,199,485	834,612	167,127	523,686	403,428	152,480	(34,564)
Industry Solutions	5,658,032	4,411,746	6,039,341	5,757,273	12,736	15,789	10,448	7,848	51,600	34,992
Mobility	4,033,589	2,551,311	3,569,206	2,964,223	741,853	48,365	9,803	5,982	46,764	(49,734)
Fossil Power Generation	750,758	1,922,843	2,532,521	3,018,164	1,543	2,464	3,941	4,921	47,086	(46,506)
Oil & Gas	2,493,753	2,710,506	3,223,272	2,910,016	368,713	197,936	54,570	73,539	25,090	29,180
Power Transmission	25,669,938	24,856,474	18,015,171	18,087,126	479,164	379,436	237,800	193,146	(1,277,509)	(249,016)
Power Distribution	4,674,646	4,204,597	3,060,855	3,104,239	37,157	40,731	25,873	19,358	(28,807)	180,063
Healthcare	1,585,272	1,612,155	2,103,350	1,841,647	43,871	13,327	17,331	18,657	(25,893)	(79,663)
Real Estate	2,096,462	1,821,513	338,570	352,219	276,282	903,036	175,187	124,359	(4,652)	9,953
Information Technology Services	-	4,082,114	-	4,654,018	144,810	264,591	269,429	406,442	138,694	(103,244)
Business Process Outsourcing	-	236,998	-	323,098	59,560	54,557	48,491	73,258	-	-
Automotive *	-	-	-	-	-	25,663	-	5,492	-	(632)
Total	57,917,853	58,289,930	47,680,874	48,821,628	4,001,053	2,399,078	1,705,795	1,489,603	(683,478)	(608,358)
Unallocable corporate items	24,797,038	20,131,702	7,221,081	6,825,929	55,148	27,564	26,894	127,257	80,445	619,653
Consolidated total	82,714,891	78,421,632	54,901,955	55,647,557	4,056,201	2,426,642	1,732,689	1,616,860	(603,033)	11,295

* Discontinued operations (refer schedule 2)

Schedules to the Consolidated Financial Statements (*Continued*) for the year ended 30 September 2009 (Currency: Indian rupees thousands)

29 (ii) Secondary segment information

	Revenue-based on location of customers		Carrying amount of segment assets by location		Additions to fixed assets and intangible assets	
	2009	2008	2009	2008	2009	2008
Within India	69,404,858	56,443,689	50,569,740	43,333,387	4,034,107	2,426,642
Outside India	23,459,670	40,354,522	32,145,151	35,088,245	22,094	-
Consolidated total	92,864,528	96,798,211	82,714,891	78,421,632	4,056,201	2,426,642

29 (iii) Other disclosures:

- Inter-segment prices are normally negotiated amongst the segments with reference to the costs, market price and business risks.
- Profits/ losses on inter segment transfers are eliminated at the Company level.
- Balances with group companies and related parties have been included in unallocable corporate items.
- During the year there has been reorganisation of Business Segments. Figures for the year ended 30 September 2009 and year ended 30 September 2008 has been regrouped to make them comparable.

(iv) Segment information:

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

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

- **Industry Automation:-** Provides complete range of automation products & systems, industrial automation systems & low-voltage Switchgears.
- **Drive Technologies:-** Provides complete range of large and standard drives and motors, special purpose motors, process and motion control systems.
- **Building Technologies:-** Electrical Installation Technologies, i.e. Products for Building, e.g. Miniature Circuit breakers, Distribution boards, Residual Current Circuit Breakers, etc.
- **Industry Solutions:-** 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.
- **Mobility:-** Provides solutions for rail automation, railway electrification, light and heavy rail, locomotives, trains, turnkey projects and integrated services.
- **Fossil Power Generation:-** The Fossil Power Generation Division offers highly efficient products and solutions for power generation based on fossil fuels. They range from individual gas and steam turbines and generators, to turnkey power plants. The Division also develops instrumentation and control systems for every type of power plant.
- **Oil & Gas:-** The Oil & Gas Division offers customers products and solutions that are used for the extraction, conversion and transport of oil and gas. The Division portfolio also includes solutions for power generation and distribution, compressors with electrical and mechanical drives, process and automation technologies, and integrated IT solutions for pipeline and storage applications.
- **Power Transmission:-** The Power Transmission Division offers products and solutions in the high-voltage field – such as High Voltage Direct Current (HVDC) transmission systems, substations, switchgear and transformers.
- **Power Distribution:-** The specialties of the Power Distribution Division range from solutions for the automation of power grids, to products like medium-voltage switchgear and components.
- **Healthcare:-** Provides diagnostic, therapeutic and life-saving products in computer tomography (CT), magnetic resonance imaging (MRI), ultrasonography, nuclear medicine, digital angiography, patient monitoring systems, digital radiography systems, radiology networking systems, lithotripsy and linear accelerators.
- **Real Estate:-** Provides comprehensive real estate management.

