



Creating a sustainable future

Annual Report 2010

Answers for India.

SIEMENS



**What if a train could help
drive our economy?**

Siemens high-speed rail transforms economies at 350 kilometers an hour. And we can bring it to all parts of the world.

Building a growing economy takes infrastructure that can keep pace – and go beyond. Energy-efficient Siemens trains already run through hot Spanish summers and cold Russian winters. They cross through the industrial hearts of Germany and China. In fact, in every corner of the globe, Siemens has answers to keep economies moving: from hardworking commuter rail to the fastest series production trains on Earth. Because wherever there are tough mobility questions, we're answering them.

Answers for mobility.

SIEMENS



How can we get by with less when the whole world keeps asking for more?

Getting more and more energy from fewer and fewer resources is our never-ending mission.

In addition to excellent availability and utmost reliability, efficiency is a key requirement when it comes to supplying energy for the world's steadily growing megacities. Basically, it's all about making best use of all resources. We apply this principle across the entire energy conversion chain to take efficiency to totally new levels. Our new 800 kV transformer, for example, makes possible the efficient transmission of electric energy in the gigawatt range over distances of 850 miles and more. And our new generation of gas turbines makes combined cycle power plants deliver a record-breaking efficiency of more than 60 per cent.

Answers for energy.

SIEMENS

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Financial Highlights - Siemens Limited

₹ in Million

	2009-10	2008-09	2007-08	2006-07	2005-06
Orders received	124303	87964	87722	95720	82025
Income, Profit and Dividend					
Total Income (including exceptional income)	94776	89508	85361	79479	46853
Profit Before Depreciation, Interest and Tax	13707	15155	9596	9236	5521
Depreciation	1015	778	637	492	465
Interest	105	59	41	2	1
Profit Before Tax	12587	14319	8918	8742	5055
Tax	4315	3870	2984	2776	1454
Profit After Tax	8272	10449	5934	5966	3601
Dividend - %	250%	250%	150%	240%	190%
Dividend - ₹ Per Share	5.00	5.00	3.00	4.80	3.80
Share Capital, Assets and Book Value					
Share Capital	674	674	674	337	337
Reserves & Surplus	34104	28492	20017	15572	10534
Net Worth (Shareholders' Fund) ^	34778	29166	20691	15909	10871
Loans	2	6	11	15	20
Total Capital Employed	34780	29172	20702	15924	10891
Capital Represented by					
Fixed Assets	9805	7352	6441	5570	4163
Investments	3885	4770	5236	4676	4640
Net Current Assets & Other Assets	21090	17050	9023	5678	2089
Total Assets	34780	29172	20700	15924	10892
Book Value - ₹	103.15	86.50	61.37	94.37	64.49
Returns					
on Total Income (PBT) - %	13.28	16.00	10.45	11.00	10.79
On Capital Employed (PBIT) - %	42.33	54.62	49.43	61.09	54.96
On Shareholders Fund(PAT) - %	23.79	35.83	28.68	37.50	33.12
Per Share (PAT) - ₹	24.53	30.99	17.78	35.39	21.36

^ From 2005 - 06 ₹2 per share (Upto 2003-04 Face value was ₹10 per share)

^ Bonus shares issued in the year 2007-2008

Chairman's Statement



Dear Shareholders,

At the beginning of fiscal 2010, the global economic scenario was bleak with both, growth and demand being volatile. However, as the year progressed, the economy picked up steam, and confidence in the market also witnessed an upward trend. While Indian businesses were firmly on track and created new opportunities, the global economy found itself trying to stabilize and achieve a sound footing.

Against this backdrop, Siemens Ltd. was able to achieve growth in volumes and results for the fiscal year. The success we achieved during fiscal 2010, confirms that we are on the right track. We have been able to create value for our customers and forge partnerships for mutual growth and prosperity. Our customers have placed their confidence in our products, services and solutions, for which we are thankful to them.

The trend that we see very clearly is that sustainable business is the new mantra and within our organisation as well as with our customers, partners and suppliers. Hence, our focus for the near future will be on sustainable and capital-efficient growth.

Performance Highlights

Post the recession, fiscal 2010 has been quite a landmark year for us as we have not only outperformed the domestic

market, but also laid out concrete plans to strengthen the implementation of growth strategies for the future.

India has been identified as one of the high potential markets by Siemens globally and concrete plans have been laid out to leverage this potential. While we will continue to provide top notch technology products for the classical high end markets, we will also leverage local strengths and manufacture base level products firstly for India's domestic markets and other emerging markets.

Keeping in mind the increasing demand for Green Technology in the future, Siemens will also continue to innovate and expand its environmental portfolio. These key focus areas coupled with the economic recovery, strongly contributed towards our success and also had an impact on the financial results of FY 2010. Fiscal 2010 turned out to be exceptional in terms of performance, order bookings and earnings growth. All our three sectors posted impressive results despite stiff competition and pricing pressure.

For the financial year ended September 30, 2010, Profit from Operations increased by 26% to ₹1,192 crores, as compared to the previous year. Sales rose by 11% to ₹9,315 crores for the year ended September 30, 2010, as compared to ₹8,389 crores in the previous year.

Siemens Ltd. also received New Orders valued at ₹12,430 crores which was a growth of 41% despite tough market conditions in the 12 months ended September 30, 2010, as compared to ₹8,796 crores in the previous year.

For the year ended September 30, 2010, the Company's Profit before Tax stood at ₹1,258 crores, as compared to ₹1,432 crores in the previous year, registering a fall of 12%. The Profit after Tax reduced by 21% and stood at ₹827 crores as compared to ₹1,045 crores in the previous year. Please note that, our profits are strictly not comparable to last year's financials as in the last year there was one time increase in financing & investment income arising from the sale of our erstwhile subsidiaries Siemens Information Systems Ltd. and Siemens Information Processing Services Pvt. Ltd. On excluding this one-time impact from last year's profits, our comparable performance has been very impressive. The unexecuted order value as of September 30, 2010 stood at ₹13,583 crores - a rise of 32% as compared to ₹10,292 crores in the previous year.

The Board of Directors has recommended a dividend of ₹5/- for every equity share of ₹2/- for the financial year ended September 2010. During the previous fiscal too, the Company had paid a dividend of ₹5/- for every equity share of ₹2/-.

Performance Analysis

The Industry Sector launched several innovative products across its divisions, including the conveyor 'Vario Belt' for airport Baggage handling projects by the Mobility Division.

The Energy Sector enhanced our local footprint with the commencement of operations at the Renewable Energy office in Vadodara. In addition to this, the Sector also announced the setting-up of a new factory in Goa, to manufacture Medium Voltage products. This factory will also be amongst the few truly green factories in India. The Sector also received an important order from Ezdan International Housing Project, Qatar. Scheduled to be commissioned by January 2011, the scope of work for this project includes designing, engineering, installation and commissioning of substations and associated electrical network.

The Healthcare Sector too started reaping benefits from its internal restructuring. These benefits include order volume growth which is remarkably higher than the rate of growth being witnessed in the market. The Sector also initiated refurbishing of CT scanners at its facility in Goa, making it the first and only Siemens factory in Asia for refurbished systems.

At this juncture, let me also share some interesting developments from our subsidiary companies: Flender Ltd., Siemens Building Technologies Pvt. Ltd., and Vista Security Technics Pvt. Ltd. have been merged with Siemens Ltd. and are now part of the Industry Sector. Siemens Rolling Stock Pvt. Ltd., another subsidiary which was set up with the objective of catering to the rolling stock business in India, is also in the process of merging with the Company.

People Excellence

Our employees continue to be our core strength and we continue to focus on developing their capabilities even further. In addition to the ongoing programs, the Company has also initiated various development initiatives to enhance the existing skill sets of high potential employees. These initiatives include trainings organized by prestigious institutes such as the Indian Institute of Management, Ahmedabad and the Siemens Core Learning Program, which delivers global learning programs developed and customized to suit the Siemens Job requirements. Executive Coaching programs too were made available to key potential employees so as to groom them for future positions. Our focus remains to retain and attracting the right talent.

The Road ahead - Outlook for Siemens

The Government's efforts in taming inflation have brought positive results for the country and for Siemens. FY 2010 was

an excellent year with respect to the financial performance, with all our sectors having performed better than expected.

Over the last 5 years, our sales have doubled and orders have increased by over 50%. We expect the pace of global economic recovery to help the Indian economy grow at a higher rate. We are also well positioned to leverage domestic growth opportunities and aim to be amongst the best employers.

We will also continue to develop competencies required to cater to local & global markets. As mentioned before, for the next year we will continue to deliver top notch technology solutions for high-end markets, develop base level products for mid and low end segments and continue to expand our environmental portfolio.

Last but not the least, we are confident to keep leadership positions in all our key markets to ensure profitable growth.

Conclusion

A year after what many define as the global economy's worst crisis of confidence, there seems to be growing evidence that the steps we took in order to tide over the economic crisis are paying off.

Global production and trade have bounced back and financial markets have also recovered. Brazil, Russia, India and China (BRIC countries) are expected to grow at three times the pace of their industrialized counterparts during the next few years. This presents us with huge opportunities and we are well-prepared to leverage them.

We are optimistic about FY 2011 with respect to the potential of growth markets and the business environment. With greater flexibility to develop and manufacture base level products for our own markets and the option of exploring opportunities to export them to similar emerging markets, we have to strengthen the local talent at Siemens.

In conclusion, I would like to heartily thank the Board, the management and especially our dedicated employees for their consistent support and commitment to Siemens Ltd; as well as our esteemed customers for their confidence and loyalty.



Deepak Parekh
Chairman

December, 2010

Board of Directors

Non-executive Directors



Deepak S. Parekh
Chairman



Darius C. Shroff
Director



Yezdi H. Malegam
Director



Narendra J. Jhaveri
Director



Keki Dadiseth
Director



Pradip V. Nayak
Director



Joe Kaeser
Director



Wolfgang Dehen
Director



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



Stephan Schneider
Alternate Director
for Mr. W. Dehen

Whole-time Directors and Corporate Management



Dr. Armin Bruck
Managing Director
and Chief Executive
Officer



Sunil D. Mathur
Executive Director
and Chief Financial
Officer



Vijay V. Paranjape
Whole-time
Director

Company Secretary

Ajai Jain
Vice President (Legal) & Company Secretary

Committees of Directors

Audit Committee

Yezdi H. Malegam
(Chairman)
Deepak S. Parekh
Keki Dadiseth
Joe Kaeser /
Dr. Otmar Schmitt

Investors Grievance Committee

Darius C. Shroff
(Chairman)
Pradip V. Nayak
Dr. Armin Bruck

Remuneration Committee

Narendra J. Jhaveri
(Chairman)
Darius C. Shroff
Deepak S. Parekh
Pradip V. Nayak

Corporate Governance Committee

Keki Dadiseth
(Chairman)
Deepak S. Parekh
Yezdi H. Malegam
Darius C. Shroff
Joe Kaeser /
Dr. Otmar Schmitt
Dr. Armin Bruck

Investment Committee

Deepak S. Parekh
(Chairman)
Yezdi H. Malegam
Pradip V. Nayak
Joe Kaeser /
Dr. Otmar Schmitt
Sunil D. Mathur

Siemens Ltd.

Notice

NOTICE is hereby given that the 53rd Annual General Meeting of the Members of the Company will be held at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400 021 on Friday, 28th January, 2011, 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, 2010, 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. Keki Dadiseth, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pradip V. Nayak, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Darius C. Shroff, 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 53rd Annual General Meeting upto the conclusion of the next i.e. 54th 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. **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, 2011, as set out under Serial No. 1 of the Explanatory Statement annexed to this Notice."

8. **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, 2011 as set out under Serial No. 1 of the Explanatory Statement annexed to this Notice."

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

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

As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the re-appointment of Mr. Vijay V. Paranjape, Whole-time Director of the Company for a further period of one year with effect from 1st October, 2010, on the existing terms and conditions including remuneration."

b. Revision in remuneration

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, 2011 as set out under Serial No. 1 of the Explanatory Statement annexed to this Notice.”

By Order of the Board of Directors

For **Siemens Ltd.**



Ajai Jain
Vice President (Legal) &
Company Secretary

Registered Office:

130, Pandurang Budhkar Marg
Worli, Mumbai - 400 018

Mumbai

Wednesday, 24th November, 2010

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 53rd Annual General Meeting.
- d. Members / Proxies / Representatives should bring the enclosed Attendance Slip, for attending the Meeting. Copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.
- e. Profile of the Directors seeking re-appointment, as required in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are annexed to this Notice.
- f. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 20th January, 2011 to Friday, 28th January, 2011, 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 53rd Annual General Meeting, will be paid on or after Friday, 28th January, 2011, 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, 28th January, 2011.
In respect of shares held in electronic form, to the Beneficial Owners of the shares as at the close of business hours on Wednesday, 19th January, 2011, 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 Member
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, 1999-00, 2000-01, 2001-02 and 2002-03 (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 2002-03 (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 2002-03 are provided hereunder:

Financial Year	Rate (%)	Date of declaration of dividend	Tentative date for transfer to IEPF
2002 - 03			
Final Dividend	40	21 st January, 2004	26 th February, 2011
2003 - 04			
Interim Dividend	40	22 nd April, 2004	28 th May, 2011
Final Dividend	50	27 th January, 2005	4 th March, 2012
2004 - 05			
Interim Dividend	45	25 th April, 2005	31 st May, 2012
Final Dividend	100	27 th January, 2006	4 th March, 2013
2005 - 06			
Interim Dividend [#]	10	23 rd December, 2005	28 th January, 2013
Final Dividend	190	18 th January, 2007	23 rd February, 2014
2006 - 07			
Dividend	240	31 st January, 2008	7 th March, 2015
2007 - 08			
Dividend	150	30 th January, 2009	7 th March, 2016
2008-09			
Dividend	250	29 th January, 2010	6 th March, 2017

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

Members are requested to contact TSR Darashaw Ltd. / Investors' 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 2010 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 the website of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com.

- 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 53rd 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, 8 and 9(b)

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 24th November, 2010 approved a revision in the remuneration of the Managing Director and all Whole-time Directors of the Company with effect from 1st January, 2011.

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 (₹)	Salary Grade (₹)	Overseas / Special Allowance per month (₹)
Dr. Armin Bruck	Managing Director	968,500	500,000 – 1,500,000	1,193,500
Mr. Sunil Mathur	Executive Director	627,200	400,000 – 1,200,000	752,200
Mr. Vijay V. Paranjape	Whole-time Director	472,100	300,000 – 1,000,000	Not Applicable

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 (2nd car for Dr. Armin Bruck and Mr. Sunil Mathur) 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. Armin Bruck and Mr. Sunil Mathur):

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

- iii. Holiday passage for children studying outside India / family staying abroad (only for Dr. Armin Bruck and Mr. Sunil 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. Armin Bruck and Mr. Sunil 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 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. Equity based compensation programs of Siemens AG / Siemens Limited

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

V. Commission

They shall also be entitled to remuneration by way of Commission as may be decided by the Board of Directors / Remuneration Committee of Directors from time-to-time. 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. The Severance fees shall be payable as per the Rules of the Company.

VII. Minimum Remuneration

Notwithstanding anything hereinabove, where, in any Financial Year during the currency of their tenure as Managing Director / Executive Director / 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, benefit under the Equity based compensation programs of Siemens AG / Siemens Ltd. and Severance fees, as Minimum Remuneration to them.

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

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 these Resolutions for your approval.

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

2. Item No. 9(a)

The Members at their 51st Annual General Meeting held on 30th January, 2009, re-appointed Mr. Vijay V. Paranjape as a Whole-time Director of the Company for a period of two years with effect from 1st October, 2008. Considering his valuable contributions and his vast experience, the Board of Directors at their Meeting held on 29th July, 2010, re-appointed Mr. Vijay V. Paranjape as a Whole-time Director of the Company for a further period of one year from 1st October, 2010 till 30th September, 2011 on the existing terms and conditions including remuneration i.e., as approved by the Members of the Company at their 52nd Annual General Meeting held on 29th January, 2010.

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

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

None of the Directors of the Company, other than Mr. Vijay V. Paranjape, are interested in the Resolution.

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
Wednesday, 24th November, 2010

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

Particulars	Mr. Keki Dadiseth	Mr. Pradip V. Nayak	Mr. Darius C. Shroff	Mr. Vijay V. Paranjape
Date of Birth	20 th December, 1945	6 th September, 1943	8 th August, 1944	25 th July, 1948
Date of Appointment	27 th January, 2006	27 th January, 2006	20 th February, 1997	1 st February, 2007
Qualification	B.Com., Fellow of the Institute of Chartered Accountants - England & Wales	A degree in Economics and Politics from the University of York, England. He also read Law at Gray's Inn, London	B.A (Hons), LLB, Attorney-at-Law and Solicitor	B.E.(Elect.)
Expertise in specific functional areas	Finance, Business Management and Mergers & Acquisitions	Human Resources and Corporate Communications	Corporate Laws. Senior Partner in M/s. Crawford Bayley & Co., Advocates & Solicitors	Business Management
Other Directorships held in India	<ol style="list-style-type: none"> 1. Britannia Industries Ltd. 2. ICICI Prudential Life Insurance Co. Ltd. 3. Piramal Healthcare Ltd. 4. Omnicom India Marketing Advisory Services Pvt. Ltd. 5. ICICI Prudential Trust Ltd. 6. The Indian Hotels Company Ltd. 7. Godrej Properties Ltd. 8. Sony India Pvt. Ltd. 	<ol style="list-style-type: none"> 1. GlaxoSmithKline Pharmaceuticals Ltd. 2. BNP Paribas Trustee India Pvt. Ltd. 3. Siemens Healthcare Diagnostics Ltd. 4. Virbac Animal Health India Pvt. Ltd. 	<ol style="list-style-type: none"> 1. AVI – Oil India (Pvt.) Ltd. 2. Bayer MaterialScience Pvt. Ltd. 3. CMP Pvt. Ltd. 4. Ingersoll-Rand (India) Ltd. 5. GMM Pfaudler Limited 6. Kulkarni Power Tools Ltd. 7. Lubrizol India Pvt. Ltd. 8. SKF India Ltd. 9. Swiss Re Services India Pvt. Ltd. 10. Unifrax India Ltd. 11. UTV Software Communications Ltd. 12. Warner Bros. Pictures India Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Siemens Rolling Stock Pvt. Ltd. 2. Flender Ltd. (amalgamated)
Membership of Committees	<p>Audit Committee</p> <ol style="list-style-type: none"> 1. Britannia Industries Ltd. 2. ICICI Prudential Life Insurance Co. Ltd.* - Board Risk Management and Audit Committee 3. The Indian Hotels Company Ltd.* 4. Godrej Properties Ltd.* <p><i>*Chairman</i></p>	<p>Audit Committee</p> <ol style="list-style-type: none"> 1. GlaxoSmithKline Pharmaceuticals Ltd. 2. Siemens Healthcare Diagnostics Ltd.* <p>Shareholder's Grievance Committee</p> <ol style="list-style-type: none"> 1. Siemens Healthcare Diagnostics Ltd.* <p><i>*Chairman</i></p>	<p>Audit Committee</p> <ol style="list-style-type: none"> 1. GMM Pfaudler Ltd. 2. Ingersoll-Rand (India) Ltd. 3. SKF India Ltd.* <p>Shareholder's Grievance Committee</p> <ol style="list-style-type: none"> 1. GMM Pfaudler Ltd. - Investor Grievance Committee 2. Ingersoll-Rand (India) Ltd.*-Share Transfer-cum-Investor Grievance Committee 3. SKF India Ltd. - Investor Grievance Redressal / Share Transfer Committee <p><i>*Chairman</i></p>	—
No. of Equity Shares held in the Company	Nil	Nil	9,000	7,348

Directors' Report

Dear Members,

The Directors have pleasure in presenting the 53rd Annual Report of your Company and the Audited Accounts for the year ended on 30th September, 2010.

1. Financial Performance

₹ in Million

	2009-10	2008-09	Growth %
Turnover	93,152.41	83,887.75	11.04
Profit before Tax and Exceptional Income	12,587.48	12,259.13	2.68
Add: Exceptional Income			
Profit on sale of Investments in Subsidiaries	-	2,059.46	
Profit before Tax	12,587.48	14,318.59	(12.09)
Less: Tax	4,315.36	3,870.08	
Net Profit after Tax	8,272.12	10,448.51	(20.83)
Balance of Profit and Loss account of Flender Ltd. (amalgamated)	745.69	-	
Amount available for appropriation	9,017.81	10,448.51	(13.69)
Appropriations:			
General Reserve	7,052.01	8,476.21	
Proposed Dividend	1,685.80	1,685.80	
Dividend Distribution Tax	279.99	286.50	

2. Operations

The Turnover of the Company increased by approximately 11% and stood at ₹93,152 million as compared to ₹83,888 million in the previous year. The Company's Profit from Operations for the year ended 30th September, 2010 increased by 26% to ₹11,917 million as compared to ₹9,454 million in the corresponding period of the previous year. While all the businesses contributed to the growth, the key drivers were Power Transmission, Industry Solutions, Mobility and Drives Technologies business.

The PAT was ₹8,272 million, compared to ₹10,449 million during Financial Year 2008–09.

3. Dividend

The Board of Directors recommends a dividend of ₹5 per Equity Share of ₹2 each. This dividend is subject to the approval of the Members at the forthcoming 53rd Annual General Meeting to be held on 28th January, 2011.

In the previous year, the Company paid a dividend of ₹5 per Equity Share of ₹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 and Acquisitions

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

The Petition for the amalgamation of SHDL with the Company has been admitted in the High Courts at Mumbai and Ahmedabad. Further, the approval for the amalgamation of SHDL with the Company is at different stages of the regulatory process. The "Appointed Date" fixed for the amalgamation is 1st October, 2009.

Directors' Report (continued)

b. Amalgamation of Siemens Rolling Stock Pvt. Ltd., Mumbai (SRSPL)

The Board of Directors approved the proposal for the amalgamation of its wholly owned subsidiary, SRSPL with the Company and the petition has already been admitted in the Bombay High Court. The "Appointed Date" has been fixed as 1st October, 2009. The amalgamation is subject to all the necessary statutory / regulatory approvals and the Bombay High Court.

c. Amalgamation of Flender Ltd., Kolkata

The Hon'ble High Court of Calcutta vide its Order dated 16th March, 2010 sanctioned the 'Scheme of Amalgamation' of Flender Ltd., a wholly owned subsidiary of the Company, with the Company. The "Appointed Date" is 1st October, 2009. Thus, with effect from 1st October, 2009, Flender Ltd., stands amalgamated with the Company and its entire business and undertaking gets transferred to and vested in the Company. The final hearing for the dissolution of Flender Ltd., without winding up is pending in the Calcutta High Court.

d. (i) Acquisition of balance 13.85% stake in Siemens Building Technologies Pvt. Ltd., Chennai (SBTPL)

The Company on 8th January, 2010 acquired the balance 13.85% stake in SBTPL, comprising of 517,209 Equity Shares of ₹10 each, from the Promoters of SBTPL for a consideration of ₹702.51 million. With this acquisition, SBTPL became a wholly owned subsidiary of the Company.

(ii) Amalgamation of SBTPL and Vista Security Technics Pvt. Ltd., Chennai (Vista)

The Hon'ble High Court of Judicature at Madras vide its Order dated 3rd September, 2010 read with Order dated 5th October, 2010 sanctioned the 'Scheme of Amalgamation' of our wholly owned subsidiaries i.e. SBTPL and Vista (a wholly owned subsidiary of SBTPL), with the Company. With effect from 1st October, 2010 (Appointed Date), SBTPL and Vista stands amalgamated with the Company and the legal entity of SBTPL and Vista stands dissolved without winding up. Further, the entire business and undertaking of SBTPL and Vista gets transferred to and in the name of the Company.

6. Subsidiary companies

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

SRSPL is engaged in the manufacture of Railway Rolling Stock. For the year ended on 30th September, 2010, SRSPL reported a Total Income of ₹108.55 million and a Net Loss of ₹212.90 million.

b. Siemens Building Technologies Pvt. Ltd., Chennai (SBTPL) - a 100% 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. SBTPL recorded a Total Income of ₹3,108.66 million and a Net Profit of ₹81.05 million for the year ended on 30th September, 2010.