- **Information technology services** :- Provide comprehensive range of technology services, including software development, packaged software integration and systems maintenance to its worldwide customers operating in different industries.
- **Business process outsourcing** :- Provides back office support services to group companies and other external customers.

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

30 Disclosure pursuant to Accounting Standard - 15 'Employee Benefits' :

(i) Defined Contribution Plans

Amount of Rs 211,649 (2008: Rs 183,409) is recognised as an expense and included in "Personnel costs" (Refer Schedule 22) in the Profit and loss account.

(ii) Defined benefit plans

a Amounts for the current period are as follows:

		Gratuity		Pension		Medical		Super Annuation	
		2009	2008	2009	2008	2009	2008	2009	2008
I	Change in benefit obligation								
	Liability at the beginning of the year	602,966	559,474	160,326	166,549	45,169	42,699	77,854	-
	Interest cost	46,490	45,455	12,826	13,324	3,555	2,989	1,262	-
	Current service cost	41,788	49,909	-	-	2,979	3,205	1,459	-
	Liability transfer in	9,528	3,766	-	-	-	-	(215)	-
	Liability transfer out	(1,222)	(11,412)	-	-	-	-	-	-
	Benefit paid	(65,653)	(57,053)	(28,305)	(25,421)	(7,410)	(25,421)	(779)	-
	Actuarial (gain)/ loss on obligations	135,612	12,827	30,136	5,874	26,460	21,697	(198)	-
	Transfer in on Purchase of Flender Ltd.	29,379	-	-	-	-	-	-	-
	Transfer out on Sale of SISL and SIPS	(148,224)	-	-	-	-	-	-	-
	Liability at the end of the year	650,664	602,966	174,983	160,326	70,753	45,169	79,383	-
II	Fair value of plan assets								
	Fair value of plan assets at the beginning of the year	520,944	523,000	-	-	-	-	74,923	-
	Expected return on plan assets	53,409	41,584	-	-	-	-	1,784	-
	Contributions	183,640	22,092	-	-	-	-	4,102	-
	Transfer from other company	9,528	905	-	-	-	-	(215)	-
	Transfer to other company	(1,222)	(11,412)	-	-	-	-	-	-
	Benefit paid	(65,653)	(57,053)	-	-	-	-	(779)	-
	Actuarial gain/ (loss) on plan assets	(14,069)	1,828	-	-	-	-	(432)	-
	Transfer in on Purchase of Flender Ltd.	24,514	-	-	-	-	-	-	-
	Transfer out on Sale of SISL and SIPS	(25,038)	-	-	-	-	-	-	-
	Fair value of plan assets at the end of the year	686,053	520,944	-	-	-	-	79,383	-
	Total Actuarial Gain/(Loss) to be recognised	(149,681)	(10,999)	(30,136)	(5,874)	(26,460)	(21,697)	(234)	-
III	Actual return on plan assets								
	Expected return on plan assets	53,409	41,586	-	-	-	-	1,784	-
	Actuarial gain/ (loss) on plan assets	(14,069)	1,828	-	-	-	-	(432)	-
	Actual return on plan assets	39,340	43,414	-	-	-	-	1,352	-
IV	Amount recognised in the balance sheet								
	Liability at the end of the year	650,664	602,966	174,983	160,326	70,753	45,169	79,383	-
	Fair value of plan assets at the end of the year	686,053	520,946	-	-	-	-	79,383	-
	Amount recognised in the balance sheet	(35,389)	82,020	174,983	160,326	70,753	45,169	-	-
V	Expenses recognised in the income statement								
	Interest cost	46,490	45,455	12,826	13,324	3,555	2,989	1,262	-
	Current service cost	41,788	49,909	-	-	2,979	3,205	1,459	-
	Expected return on plan assets	(53,409)	(41,584)	-	-	-	-	(1,784)	-
	Actuarial (gain)/ loss	149,681	10,999	30,136	5,874	26,460	21,697	233	-
	Expense recognised in personnel costs (Schedule 22)	184,550	64,779	42,962	19,198	32,994	27,891	1,170	-