During the period under review, the SBT Group consisting of SBTPL, Vista, iMetrex Technologies Pte Ltd., Singapore, and iMetrex Technologies Ltd., Ireland, posted a consolidated Turnover of ₹3,437 million and a Net Profit of ₹77.35 million. Avenues (HongKong) Ltd., HongKong, has been deregistered and dissolved with effect from 30th April, 2010. iMetrex Technologies Pte Ltd., Singapore has been liquidated with effect from 21st September, 2010.

All the above companies are non-material and non-listed subsidiaries as defined under Clause 49 of the Listing Agreement with the Stock Exchanges.

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, 2010. However, if any Member of the Company or subsidiary companies so desires, the Company will make available copies of Annual Accounts and related information of the above subsidiary companies. 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 53rd Annual General Meeting.

Consolidated Accounts

The Audited Consolidated Accounts, Auditors' Report thereon and Cash Flow Statement, comprising of Siemens Ltd. and its subsidiary companies, form a part of this Annual Report. The Consolidated Accounts have been prepared in accordance with the prescribed Accounting Standards.

7. Foreign Exchange Earnings and Expenditure

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

8. Conservation of Energy and Technology Absorption

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

9. Employees

Your Directors place on record their deep appreciation for the contribution made by the employees of the Company at all levels. Our industrial relations continue to be cordial.

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

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.

The Board of Directors have perused the 'Corporate Governance Voluntary Guidelines 2009' issued by the Ministry of Corporate Affairs. Though the Company has already adopted most of the recommendation of the guidelines but recognises the importance of continuous assessment of governance practices to create long term value for the stakeholders. The Board would consider adopting the relevant provisions of the said guidelines as and when deemed appropriate.

11. General Shareholder Information

General Shareholder Information forms part of 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 alongwith proper explanation relating to material departures;
2. appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th September, 2010 and of the profit of the Company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the annual accounts have been prepared on a going concern basis.

Directors' Report (continued)

13. Directors

Mr. Vijay V. Paranjape has been re-appointed as a Whole-time Director of the Company for a further period of one year with effect from 1st October, 2010. The terms and conditions of his re-appointment, including his remuneration, are subject to approval of the Members.

At the 53rd Annual General Meeting, Mr. Keki Dadiseth, Mr. Pradip V. Nayak and Mr. Darius C. Shroff retire by rotation and being eligible, offer themselves for re-appointment.

The above re-appointments form part of the Notice of the forthcoming 53rd 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 53rd 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

The Board of Directors in pursuance to the Order issued by the Central Government under Section 233B of the Companies Act, 1956, have appointed Messrs R. Nanabhoy & Co., Cost Accountants for conducting the audit of the cost accounting records maintained by the Company for the product 'Electric Motors'.

16. Acknowledgements

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

On behalf of the Board of Directors

For **Siemens Ltd.**



Deepak S. Parekh
Chairman

Mumbai
Wednesday, 24th November, 2010

Annexure I to the Directors' Report

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

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

A. Conservation of Energy

a. Measures taken

- Factory overhead lights from 400 watts to 200 watts.
- Reduction in the compressed air leakage.
- Replacement of tube lights & halogen lamps by energy efficient LED lights.
- Commissioning of centralised panel with RTC for auto switching of lights & A.C. Units in certain offices.
- Addition of capacitor bank to improve power factor.
- Rain water harvesting system.
- Installation of new compressor with VFD drive; additional aluminium louvers added in administration building for better utilization of A.C. system.
- Investment in transformer and generator of greater capacity to meet energy requirements at higher levels of efficiency.

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

- Investment proposal for Automatic Power Factor Connection panel is initiated.
- Variable Frequency Drive for Compressor & AHU.
- Intermediate Controller for Compressed Air Demand.
- Installation of Energy efficient Motors.
- Energy saving compressed air blow off jets and nozzles for various machines.
- Low head pump for AHU.

c. Impact of Measures undertaken

- Optimisation of energy consumption.
- Savings in energy and fuel cost.
- Environment protection.
- Rebate in electricity bills and receipt of rebate from the government.

B. Research and Development (R&D)

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

- Design, development and type tests on 12kV panels for withstanding 25kA, 1s internal arc fault, 12kV, 4000A, 40kA Panel & VCB and bushing for R.M.U. to withstand 20kA, 0.1s internal arc fault.
- Design, development and type tests of cost effective 36kV OVCB and compact substation.
- Development of 420kV, 63kA DBR & ES successfully.
- DTC projects for 420kV/245kV/145kV for DBR, HCB & 420/245kV PG.
- Cost effective circuit breakers of 400 kV & 400 kV 63 kA range were designed developed and tested.
- New product development – Prototype development of 1.73 MW motor.
- Frame size 500 developed for launch in this Financial Year 2010-11.
- Motors for IE2 and IE3 efficiency class developed and is under testing in Germany, FS 71 to FS 355.
- Launch of CACA design in medium voltage.
- Design of switched mode power supplies for industrial and railway applications.
- Design of battery chargers / earth leakage relay for railway applications.
- Development of dry type multi-secondary transformer of 3500kVA for MV drives.
- Development of Drive Control Cabinet for 10 Cubic meter Electric Mining Shovels.
- Development of LV Drives Sinamics V50 55kW to 500kW.
- Development of Traction / Electrical cabinets for 4500HP Diesel Locomotive Control.
- Localization of MV Drives Perfect Harmony 500kVA to 3500kVA.
- Localization of counting Head for Digital Axle Counter (DAC) used in Railway signaling.
- New series of pushbuttons and actuators type 3SB5 successfully launched in the market.
- New connectors for direct mounting of 3TS Contactors and 3VS MPCBs ready for market launch.

Annexure I to the Directors' Report (continued)

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

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

- 3WT8 Circuit Breakers tested successfully in India at 690 volts as per latest IEC Standard.
- In-house type testing facility built for testing our complete product portfolio as per latest IEC/UL standards.
- Rotary handle for 70 mm MCBs & - RCCB's 100/125A.
- New Digital X-ray table developed with flat detector for DR system project.
- SOLAR powered X-ray system project is initiated based on S.M.A.R.T product for M3/M4 market.
- SMART camera & Memory Module project in C-arms.

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

- Increased turnover.
- Improved segment specific business potential, specially service and captive power plant projects.
- Improved quality.
- Reduction in time to market the products.
- Increase in customer base and business volume.

3. Further Plan of action:

- Completion of type testing HCB, PG & earthing switches low cost design of disconnectors for local low end market.
- Development of higher output wind energy generators 1.6 MW to 2.5MW.
- Development of Traction/ Electrical cabinets for Hotel Load of 4500HP Diesel Locos.
- Development of dry type multi-secondary transformers 500 - 3500kVA for MV drives.
- Localization of Evaluation Computer for Railway signaling, MV Drives Perfect Harmony 3500kVA and Hotel Load Converter 500kVA for 3 phase electric locomotives.
- Test facilities for testing MCBs, fuses and RCCBs excluding short circuit tests.
- Development of inhouse coating facility for application of slurry based coatings

4. Expenditure on R&D:

- a. Capital Expenditure: ₹7.93 million
- b. Revenue Expenditure: ₹78.9 million
- c. Total Expenditure: ₹86.83 million

C. Technology Absorption & Innovation

1. Efforts undertaken:

- 12kV, 26.3kA, 31.5kA, 40kA new generation Circuit Breaker and air insulated panel in progress.
- New Designs for DBR, HCB and PG developed.
- Technological assistance for instrument transformer manufacturing - imported from Trench Germany manufacturing of 245kV & 420kV current transformers / potential transformer.
- 800 kV circuit breaker development.
- Technological assistance for transformer manufacturing - HVDC transformers.
- The 4th Generation DCS SPPA T3000 was introduced to the Indian market.
- Localization of ST technology for SST 300 C Blading and SST 600 Turbines.
- New grinding wheels for flank grinding have been implemented.
- Adapted UREA molding technology for high volume and complex engineering application.
- Developed indigenous technology for automated testing of MCBs.
- Adapted precision resistance welding technology.
- Adapted LED lighting for workplace / machine lighting.
- Technical assistance for High Voltage Gas Insulated Switchgear manufacturing imported from Siemens Germany - manufacturing of 8DN8 (145kV) & 8DN9 (220 kV) GIS.
- Development of all processes associated with repair of SGT 200 compressor stator and rotor parts.

2. Benefits derived from the above:

- Successfully manufactured and tested first HVDC transformer from India.
- Accessibility to the increasing electricity utility market.
- Cost saving and increased production in unaddressed market segment.
- Better cost position and reduced dependence on imported technology.
- Overall cost reduction.

3. Imported Technology:

Technology Imported	Year of Import	Has the technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.
Technology of manufacture of 12kV, 26.3kA, 31.5kA, 40kA new generation Circuit Breaker and air insulated panel	2009-10	No	Development work-in-progress and manufacturing would commence after successful type testing.
Technology for manufacture of 245kV & 400kV CT/PT	2007-08	Yes	Not Applicable
Technology for manufacture of 400 kV 63 kA/800 kV HVCB	2008-09	No	Partly under implementation
Technology for manufacture of 400 kV Power Transformers including HVDC	400kV - 2007-08 HVDC - 2008-09	Yes	Not Applicable
Districuted control System SPPA T3000	2009-10	Yes	Not Applicable
Steam Turbine Engineering, Production Condenser Engineering and Production	2009-10	No	C Blading manufacturing under localisation, SST 600 localisation started from September 2010.
Design features, Assembly and testing	2009-10	First order for CACA M.V. motor is under manufacture.	After starting assembly and testing processes for medium voltage motors from 2008, it is planned to increase manufacturing depth in Kalwa factory by importing and indigenising the strip winding technology for medium voltage motors.
Technology for manufacture of 145kV & 220kV GIS	2008-10	Yes	Not Applicable
Compressor Component Engineering and Repair processes	2009-10	Yes	Not Applicable

On behalf of the Board of Directors

For **Siemens Ltd.**

Deepak S. Parekh
Chairman

Mumbai
Wednesday, 24th November, 2010

Annexure II to the Directors' Report

Management's Discussion & Analysis

General Performance Review

The Indian economy exhibited broad based recovery in the second half of 2009 -10 from the slowdown that was witnessed in the second half of 2008 - 09. Despite a deficient monsoon and a fragile pace of global recovery, India achieved 7.4 % growth in GDP during 2009-10.

The cyclical slowdown in the Industrial Sector which began in 2007-08 was arrested at the beginning of 2009-10 and the sector registered a growth of 8.2%. The manufacturing sector in particular grew at 8.9% while the service sector grew at 8.7%. Core industries and infrastructure services, led by the robust growth momentum of telecom services and spread across power, coal and other infrastructure like ports, civil aviation and roads have also shown signs of recovery in 2009 -10. The Index of Industrial Production (IIP) registered a growth of 10.5% during 2009 -10 as compared to 2.8% in 2008-09 due to a boost from the double digit growth which was witnessed since October 2009.

The year-on-year wholesale price index (WPI) inflation rate was fairly volatile in 2009-10. While it remained low during the first half of the year it increased to 11.0 % in the second half (March 2010). The base effect of high prices in the first half of 2008-09 contributed to the low inflation during the first half of 2009-10. The build-up of inflationary pressures, however, was visible throughout the year as WPI exhibited a strong uptrend over successive months during the year. In addition to this, the dynamics involved in the production of some components of the capital goods sector have also played a significant role in the recent volatility seen in the overall IIP numbers.

All in all, the improved Indian economic scenario and robust growth of the manufacturing sector saw impressive investments in industries and infrastructure. Riding on this economic recovery, Siemens Ltd. posted impressive results with New Order Intake increasing by 41%; Sales increasing by 11% and Profit from Operations growing by 26%.

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

Industry Sector

The Indian Industry witnessed an impressive turnaround during this financial year compared to the previous year. The market recorded a robust growth owing to the easing of the overall credit crunch and alleviation of the effects of the global economic downturn. Most investments by Industry customers that were dropped or deferred in the last financial year regained momentum and the overall Industry market grew at a healthy pace. Renewed investment focus in various Industry verticals such as Automotive, Real Estate, Textiles, Paper, FMCG, F&B, Cement, Metal Processing and Infrastructure projects also provided an extremely conducive environment.

Siemens Industry Sector, which has a healthy mix of short and long cycle product & project businesses, grew in FY

2009-2010, with an impressive Order intake of ₹39 billion; a growth of 15%. Revenues increased by 14% to ₹42 billion and Profit from Operations rose by 63% to ₹4 billion.

With regard to the product business group of Industry sector namely Industry Automation (IA), Drive Technologies (DT) and Building Technologies (BT) divisions played a major role and contributed to the overall success and performance of the Industry Sector.

The product division of Siemens, with its innovative, customized and state-of-the-art solutions won several noteworthy orders from a variety of customers. The Industry Automation (IA) division received orders from Jindal Barbil, the world's largest Beneficiation Plant for PCS7, and ONGC for clamp-on flow meters. The Division also launched a new series of technologically advanced contactors and brelays called SIRIUS.

The Drive Technologies (DT) division successfully commissioned the first MV Drive which is retrofit for the Slipring motor in Vedanta, Orissa for the purpose of energy saving. In addition to this, Sinamics G130 LV AC Drive was also commissioned and fitted for the world's largest gyrator in the Tata Steel Plant at Jamshedpur. The DT division through their technological leadership position also received an order from Jyothi CNC Automation, one of the country's biggest machine tool builders for the purchase of 1000+ Sinumerik CNC controls. The Division also launched a specially designed product Sinumerik 828D PPU 260 which caters to the mid range dye & mold segment. The division also significantly increased its portfolio in the Motors product range and ramped up manufacturing capacities at Kalwa Works, to cater to the demand of energy efficient motors.

The Industry Solution (IS) division, catering to long cycle project businesses reported a marginal growth, as most turnkey projects, primarily in the Metals business, started reviving only during the later part of the fiscal.

One of the key highlights for the IS division was the winning of first time orders from the Indian Navy and Mazgaon Docks Ltd., from the newly formed Marine Solutions group. The IS division was also able to maintain its leadership position in metals, mining and power solution segments and new business units like water, infrastructure and services won several orders. This division has also been instrumental in executing many environment friendly projects, which will enable customers to reduce their carbon foot print and maybe even earn carbon credits for some of our customers.

The Mobility Division of Siemens which provides end-to-end transportation solutions grew at a healthy pace and commissioned some prestigious projects in the country during this fiscal.

The Mobility Division received its first turnkey metro rail contract for signaling, electrification, rolling stock and system integration for the new 6.1 km metro line in Gurgaon. The division also won the country's first ever postal automation order from the Indian Postal Department for automation of

mail sorting on the Kolkata - Delhi mail route. Besides these orders, the Mobility division also successfully commissioned the baggage handling systems for terminal 3 of Delhi international Airport, in record time and also received an additional order for the annual maintenance of this system.

Outlook: The strong local demand for goods and services will continue to attract large investments in industries and infrastructure projects. Siemens also plans to set up new facilities and introduce numerous products with local value additions to tap the growth opportunities from existing and new market segments (mid and low end). As a green infrastructure company, Siemens will continue to invest in its green portfolio and help create sustainable value for customers with its products and solutions.

Energy Sector

The Energy market also continued to grow, strongly driven by investments in the power generation sector. The government continued its numerous measures to ensure better achievement of capacity addition as per the targets of the 11th Plan. A perceptible movement was also witnessed towards greater thermal efficiencies and lower emissions with a preference for Supercritical Technology. In the industrial sector, growth in metals, cement & fertilizers, and petrochemical sectors were the main driving force for our Oil & Gas / Industry business. The Energy sector witnessed intense competition due to capacity addition & expansion of new factories by numerous players. The entry of multiple new players into the market also led to pricing pressure.

Despite this tough competition, Siemens was able to retain its market position in the Energy sector. During 2009 -10, the order value jumped by 63% to ₹77 billion, sales grew by 5% to ₹43 billion and Profits from Operations rose by 19% to ₹7 billion. As part of its expansion plans, the energy sector expanded the capacity of its Steam Turbine factory at Vadodara to manufacture larger sized industrial steam turbines of upto 150MW. The sector also announced the setting up of its Medium Voltage (MV) and Energy Automation (EA) factories in Goa.

Last year, one of the key contracts won by the energy sector was from Qatar for the designing, engineering, installation and commissioning of substations and associated electrical networks. Other key orders came from Torrent for the turnkey construction of a Combined Cycle Power Plant - UNOSUGEN and from Powergrid for complete turnkey 765kV substations at Meerut. Last year, the energy sector successfully introduced several new products including the country's first single phase 500MVA HVDC Transformer, the 800kV Circuit Breaker, 400kV, 63kA Disconnectors, etc.

Outlook: The substantial capacity addition in power generation with a focus on supercritical units will generate a market for Siemens products. The expected rebound of growth in the industrial sector should drive business in industrial turbines and the Oil & Gas divisions. The expansion plans by Power Grid in inter-regional and high voltage

transmission networks will also be of special interest. As an integral energy player with products which provide solutions for Oil & Gas, power generation, transmission & distribution, and renewable energies, we will continue to play a leading role in the introduction of leading technologies in all areas of the energy sector.

Healthcare Sector

In the fiscal year 2009-10, investments by the government continued in the Healthcare sector with significant participation by corporate and private players. Major corporate and private hospitals announced expansion of their footprint in tier II and III cities, followed by acquisitions of smaller healthcare centers. The healthcare market thus registered an overall growth of more than 10% over the previous year.

Siemens Healthcare leveraged these growth opportunities and became the market leader in India. The Sector maintained its leadership position in the business segments of CT scanners, MRI, PET/CT scanners, Cath Labs and X-rays. With a healthy Order intake and improved profitability, the overall performance of the sector was excellent. For FY 2009-10, the Order Value increased by 28% to ₹7.8 billion, Sales jumped by 39% to ₹7.5 billion, while Profits from Operations rose by 26% to ₹519 million.

The Healthcare Sector launched two MRI scanners called MAGNETOM Skyra 3 Tesla system and MAGNETOM Aera 1.5 Tesla system, which provide a combination of high-end technologies like Total Imaging Matrix (Tim), 4G and Day Optimization Technology (Dot) for the first time in Asia. The ultimate benefit of these technologies is optimum patient comfort and excellent image quality, thus providing accurate diagnosis. Exports from Goa continued to grow, where orders worth ₹400 million were exported to 16 countries worldwide.

The Healthcare Sector initiated its service excellence project to achieve key objectives like becoming the undisputed leader in customer satisfaction, enabling focused increase in customer satisfaction levels and delivery of spare parts within 24 hours. To enhance its support towards sustainable business, the Sector also made an attempt at bagging orders for its replacement market initiative (for refurbished products) and bagged a decent order intake.

Outlook: The overall Healthcare market is expected to grow at a CAGR of 12% during the next 5 years. This will be supported by development in the health insurance segment, which is expected to grow at a CAGR of 25% in the coming years. Public-private partnership (PPP) will be the mantra as far as government spending on healthcare is concerned. With rapid urbanization and GDP growth, tier II and III districts are emerging to be major new markets.

Subsidiaries of Siemens Ltd.

Siemens Building Technologies Pvt. Ltd. (SBTPL)

During 2009-10, Siemens Building Technologies Private Ltd (SBTPL) beat the market trend, with businesses growing moderately and registering a healthy performance. In the

Annexure II to the Directors' Report (continued)

Management's Discussion & Analysis

last fiscal, the SBTPPL business registered a 17.5% growth in revenue compared to the previous year. Sales grew by 19%, while Order Value increased by 21%.

During the last fiscal, SBTPPL won a milestone order from Infosys for the supply of State-of-the-art security solutions that span both Physical as well as Logical Access.

Another major achievement for SBTPPL was the launch of innovative security systems based on the Fusion Platform along with cost effective control products and systems for the price sensitive M3 markets. Along with various internal process improvement measures, SBTPPL has been instrumental in spearheading the conversion of existing Buildings to Green Buildings in order to save energy and operational costs.

Outlook: With the revival of the commercial real estate segment, this sector is expected to grow well in the next fiscal. The Building Technologies Division with its dominant market position and domain expertise, combined with the synergies of Siemens Ltd., is well positioned to leverage market opportunities.

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, effectiveness of risk management & internal control systems, and 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, the 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. This department also considers the work performed by Siemens' other control & monitoring functions and external auditors, so as 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 once a year. The results from the audit are reported to the Audit Committee on a quarterly basis.

Compliance

Siemens Ltd. has further strengthened its Compliance function, post completion of the Internal Control Remediation implementation phase, and has a restructured Compliance function based on focus areas and sector requirements.

During the year 2009-2010, the Regional Compliance Office (RCO) team focused on building 'Conviction through Ethics' internally through extensive 'In-person' and 'Web-based' training for employees. These trainings have been very well accepted by our employees, the results of which are evident with around 8300 certifications from Siemens Ltd.

The Compliance Performance Index of RC India at 89% has also outperformed the Global Average of 81% which is a good indicator of Compliance function being a Business enabler.

The Compliance Organization also continued with its efforts outside the realms of Siemens Ltd. to bring about changes in other organizations through robust Collective Action Initiatives/workshops. These are carried out with support from NGOs, Transparency International, India (TII) and various other Government bodies.

Safety & Environment

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

With increased demand in the local & global markets and as an extension of our role as a responsible corporate citizen, sustainable environment is gaining greater importance within Siemens. With its technological innovations, Siemens is making every attempt to reduce environmental pollution & enhance the work place for its employees and the society at large. As an extension of this role, Siemens has incorporated the 'Reduction & phased elimination of hazardous ingredients' program for all products – and has made this a crucial part of its design criteria.

The company also continued to comply with international certifications & standards like ISO 14001 & OHSAS 18001 for the Environment, Health & Safety Management for its manufacturing units, thereby promoting a healthy & safe work place with a clean environment.

In 2009 -10, the Steam Turbine Factory, Vadodara implemented the Integrated Management System for EHS in accordance with ISO 14001 & OHSAS 18001 international standards and has been recommended for certification by a third party certifying body. The Healthcare Factory at Goa also implemented Integrated Management System for EHS in accordance with ISO 14001 & OHSAS 18001 international standards and has received certification from Siemens AG

At Siemens, environment concerns have always taken precedence over other things; hence all our factories at Kalwa, Aurangabad and Nashik have been re-certified for international standard ISO 14001 for the Environment Management System. To further 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 Aurangabad Works and the Kalwa Switchgear factory started a pilot Rain Water Harvesting project.

The Kalwa Switchgear Factory has reduced waste material by reusing process scrap and thermoplastic. So far 10 tons per year has been recycled.

As our commitment towards creating a safe work environment continues, so does our training and education effort. Last year, a total of 3,172 employees including contractors were trained

on various Safety & Environment topics – an approximate growth of 15% as compared to the previous year.

As part of Preventive Crisis Management, emergency drills were conducted at various Siemens locations to assess the preparedness level with respect to employees and infrastructure.

Human Resource Initiatives

To keep up with the legacy of nurturing new talent and retaining existing talent, the HR department undertook several initiatives. Last year, approximately 185 fresh Graduate Trainee Engineers (GTE) joined the Siemens family across the three sectors on a pan-India basis. Details of these training programs and initiatives have been listed below:

- a. 22 Siemens Information Programs were conducted to orient 529 lateral hires into the Siemens family.
- b. The Sales Managers' learning Program (SP1) was first rolled out in India in August 2010 which saw the participation of 20 sales managers in the first batch.
- c. Various on-going training programs which have been designed as per the market requirement covering relevant topics are updated on a time to time basis. In FY 2009-10, about 4533 employees participated in 261 training programs, pan-India.

The Company has made efforts to emphasize the need for enhancing existing skill sets of high potential employees. This is done through the Development and Leadership Programs.

- a. The Management Development Centre (MDC) initiative is one such initiative which involved 30 employees from across the Siemens Group.
- b. The Program for Business Managers (PBM), conducted at IIM Bangalore, is meant for developing talent at the mid-management level. 57 managers participated in this during FY 2010.
- c. The Strategic Leadership Development Programme (SLDP) was conducted at IIM-Ahmedabad: This two-week intensive training program on Business Skills and Leadership Development is another effort to hone skill sets of participants by bringing in an external perspective. Last year for the first time, two batches of SLDP were conducted within a year wherein 43 senior managers participated.

In FY 2009-10, the Long Term Settlements for Kalwa & Aurangabad were signed with the Siemens Workers' Union for a period of three years six months. Settlements with regard to Nashik Works, Baroda Works & the Settlement for the staff is in process and will be carried out in due course. Amidst all the pressures and demands of the growing business, Industrial Relations with the Unions continue to be very cordial.