Schedules to the Consolidated Financial Statements (*Continued*)
for the year ended 30 September 2009
(Currency: Indian rupees thousands)

30. (ii) a Amounts for the current period are as follows (Continued)

	Gratuity		Pension		Medical		Super Annuation	
	2009	2008	2009	2008	2009	2008	2009	2008
VI	Balance sheet reconciliation							
	Opening net liability	36,474	160,326	166,549	45,169	42,699	2,932	-
	Expense as above	184,550	64,779	42,962	19,198	32,994	27,891	1,170
	Transfer from other company	-	2,861	-	-	-	-	-
	Employers contribution/ paid	(183,640)	(22,092)	(28,305)	(25,421)	(7,410)	(25,421)	(4,102)
	Transfer in on Purchase of Flender Ltd	4,865	-	-	-	-	-	-
	Transfer out on Sale of SSSL and SIPS	(123,186)	-	-	-	-	-	-
	Amount recognised in balance sheet	(35,389)	82,022	174,983	160,326	70,753	45,169	-
VII	Actuarial Assumptions : For the Year							
	Discount Rate Current	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%	-	-	-	-	-
	Medical Cost increase rate	-	-	-	-	7.0%	5.0%	-
	Attretion rate	5.0%	2.0%	-	-	-	-	-
VIII	Sensitivity							
	Change in Liability - Discount rate	-	-	-	-	1% increase (6,071)	1% decrease 7,373	-
	Change in Liability - Inflation rate	-	-	-	-	7,939	(6,757)	-
	Change in Service Cost - Discount rate	-	-	-	-	(76)	171	-
	Change in Interest Cost - Discount rate	-	-	-	-	444	(373)	-
IX	Amount for the Current and Previous periods as per AS15 Para 120(n) are as follows :							
	Liability at the end of the year	650,664	602,966	-	-	-	-	-
	Fair value of plan assets at the end of the year	686,053	520,946	-	-	-	-	-
	Difference	(35,389)	82,020	-	-	-	-	-
	Experience Adjustment on Plan Liabilities (gain)/ loss	(5,845)	13,131	-	-	-	-	-
	Experience Adjustment on Plan Assets (loss)/ gain	(12,938)	1,986	-	-	-	-	-

- b The fund formed by the Company manages the investments of the Gratuity Fund. Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio, along with the estimated incremental investments to be made during the year. Yield on portfolio is calculated based on a suitable mark-up over the benchmark Government securities of similar maturities. The Company expects to contribute Rs 33,183 to gratuity fund in 2009-10.
- 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.
- e * Figures not available hence not reported

(iii) General Descriptions of significant defined plans

I Gratuity plan

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

II Medical

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

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

Particulars	2009	2008
Government of India securities	13%	17%
State Government securities	22%	10%
Public sector unit bonds	32%	28%
Special Discount scheme	33%	45%
Total Plan Assets	100%	100%

31 Derivative Instruments

a Forward Contracts

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

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

Currency	Number of contracts	Buy Amount	Indian rupees equivalent	Number of contracts	Sell Amount	Indian rupees equivalent
US Dollar						
2009	163	96,186	4,627,004	103	393,753	18,941,503
2008	127	123,259	5,788,859	112	291,971	13,712,408
Euro						
2009	160	169,170	11,843,567	57	51,932	3,635,715
2008	118	178,830	12,054,393	51	34,659	2,336,299
Qatari Riyal						
2009	2	1,600	21,144	13	1,303,408	17,224,543
2008	2	1,250	16,128	16	1,011,099	13,045,708
Japanese Yen						
2009	3	49,000	26,195	-	-	-
2008	3	44,243	19,563	-	-	-
Pound Sterling						
2009	13	3,855	296,258	-	-	-
2008	15	2,147	179,422	1	114	9,624
Swiss Franc						
2009	-	-	-	-	-	-
2008	3	1,517	64,463	-	-	-
CAD						
2009	1	235	10,396	-	-	-
2008	-	-	-	-	-	-
SEK						
2009	4	729	33,769	-	-	-
2008	-	-	-	-	-	-
GBP						
2009	-	-	-	-	-	-
2008	-	-	-	-	-	-