As on September 30, 2010, Siemens Ltd. had 7,488 employees.

Outlook for Siemens Ltd.

Going forward we expect the reviving economy to attract huge investments and strengthen development in the areas of infrastructure and industries. The Industry is not only seeing the increase in fresh Projects, but also witnessed an increase in projects in the implementation phase.

Inflation has remained a major source of concern in the economy for more than a year. But combined with the base effect, the inflation rate is expected to fall to approximately 6.5% by March 2011.

The strengthening global recovery of the economy should help sustain the growth rate for the Indian economy. Siemens with its wide portfolio of infrastructure solutions will continue to focus on state of the art technology, sustainability and green solutions while actively pursuing the base level segment with increased localization. However the challenges will be a highly competitive market environment, leading to pricing pressure. Rising raw material prices also seem to be a cause for concern. Delay in implementation of infrastructure projects, especially in the power sector, could also hamper the growth momentum. Concerns regarding high inflation the Indian rupee's sharp appreciation also continue and could slow down the cost competitiveness. Despite these challenges, Siemens remains positive about the near-term outlook. As an integrated technology company, Siemens will focus on consolidating its leadership position in the market and continue on its profitable growth path.

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 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
Wednesday, 24th November, 2010

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 11 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)	72.73 (54.55)	50% (33.33%)
Whole-time Directors	3	27.27	-
Total	11	100.00	

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, 2010, number of Meetings held and attended during the year are as follows:

Name	Category ⁽¹⁾	Board Meetings during the FY 2009-10		Attendance at last AGM held on 29.01.2010	Other Directorships in India ⁽²⁾	Other Committee positions in India ⁽³⁾	
		Held	Attended			Member	Chairman
1 Mr. Deepak S. Parekh (Chairman)	NED (I)	6	5	Yes	18	1	5
2 Dr. Armin Bruck	WTD	6	6	Yes	3	1	Nil
3 Mr. Darius C. Shroff	NED (I)	6	6	Yes	12	4	2
4 Mr. Yezdi H. Malegam	NED (I)	6	6	Yes	8	2	3
5 Mr. Wolfgang Dehen ⁽⁴⁾ (Special Director appointed by Siemens AG)	NED	6	2	No	Nil	N.A.	N.A.
6 Mr. Stephan Schneider ⁽⁴⁾ (Alternate for Mr. Wolfgang Dehen)	NED	6	2	Yes	Nil	N.A.	N.A.
7 Mr. Narendra J. Jhaveri	NED (I)	6	5	Yes	11	4	2
8 Mr. Keki Dadiseth	NED (I)	6	5	Yes	8	1	3
9 Mr. Pradip V. Nayak	NED (I)	6	6	Yes	4	1	2
10 Mr. Joe Kaeser ⁽⁴⁾	NED	6	2	Yes	Nil	N.A.	N.A.
11 Dr. Otmar Schmitt ⁽⁴⁾ (Alternate for Mr. Joe Kaeser)	NED	6	2	Yes	Nil	N.A.	N.A.
12 Mr. Vijay V. Paranjape	WTD	6	6	Yes	2*	Nil	Nil
13 Mr. Sunil Mathur	WTD	6	6	Yes	3	Nil	2

* Includes directorship in Flender Ltd., which has been amalgamated with the Company but its dissolution without winding up is under process.

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.

- **Board Meetings**

During the Financial Year 2009-10, 6 Meetings were held on 20th November, 2009, 26th November, 2009, 30th November, 2009, 29th January, 2010, 29th April, 2010 and 29th July, 2010.

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 2009-10	
		Held	Attended
Mr. Yezdi H. Malegam, Chairman	15.12.2000	5	5
Mr. Joe Kaeser / Dr. Otmar Schmitt (Alternate Director for Mr. Joe Kaeser)	01.10.2006	5	4*
Mr. Deepak S. Parekh	22.11.2004	5	4
Mr. Keki Dadiseth	01.02.2006	5	4

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

Mr. Ajai Jain, Vice President (Legal) & Company Secretary, is appointed as Secretary to the Committee with effect from 1st August, 2008.

During the Financial Year 2009-10, 5 Meetings were held on 20th November, 2009, 26th November, 2009, 29th January, 2010, 29th April, 2010 and 29th July, 2010.

The Executive Director and the Heads of Accounts, Finance and Taxation Departments, Regional Compliance Officer, Internal Auditors 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.

Annexure III to the Directors' Report (continued)

Corporate Governance Report

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 52nd Annual General Meeting held on 29th January, 2010.

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 2009-10	
		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 2009-10, the Committee met on 15th January, 2010 and 19th July, 2010.

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.

Investors' Complaints

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

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

The details of complaints received, cleared / pending during the Financial Year 2009-10 is given below:

Nature of Complaints	Received	Cleared	Pending
Non-receipt of share certificates duly transferred	13	13	0
Non-receipt of dividend warrants	32	32	0
Letters from SEBI	5	4	1
Letters from Stock Exchanges	5	5	0
Letters from Depositories	5	5	0
Letters from Ministry of Corporate Affairs	2	2	0
Total	62	61	1

Number of complaints received during the year as a percentage of total number of Members as on 30th September, 2010, is 0.04%.

B. Non-mandatory Committees

Remuneration Committee of Directors (Remuneration Committee)

Composition

Name	From	No. of Meetings during FY 2009-10	
		Held	Attended
Mr. Narendra J. Jhaveri, Chairman	15.12.2000	2	2
Mr. Darius C. Shroff	15.12.2000	2	2
Mr. Deepak S. Parekh	01.10.2004	2	1
Mr. Pradip V. Nayak	23.07.2007	2	2

During the Financial Year 2009-10, the Committee met on 26th November, 2009 and 29th April, 2010.

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.

Annexure III to the Directors' Report (continued)

Corporate Governance Report

Remuneration Policy

The remuneration policy of the Company is performance driven and is structured to motivate employees, recognize their merits and 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 entitlement to participate in the Equity based compensation programs of Siemens AG, Germany / Siemens Ltd., as applicable from time to time. Annual increments are decided by the Remuneration Committee within the salary grade approved by the Members.

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

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

Remuneration paid / payable to the Whole-time Directors for the Financial Year 2009-10

(Amount in ₹)

	Dr. Armin Bruck	Mr. Sunil Mathur	Mr. Vijay V. Paranjape
Salary	10,132,800	6,188,100	4,596,600
Perquisites ⁽¹⁾	25,691,418	16,231,249	4,253,938
Performance Linked Incentive	34,606,874	21,834,500	9,258,463
Compensation under Stock Option Plan(s) of Siemens AG	Nil	Nil	1,318,417
Commission	Nil	Nil	Nil
Total	70,431,092	44,253,849	19,427,418
Tenure			
From	01.10.2007	22.07.2008	01.02.2007
To	30.09.2012	21.07.2013	30.09.2011
Equity Shares of ₹2 each held as on 30.09.2010	Nil	Nil	7,348

Note:

⁽¹⁾ Perquisites include Company's contribution to Provident Fund (for Dr. Armin Bruck upto December 2009), Superannuation and Gratuity Funds (except to Dr. Armin Bruck) for Directors. Further, the perquisites for Dr. Armin Bruck and Mr. Sunil Mathur includes Overseas Allowance and Special Allowance, respectively.

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

2. For Non-executive Directors

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

Sitting Fees

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

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

Commission

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

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

Remuneration paid / payable to the Non-executive Directors for the Financial Year 2009-10:

Name	Sitting Fees for Board / Committee Meetings attended (₹)	Commission ⁽¹⁾ (₹)	Total (₹)	Number of Equity Shares of ₹ 2 each held as on 30.09.2010 (₹)
Mr. Deepak S. Parekh	220,000	2,860,000	3,080,000	9,000
Mr. Yezdi H. Malegam	270,000	2,420,000	2,690,000	6,250
Mr. Darius C. Shroff	180,000	1,870,000	2,050,000	9,000
Mr. Narendra J. Jhaveri	120,000	1,540,000	1,660,000	5,000
Mr. Keki Dadiseth	190,000	1,430,000	1,620,000	Nil
Mr. Pradip V. Nayak	190,000	1,815,000	2,005,000	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	90,000	605,000	695,000	Nil
Mr. Stephan Schneider ⁽²⁾	N.A.	N.A.	N.A.	Nil

Notes:

(1) Subject to the approval of Annual Accounts for the Financial Year 2009-10 by the Members at the 53rd Annual General Meeting to be held on 28th January, 2011.

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

As disclosed to us, none of the Non-executive Directors has any pecuniary interest in the Company, except for Sitting Fees and Commission, if any, paid / payable to them by the Company.

Annexure III to the Directors' Report (continued)

Corporate Governance Report

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 and Regulations and recommending best practices in the areas of Board Governance, Corporate Governance and disclosure policies considering the interest of the stakeholders.

Composition

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

During the Financial Year 2009-10, the Committee met on 26th November, 2009 and 29th April, 2010.

ii. Investment Committee of Directors (Investment Committee)

Composition

Name	From
Mr. Deepak S. Parekh, Chairman	23.07.2007
Mr. Yezdi H. Malegam	23.07.2007
Mr. Pradip V. Nayak	23.07.2007
Mr. Joe Kaeser / Dr. Otmar Schmitt (Alternate Director for Mr. Joe Kaeser)	23.07.2007
Mr. Sunil Mathur	01.10.2008

The Investment Committee Meetings are held as and when required. During the Financial Year 2009-10, 3 Meetings were held on 26th November, 2009, 30th November, 2009 and 31st August, 2010. 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	From
Dr. Armin Bruck, Chairman	01.01.2008
Mr. Sunil Mathur	01.10.2008
Mr. Ajai Jain, Member & Secretary	01.08.2008

The STC notes and takes on record the transfer / transmission / transposition of shares and consolidation / splitting of folios, issue of share certificates in exchange for sub-divided, consolidated, defaced, etc., as approved by the authorised 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. 29 Meetings of the STC were held during the Financial Year 2009-10.

ii. Finance Committee (FC)

Composition

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

The FC authorises opening / closing of bank accounts, availing of credit facilities, giving of loans, intercorporate deposits, guarantees, investment in mutual funds, commodity hedging, etc. The FC Meetings are held as and when required. 13 Meetings of the FC were held during the Financial Year 2009-10.

iii. Delegation of Powers Committee (DPC)

Composition

Name	From
Dr. Armin Bruck, Chairman	01.01.2008
Mr. Sunil Mathur	22.07.2008
Mr. Ajai Jain, Member & Secretary	01.08.2008

The DPC issues / revokes Powers of Attorney, fixes the procedures for signing authority, grants authority for various purposes to the employees, etc. The DPC Meetings are held as and when required. 15 Meetings of the DPC were held during the Financial Year 2009-10.

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, 2010.

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, 2010. 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.

Annexure III to the Directors' Report (continued)

Corporate Governance Report

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
2008-09	52 nd	Nehru Centre Auditorium Dr. Annie Besant Road, Worli Mumbai – 400 018	Friday, 29 th January, 2010	3.00 p.m.
2007-08	51 st	Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre	Friday, 30 th January, 2009	3.00 p.m.
2006-07	50 th	General Jagannathrao Bhonsle Marg Nariman Point, Mumbai - 400 021	Thursday, 31 st January, 2008	3.00 p.m.

b. Special Resolutions passed at the last three AGMs:

- i. At 52nd AGM –
 - (a) Approving payment of commission to Non-executive Directors.
 - (b) Approving 'Siemens Limited – Share Matching Plan' (SMP Scheme).
 - (c) Approving SMP Scheme to the employees of Indian subsidiaries of the Company.
- ii. At 51st AGM – Approving Amendment to the Articles of Association of the Company pertaining to addition of new clause with respect to implementation of Siemens Internal Regulations.
- iii. At 50th AGM –
 - (a) Approving Amendment to the Articles of Association of the Company pertaining to the Authorised Share Capital of the Company.
 - (b) Appointment of Ms. Mukta Paranjape, d/o Mr. Vijay V. Paranjape, Whole-time Director, to an office or place of profit.

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

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

XIII. Means of Communication

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

XIV. General Shareholder Information

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

XV. Status of compliance with non-mandatory requirements

1. The Company has constituted a Remuneration Committee of Directors comprising of Non-executive and Independent Directors.
2. 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
Wednesday, 24th November, 2010

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, 2010.

For Siemens Ltd.



Dr. Armin Bruck
Managing Director

Mumbai
Wednesday, 24th November, 2010

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 30th September, 2010 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; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Yours truly



Sunil Mathur
Executive Director / CFO



Dr. Armin Bruck
Managing Director / CEO

Mumbai
Wednesday, 24th November, 2010

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, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For S.R. Batliboi & Associates

Firm Registration Number:- 101049W
Chartered Accountants

per Sudhir Soni

Partner
Membership No.:41870

Mumbai
Date: 24 November 2010

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. 53rd Annual General Meeting

Day, date and time	Friday, 28 th January, 2011 at 3.00 P.M.
Venue	Yashwantrao Chavan Pratishthan Auditorium Y. B. Chavan Centre General Jagannathrao Bhonsle Marg Nariman Point, Mumbai - 400 021

2. Financial Calendar

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

For the Financial Year 2010-11, Financial Results will be announced as per the following tentative schedule:

1 st quarter ending 31 st December, 2010	Fifth week of January, 2011
2 nd quarter ending 31 st March, 2011	Second week of May, 2011
3 rd quarter ending 30 th June, 2011	Fifth week of July, 2011
Year ending 30 th September, 2011	Fourth week of November, 2011

3. Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Thursday, 20th January, 2011 to Friday, 28th January, 2011 (both days inclusive).

4. Dividend

Dividend will be paid on or after 28th January, 2011.

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 2010-11 to the aforesaid Stock Exchanges.

The Company forms part of "S&P CNX Nifty Index" of NSE. S&P CNX Nifty represents the shares of 50 elite companies in the Country from across 22 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 500.

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 2010-11 has been paid to National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

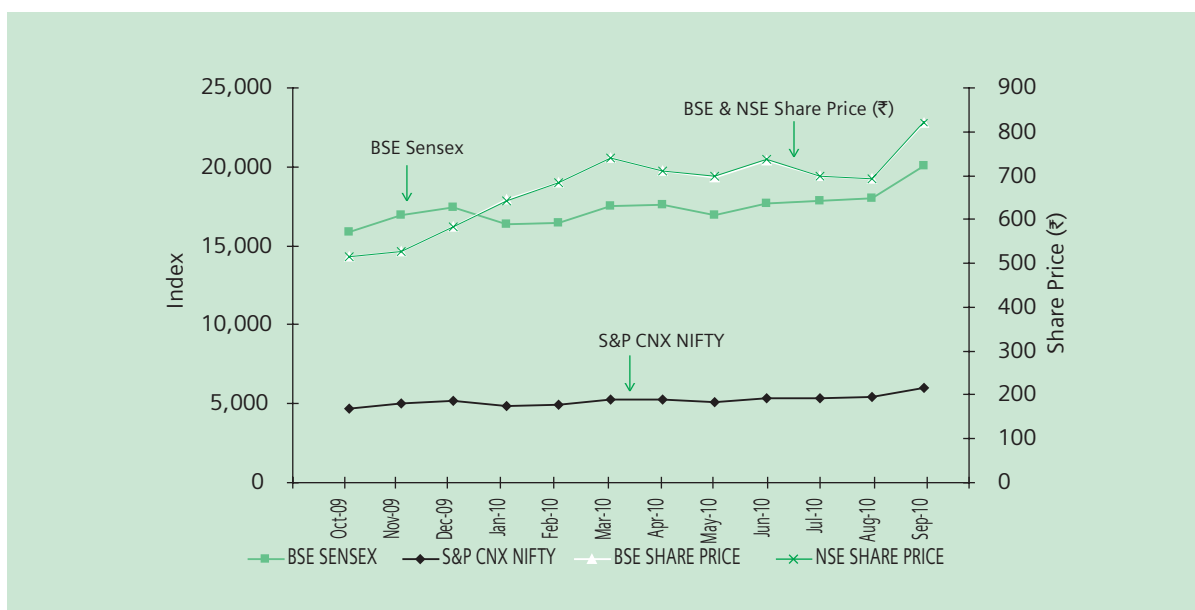
8. Market Price Data

- (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, 2009 to 30th September, 2010 are as follows:

Face Value of ₹2 each

	BSE			NSE		
	High	Low	Volume	High	Low	Volume
	₹	₹	Nos.	₹	₹	Nos.
October 2009	605.00	507.35	1,911,939	605.00	506.10	9,438,437
November 2009	579.50	486.20	1,877,318	580.00	485.30	8,092,545
December 2009	588.80	513.00	2,091,628	598.00	513.25	10,128,925
January 2010	677.50	580.00	3,010,371	677.60	577.50	12,760,247
February 2010	690.75	610.00	1,793,214	690.45	611.25	8,772,487
March 2010	764.90	675.50	1,444,904	765.90	673.55	7,672,295
April 2010	762.50	687.15	1,231,402	762.10	695.10	7,222,541
May 2010	717.65	645.25	1,936,008	717.50	620.60	10,837,025
June 2010	745.00	667.10	1,193,616	746.90	667.55	7,366,376
July 2010	750.50	695.00	1,271,224	750.80	694.45	7,146,089
August 2010	726.25	677.15	1,074,904	726.70	680.00	6,503,630
September 2010	846.50	684.00	2,861,903	846.80	683.50	14,532,647

- (2) Company's closing share price movement during the Financial Year 2009-10 on BSE and NSE vis-à-vis respective indices:



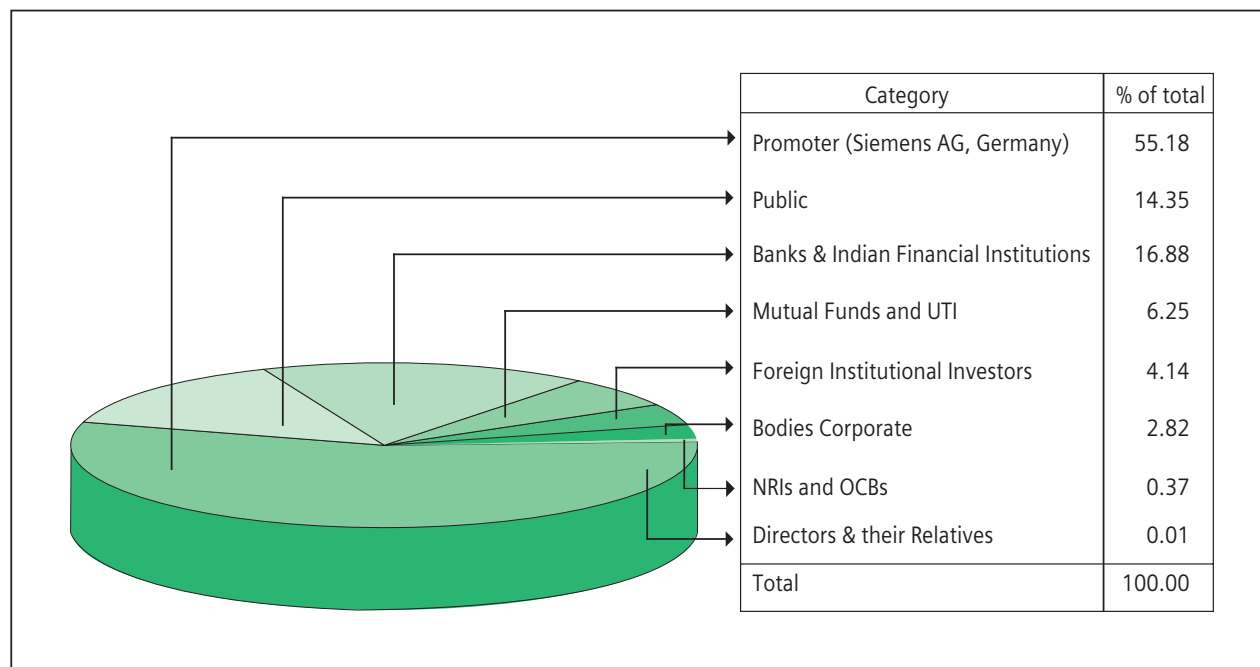
Annexure IV to the Directors' Report (continued)

General Shareholder Information

9. Distribution of Shareholding as on 30th September, 2010

Number of shares held (Face Value of ₹ 2 each)	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	145,663	89.84	9,052,804	2.69
501-1000	6,645	4.10	5,115,989	1.52
1001-2000	4,361	2.69	6,556,609	1.94
2001-3000	2,041	1.26	5,166,236	1.53
3001-4000	1,186	0.73	4,216,989	1.25
4001-5000	556	0.34	2,568,452	0.76
5001-10000	928	0.57	6,513,724	1.93
10001 & above	755	0.47	297,969,397	88.38
Total	162,135	100.00	337,160,200	100.00

10. Shareholders' Profile as on 30th September, 2010



Number of shareholders as on 30 th September	2010	2009
		162,135

11. Top Ten Shareholders of the Company as on 30th September, 2010

Sr. No.	Name of the Shareholder	Category	Number of shares of ₹2 each	% of total Capital *
1	Siemens Aktiengesellschaft, Germany	Promoter	186,041,090	55.18
2	Life Insurance Corporation of India	Financial Institution	45,686,184	13.55
3	HDFC Standard Life Insurance Company Limited	Body Corporate	3,253,577	0.96
4	Bharat Bijlee Limited	Body Corporate	2,825,160	0.84
5	Reliance Capital Trustee Co. Ltd. A/C Reliance Diversified Power Sector Fund	Mutual Fund	2,440,862	0.72
6	General Insurance Corporation of India	Financial Institution	2,319,890	0.69
7	Azim Hasham Premji	Resident Individual	2,273,018	0.67
8	Reliance Capital Trustee Company Limited A/C Reliance Vision Fund	Mutual Fund	1,900,068	0.56
9	DSP Blackrock Top 100 Equity Fund	Mutual Fund	1,656,606	0.49
10	Abu Dhabi Investment Authority - Gulab	Foreign Institutional Investor	1,396,227	0.41
Total			249,792,682	74.07

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

12. Dematerialisation of Shares & Liquidity

The details of Equity Shares dematerialised and those held in physical form as on 30th September, 2010 are given hereunder:

Particulars of Equity Shares	Equity Shares of ₹2 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialised form				
NSDL	323,614,655	95.98*	113,274	69.86*
CDSL	6,870,796	2.04	39,554	24.40
Sub-total	330,485,451	98.02*	152,828	94.26*
Physical Form	6,674,749	1.98	9,307	5.74
Total	337,160,200	100	162,135	100.00

* 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. (TSRDL), the Company's 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.

Annexure IV to the Directors' Report (continued)

General Shareholder Information

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 (022) 6656 8484
Fax: + 91 (022) 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 (080) 2532 0321
Fax: + 91 (080) 2558 0019
Email: tsrdlbang@tsrdarashaw.com
- TSR Darashaw Ltd.
Plot No 2/42, Sant Vihar
Ansari Road, Daryaganj
New Delhi - 110 002
Phone: + 91 (011) 2327 1805
Fax: + 91 (011) 2327 1802
Email: tsrdldel@tsrdarashaw.com
- Shah Consultancy Services Pvt. Ltd
Agents : TSR DARASHAW LIMITED
3, Sumatinath Complex
Pritam Nagar, Akhada Road
Ellisbridge, Ahmedabad - 380 006
Telefax: + 91 (079) 2657 6038
Email: shahconsultancy8154@gmail.com
- TSR Darashaw Ltd.
Tata Centre, 1st Floor
43, Jawaharlal Nehru Road
Kolkata - 700 071
Phone: + 91 (033) 2288 3087
Fax: + 91 (033) 2288 3062
Email: tsrdlcal@tsrdarashaw.com
- TSR Darashaw Ltd.
Bungalow No. 1, 'E' Road
Northern Town, Bistupur
Jamshedpur - 831 001
Phone: + 91 (0657) 2426 616
Fax: + 91 (0657) 2426 937
Email: tsrdljsr@tsrdarashaw.com

14. Share Transfer System

Documents for transfer of shares in physical form can be lodged with TSRDL at the 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.