Schedules to the Consolidated Financial Statements (*Continued*) for the year ended 30 September 2009 (Currency: Indian rupees thousands)

All currency exposures having underlying transactions as at 30 September 2009 are covered by foreign currency forward contracts. The forward contracts have been converted in Indian rupees, at the spot rates, as at 30 September 2009 to facilitate reading purposes only.

b Commodity Contracts

The Company uses Commodity Future Contracts to hedge against fluctuations in commodity prices. The following are outstanding copper future contracts entered into by the Company as on 30 September 2009.

Year	Number of Contracts	Contractual Quantity	Buy /Sell
2009	749	749 MT	Buy
2008	Nil	Nil	NA

Note: Each contract of copper is of 1,000 kg.

c Unhedged foreign currency exposure derivatives

	2009				2008			
	Receivable		Payable		Receivable		Payable	
	Amount	Indian rupees equivalent	Amount	Indian rupees equivalent	Amount	Indian rupees equivalent	Amount	Indian rupees equivalent
USD	392	18,732	1,508	72,298	-	-	2,993	137,762
SGD	7,490	253,837	547	18,507	7,991	259,803	5,969	194,046
EURO	1,598	111,914	5,605	392,372	4,267	283,573	7,183	477,292
GBP	-	-	43	3,361	-	-	31	2,633
CHF	-	-	0.44	20	-	-	8	319
AUD	-	-	0.06	3	-	-	-	-

32 Earnings per share:

	2009	2008
Profit after tax	7,046,038	5,995,489
Profit after tax (Net profit attributable to Equity shareholders)	7,046,038	5,995,489
Shares:-		
Weighted average number of Equity shares outstanding during the year	337,160,200	337,160,200
Earnings per share	20.90	17.78

33 Prior years comparatives

Pursuant to the disposal of 'SISL' and 'SIPS' and acquisition of Flender Ltd. in the current year and discontinuation of the 'SVDO' segment 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. The figures of previous year were audited by a firm of Chartered Accountants other than S.R.Batliboi & Associates.

As per our report of even date.

For S.R.Batliboi & Associates
Chartered Accountants

per Sudhir Soni
Partner
Membership No: 41870

Mumbai
26 November 2009

For and on behalf of the Board of Directors

Deepak S. Parekh
Dr. Armin Bruck
Sunil Mathur
Yezdi H. Malegam
Ajai Jain

Chairman
Managing Director
Executive Director
Director & Chairman
of Audit Committee
Vice President (Legal) &
Company Secretary

Mumbai
26 November 2009

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 52nd Annual General Meeting of the Company at Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on Friday, 29th January, 2010, at 3.00 p.m.

Full name of the Proxy, if attending the Meeting:

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

Friday, 29th January, 2010

Note:

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

Siemens Ltd.

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

PROXY FORM

I/We,
of being a member/members of Siemens Ltd.
hereby appoint of
or failing him / her of

as my / our proxy to vote for me / us on my / our behalf at the 52nd Annual General Meeting of the Company to be held at Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on Friday, 29th January, 2010, at 3.00 p.m. and at any adjournment thereof.

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

No. of Shares held:

Affix a
15 paise
Revenue
Stamp

Signed this day of 2010

Signature(s) of Member(s)

Notes:

- (a) 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.
- (b) A Member entitled to attend and vote at this Meeting is entitled to appoint a proxy and the Proxy need not be a Member.

Siemens Ltd.,
130, Pandurang Budhkar Marg, Worli, Mumbai - 400 018
Ph.: +91 22 2498 7000. **Fax:** +91 22 2498 7500.

www.siemens.com/answers