15. Plant Locations

Location	Address
Maharashtra	
Aurangabad Works	E-76 & F54, Waluj, MIDC Area, Aurangabad - 431 136
Nashik Works	Plot No. C-1, Additional Industrial Area, MIDC, Ambad, Nashik - 422 010
Kalwa Works	Thane - Belapur Road, Thane - 400 601
Goa	
Goa Works	L-6, Verna Industrial Area, Panjim-Margao Highway, Verna - 403 722
	Plot No. C21, 23, 25 & 26, Phase -1A, Verna Industrial Area, Verna - 403 722

15. Plant Locations (continued)

Gujarat	
Vadodara Works	Maneja Village, Opp. Makarpura Railway Station, Vadodra - 390 013
Andhra Pradesh	
Hyderabad Works	Plot No. 89 & 90, IDA, Gandhinagar, Post Balanagar, Hyderabad - 500 037
Karnataka	
Bangalore Works	Devanahalli Road, Off Old Madras Road, Virgonagar Post, Bangalore - 560 049
West Bengal	
Kharagpur Works	Industrial Growth Centre, PO: Rakhajungle, Kharagpur - 721 301
Tamilnadu	
Puducherry Works	R.S No 16/8, Kurumbapet Village, Villianur Commune, Puducherry - 605 009
	R.S No 23/2A, Uruvaiyaru Road, Abishegapakkam, Puducherry - 605 007

16. Address for correspondence

Registered and Corporate Office:

Siemens Ltd.

130, Pandurang Budhkar Marg

Worli, Mumbai - 400 018, Maharashtra, India

Phone: +91 (022) 2498 7000 Fax: +91 (022) 2498 7500

Website: www.siemens.co.in

Investors' Relations Team:

Contact Person: Ms. Sheetal Vyas

E-mail: Corporate-Secretariat.in@siemens.com

Phone: +91 (022) 2498 7173 Fax: +91 (022) 2498 7043

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

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

17. Other Corporate Information

Bankers

Citibank N. A.

Deutsche Bank AG

The Hongkong and Shanghai Banking Corporation Ltd.

Standard Chartered Bank

HDFC Bank Ltd.

ICICI Bank Ltd.

State Bank of India

Auditors

S.R. Batliboi & Associates

Cost Auditors

R. Nanabhoy & Co.

On behalf of the Board of Directors

For **Siemens Ltd.**



Deepak S. Parekh
Chairman

Mumbai

Wednesday, 24th November, 2010

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

**Can one technology sustain
our entire way of life?**

Sustainability is more than a single technology. It's the philosophy behind everything Siemens is doing around the world.

In 1884, our founder made a simple vow: "I will not sell the future for temporary gain." That's the philosophy we still live by today. In Ontario, our wind turbines generate clean, renewable power. Our smart building technologies dot the skyline in New York and Dubai. Our commuter trains reshape cities like Paris and Kuala Lumpur. And our affordable healthcare solutions help hospitals cut costs in Cairo and Colombia. We're building answers to today's toughest questions – and we're building them to last.

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

SIEMENS

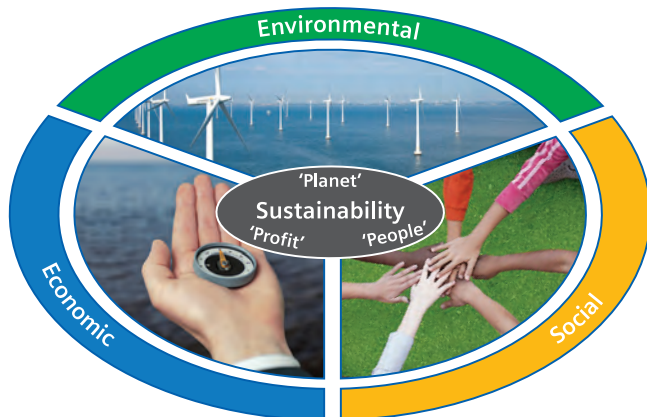
Sustainability @ Siemens Ltd.

Sustainability has been an element of Siemens' culture for generations and has seen the company through more than 160 years of excellence. Today, we are consciously making it an essential element of our business strategy, giving us a key competitive edge for us in the marketplace.

Siemens operates in nearly 190 countries and invariably becomes a part of the local communities – as an employer and client as well as a good "corporate citizen." That is why we actively contribute to forward-looking development at our locations. For us, this includes open exchanges of ideas with the countries and societies we are present in. In doing so, our commitment is focused first and foremost on the issues where our skills and experience can contribute most effectively to sustainable development.

For us, sustainability means acting responsibly on behalf of future generations to achieve economic, environmental and social progress. As an integrated technology company, we promote the sustainable development of our customers and our own organization in India. With sustainability as the cornerstone of our values, we work to make India a better place.

We at Siemens, are now answering the toughest questions of our time with our leading-edge products and solutions – ensuring a better, more sustainable future for all.



The three dimensions of sustainability – Economic, Social and Environmental

The three dimensions of sustainability – Economic, Social and Environmental – govern all our activities:

1. Economic Dimension:

Compliance

Siemens places great importance on its role as a responsible corporate citizen. This requires the company to conduct its affairs without exception in accordance with accepted ethical standards and in compliance with all relevant laws.

Siemens Compliance Program

At Siemens we conduct our business responsibly and in compliance with the laws and regulation of all the countries where we do business. The company does not tolerate illegal or unethical behavior.

The Siemens Compliance Program anchors ethical and legal behavior throughout the company and its implementation is driven by a worldwide compliance organization. The program includes clear instruction to all employees to comply with all applicable laws. The key principles of the program are how we conduct ourselves in business and ensuring our business partners work at a similar ethical standard.

Binding Business Conduct Guidelines require all our managers and employees worldwide to behave ethically and in conformity with the law. The guidelines are the basis of our work and the relationships of our employees with each other, customers and partners.

We also implemented comprehensive training programs for compliance across Siemens. In 2009-2010, 98% of employees completed two web-based training modules. In addition to this, 3289 employees were trained in 95 classroom sessions conducted by our Compliance Officers.

Research and Development

On average, Siemens generates an astonishing 38 inventions and 23 patent applications around the world every workday and our investments in Research and Development are the prerequisite for successful innovation and sustainable business success. Our innovations lead to new applications and help our customers introduce products that are more efficient to the market, opening up more business areas and reducing costs.

2. Social Dimension :

Corporate social responsibility

We strive to contribute to our society and environment in positive ways. In addition to the contribution we make through our innovative technology, we encourage our businesses and staff to be aware of the environmental impacts of their actions and to be involved in their local communities.

We encourage our businesses to think broadly and creatively about their role in society, and our businesses have responded by supporting schools, charities and community projects.

Caring Hands

Siemens global program, Caring Hands, is a special charity program which helps people in need when they need it most. It covers a wide scope of activities including volunteering, disaster relief, social sponsorship, and supporting or donating funds to good causes. We create partnerships with non-profit organizations and use our technology to provide fast reconstruction assistance when disaster strikes.

At Siemens Ltd. we undertook various projects under Corporate Social Responsibility and Caring Hands, including:

- Disbursement of loans amounting to LKR 1522500 for 1581 families towards the rehabilitation of tsunami victims

- A contribution of ₹10 Lacs towards the Haiti earthquake
- Education and development of over 100 children at St. Catherines Home, Mumbai.

Occupational health and safety

Siemens demonstrates a clear and uncompromising approach to the safety of all employees, contractors, customers and the users of our technology. Health and safety is part of everything we do and every decision we make at Siemens.

Siemens health and safety performance demonstrates that our dedicated focus over many years has resulted in industry leading performance. Our current Lost-Time Injury Frequency Rate (LTIFR) per million hours worked has increased to 1.7 in FY10, due to a large addition of sub-contractors. With the training of 3,172 employees including contractors on various Safety & Environment topics, we aim to bring down the LTIFR.

Learning & Development

With more than 7000 employees in India, our employees are undoubtedly our greatest assets. They are highly qualified and committed to the creation and provision of innovative products, systems, solutions and services. Employee training and development is critical to the creation and implementation of technology-based solutions for our customers and future generations.

The Siemens Learning & Development Centre optimizes the potential of all employees. By offering a range of learning and development opportunities, we ensure our people have the knowledge and skills to be successful in their job role thereby contributing to achieving our company business objectives.

In FY2010 we arranged 261 training programs for soft-skills development and management development (MDP's). More than 4500 of our employees participated in these programs and a sum total of Rs. 3.15 crore was spent on Learning & Development of our employees.

In addition to this, the Global Employee Engagement survey, an initiative by Siemens AG, to measure Employee Satisfaction levels on a global basis was also rolled out in Siemens Ltd. This was the first-year that a survey of this kind was administered and we are proud to report that Siemens Ltd. registered participation levels of 71% in the survey.

3. Environment Dimension:

We recognize the importance of protecting the natural environment and embrace our responsibility to help create an environmentally sustainable future.

Environmental Portfolio

Our Environmental Portfolio consists of exceptionally energy-efficient products and solutions, renewable energy systems and components and a range of environmental technologies. It is the largest environmental portfolio of

any company in the world and already generates more than a quarter of our revenue. Our global target is to increase Portfolio revenue to €40 billion in 2014.

Each year, we spend about €1 billion on environmental R&D and we currently hold around 14,000 patents for climate protection and environmental technologies.

In India, we have recently kicked off operations of our renewable energy business in India by setting up an office at Vadodara. Going forward renewable energies like wind and solar will be the need of the hour and we are committed to play our role to reduce carbon footprint through out technologies.

The other examples of Green technology are India's first and largest single phase 500MVA HVDC transformer and the locally manufactured 145 kV Gas Insulated Switchgear.

The products and solutions in our Environmental Portfolio make a significant contribution to climate protection by helping our customers reduce their CO2 emissions. Our goal by 2011 is to see our customers save 300 million tons of CO2 a year with our products and solutions, on a global basis.

Environmental Protection

Protecting the environment is not just sound business practice and part of our duty as a good corporate citizen, but is also a key success factor for our company. At Siemens we fulfill our responsibilities in the area of environmental protection by ensuring that our products, systems and services and the operation of our locations meet high environmental standards.

Ecological Footprint Management

Globally, an environmental reporting system is in place for all company locations that exceed certain thresholds for resource consumption and waste volumes. Siemens is operating a global environment program aimed at achieving a 20% improvement in energy efficiency by 2011.

Across India we aim to measure company wide environmental performance. We are committed to continually reduce our environmental impact through a range of environmental initiatives and programs.

In order to achieve this, Siemens has in place a Green Building Initiative. This initiative involves optimizing existing building in regards to energy in the first phase. We aim to achieve a 10% reduction in energy consumption in all company-owned offices, in India by 2012.

Employee environmental awareness

As a values-driven company, our goal is to raise awareness throughout the workforce of the importance of environmental and climate protection. The objective is to facilitate the employees to inculcate the culture of sustainability through self-realisation and active participation.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) initiatives for this year were planned in a manner in order to be able to adopt the United Nations Millennium Development goals of Universal Education and a Sustainable Environment. As part of the CSR program, the focus of initiatives was on greater employee participation and sharing of expertise and contributions so as to assist the underprivileged children in their development and also garner their support in minimizing the impact caused to the environment.

The key highlights of our CSR Initiatives have been listed out below:

1. St. Catherine's Home, Mumbai

The St. Catherine's Home project is an effort by Siemens to address the issue of homeless and vulnerable street children and the Company has been associated with St. Catherine's Home, Bandra, Mumbai for the last seven years. The objective of doing this is to make an attempt at providing a normal childhood to over 100 children who reside at St. Catherine's. Siemens contributes towards the boarding, education and upgradation & refurbishment of infrastructure expenses of St. Catherine's Home on a yearly basis.

We also organized counseling sessions and recreation programs for the children with active participation from employee volunteers. For a brighter future of the children, we also support the Educational Extension project of St. Catherine's Home at Koperkhairane, Navi Mumbai for St. Catherine of Siena School and Orphanage for children, post completion of their primary education.

Our support provides the children with an opportunity to complete their education and enable them to become the first generation learner of their respective families. These children have never been to school before as they mostly reside on the streets and/or slums. Being in the orphanage, in a non threatening environment, the children have started building greater confidence. Our effort is also focused on ensuring a better and safer childhood to these children.

2. Tsunami Rehabilitation project, Sri Lanka

Realizing the need for long-term rehabilitation of Tsunami victims, Siemens as part of Ape Dayawa - the German Business Community in Sri Lanka is working with Jana Suwaya, an NGO, to provide long term rehabilitation to the Tsunami victims. This is being done by setting up two Social & Learning centres for women and children by providing them with an opportunity to earn their livelihood in severely affected regions of Tangalle and Hambantota in Sri Lanka.

Till date 1581 loans amounting to LKR 1522500 have been disbursed to enable women to earn additional income using their skill sets & uplift the standard of living for their families. The Community learning centers will provide computer training and training for self-development with special programs for women and children. It will also act as a platform for residents to meet and interact.

3. Disaster Relief and Rehabilitation

Disaster Relief and Rehabilitation is an important part of the Siemens CSR program. This year our employees along with Red Cross Society jointly distributed 200 family packs to the communities affected by Aila cyclone in West Bengal.

For Haiti earthquake relief too Siemens' employees came together as One Siemens and contributed a total of ₹ 134,253. In addition to the employee contribution, Siemens Limited also contributed INR 10 lacs towards the rehabilitation of infrastructure projects and as support to set up hospitals in Haiti through the German Red Cross.

Further we also supported activities in Public Health Promotion and Water & Sanitation during the Leh flood through Oxfam India.

4. Green Initiatives

During the year, we also took our sustainability initiatives forward and demonstrated that we walk the talk when it comes to giving back to our environment. On World Environment Day, 8916 units of power were saved across various Siemens locations. We also contributed to the reduction of our carbon footprint by 7 tonnes of CO2 within a single day. In addition all network printers were switched off and tree plantation was encouraged at St. Catherine's Home.

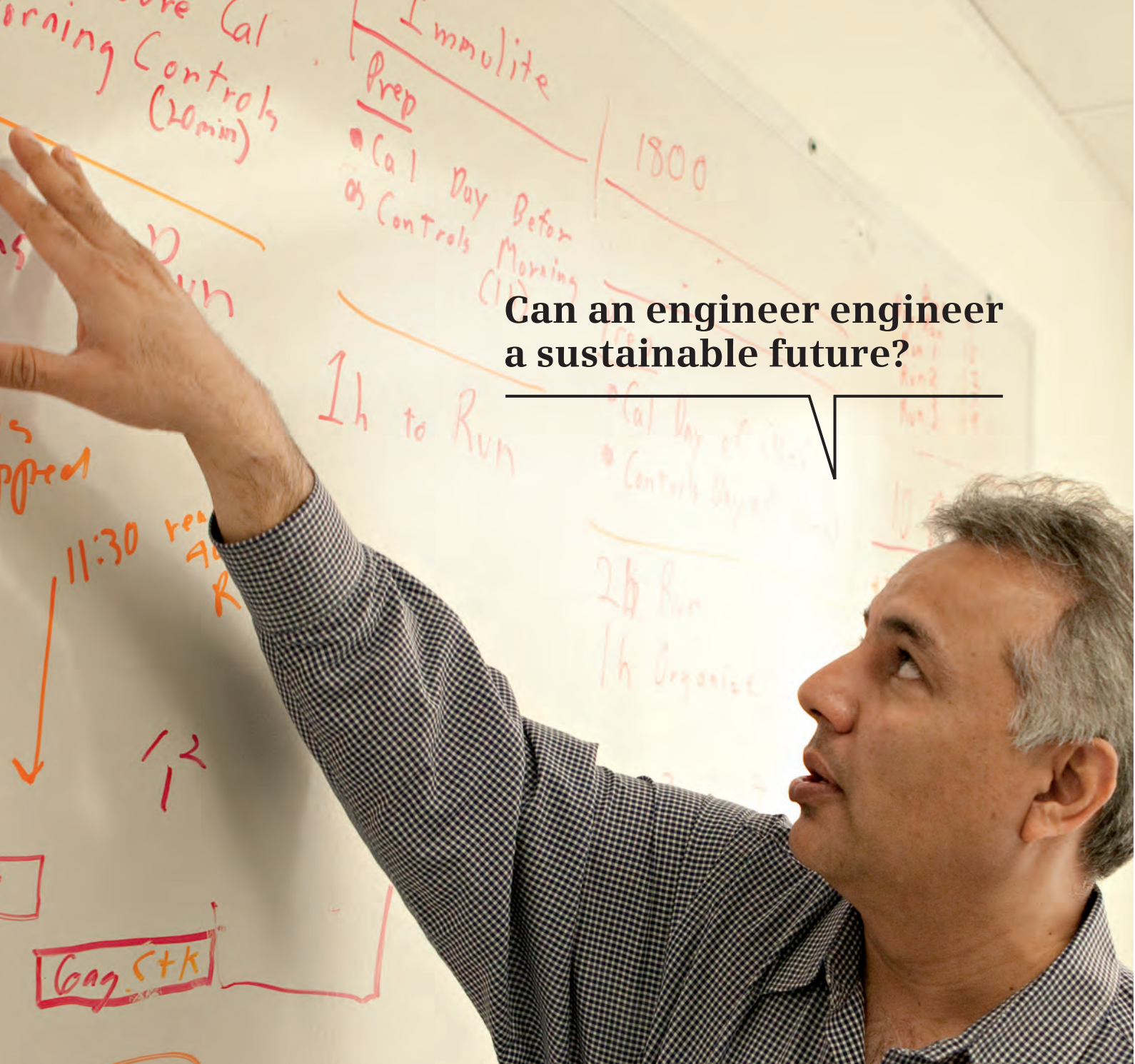
On World Earth Day, we renewed our commitment as co-activists to the planet by running a pan-organization initiative to save paper. With assistance from IT Helpdesk all network printers of 13 major locations were disconnected from the Siemens network across India for one day. Over 70% of the network printers were disabled from printing. This one day activity saved nearly 75,000 papers.

5. Maa Gayatri School, Baroda

Siemens supported Maa Gayatri School, Baroda a primary Municipal school located near our Factory in Baroda, in upgrading the school infrastructure and promoting primary education by creating an environment which is conducive to learning. This is inline with the UN-Millennium Development Goals of which achieving universal primary education is an important goal.

6. Mentoring program by our employees at St. Catherine's Home

The end of this fiscal year saw the launch of our Mentoring program at St. Catherine's Home which is being driven by employee volunteers of Siemens. As part of this program, we encourage our employees to use their professional skills to create a positive impact on the lives of children we have been supporting. Employees teach art & craft, music, sports, computers, mathematics, science, etc in all the Schools that we support to bring about a more rounded off development for the children. This year was truly an eventful year for the Children of St. Catherine's Home and for our employees.




Can an engineer engineer a sustainable future?

Sanjay Khunger dares to ask.

No matter what the job is, we encourage our employees to ask the big questions. Because that's what makes us the company that finds answers.

www.siemens.com/daretoask

SIEMENS



How can we help patients
get more face time than
their files do?

Siemens Integrated Healthcare solutions help hospitals improve reaction time and focus on patient care.

Hospitals perform best when they can concentrate on what's important – their patients. Siemens health information systems provide access to electronic health records, helping hospitals eliminate paperwork, reduce human error, cut costs and support faster care overall. It's just one aspect of Siemens solutions for Integrated Healthcare. Because wherever there are tough healthcare questions, we're answering them.

Answers for healthcare.

SIEMENS

**Siemens Limited
Fiftythird Annual Report
for the year ended 30 September 2010
with Auditors' Report**

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, 2010 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on September 30, 2010 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, 2010;
 - 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
Firm registration number: 101049W
Chartered Accountants

per Sudhir Soni
Partner
Membership No.: 41870

Place : Mumbai
Date : November 24, 2010

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. As informed, 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, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. We have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the 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 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (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, 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.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (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 (₹ '000)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944 and Service Tax	Duty, Penalty	14,993	1988-89 to 1999-2000, 2000-01 to 2002-03, 2003-04 to 2007-08	Commissioner (Appeals)
		395,390	1980-81, 1991-92, 1993-94 to 1997-98, 2000-01 to 2008-09	Customs, Excise, Service tax Appellate Tribunal
State & Central Sales Tax Acts, Work Contract Tax Acts, Entry Tax.	Tax, Interest & Penalty	73,970	1967-69, 1970-71, 1972-74, 1979-90, 1991-94, 1998-09	Assistant /Additional Commissioner
		268,463	1974-78, 1987-88, 1992-93, 1995-97, 1999-02, 2002-07	Deputy Commissioner/ Commissioner/Joint/ Special Commissioner
		59,622	1999-00, 1994-97, 1986-87, 1989-03	Sales Tax Tribunal
		108,367	1984-85, 1993-97, 2000-01, 2003-04, 2005-07	High Court
Customs Act, 1962	Duty	120,000	1998-99	High Court
		2,200	2009-10	CESTAT

- (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 amounting to ₹21,623 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. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company has been noticed or reported during the course of our audit.

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

per Sudhir Soni
Partner
Membership No.: 41870

Place : Mumbai
Date : November 24, 2010

Balance Sheet

as at 30 September 2010

(Currency : Indian rupees thousands)

	<i>Schedule</i>	2010	2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	3	674,320	674,320
Reserves and surplus	4	<u>34,103,468</u>	<u>28,491,887</u>
		34,777,788	29,166,207
Loan funds			
Unsecured loans	5	<u>2,410</u>	<u>5,906</u>
		<u>34,780,198</u>	<u>29,172,113</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	6	13,548,888	11,347,774
Accumulated depreciation / amortisation		<u>(6,208,951)</u>	<u>(5,052,761)</u>
Net block		7,339,937	6,295,013
Capital work-in-progress including capital advances		<u>2,465,158</u>	<u>1,057,018</u>
		9,805,095	7,352,031
Investments	7	3,884,606	4,769,723
Deferred tax asset, net	8	1,313,000	1,119,126
Current assets, loans and advances			
Inventories	9	15,335,216	9,721,971
Sundry debtors	10	33,023,441	34,583,115
Cash and bank balances	11	18,534,430	14,449,022
Loans and advances	12	<u>12,448,994</u>	<u>10,457,640</u>
		79,342,081	69,211,748
Current liabilities and provisions			
Current liabilities	13	(43,892,262)	(39,655,922)
Provisions	14	<u>(15,672,322)</u>	<u>(13,624,593)</u>
		(59,564,584)	(53,280,515)
Net current assets		<u>19,777,497</u>	<u>15,931,233</u>
		<u>34,780,198</u>	<u>29,172,113</u>

Significant accounting policies

1

Schedules to the financial statements

2 - 35

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

Firm Registration Number:- 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership No: 41870

Mumbai

24 November 2010

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

24 November 2010

Profit and Loss Account for the year ended 30 September 2010 (Currency : Indian rupees thousands)

	<i>Schedule</i>	2010	2009
INCOME			
Sales and services (gross)		95,112,577	85,554,114
Excise duty		<u>(2,405,887)</u>	<u>(2,186,779)</u>
Sales and services (net)		92,706,690	83,367,335
Commission income		<u>445,715</u>	<u>520,410</u>
		93,152,405	83,887,745
Interest income	15	776,085	523,002
Other operating income, net	16	848,315	697,219
Other income	17	-	2,341,188
		<u>94,776,805</u>	<u>87,449,154</u>
EXPENDITURE			
Cost of sales and services	18	68,474,151	63,976,912
Personnel costs	19	6,325,109	5,498,989
Depreciation/amortisation	6	1,014,796	777,794
Interest Expense		105,876	58,772
Other costs, net	20	<u>6,269,394</u>	<u>4,877,553</u>
		82,189,326	75,190,020
Profit before tax before exceptional income		<u>12,587,479</u>	<u>12,259,134</u>
Exceptional income:			
- Profit on sale of investments in subsidiaries		-	2,059,459
Profit before tax		<u>12,587,479</u>	<u>14,318,593</u>
Provision for tax			
Current tax		(4,516,513)	(4,007,464)
Deferred tax credit/(charge)		201,149	208,879
Fringe benefit tax		-	(71,500)
Profit after tax		<u>8,272,115</u>	<u>10,448,508</u>
Balance in Profit and loss account brought forward		-	-
Balance of Profit and loss account of Flender Ltd. as on 1 October 2009	2.1	745,688	-
Profit available for appropriation		<u>9,017,803</u>	<u>10,448,508</u>
Appropriations:			
Proposed dividend		1,685,801	1,685,801
Tax on proposed dividend		279,990	286,502
Transfer to general reserve		<u>7,052,012</u>	<u>8,476,205</u>
		9,017,803	10,448,508
Earnings per share ('EPS')			
(Equity share of face value ₹2 each)			
- Basic and diluted	32	24.53	30.99
Significant accounting policies	1		
Schedules to the financial statements	2 - 35		

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

Firm Registration Number:- 101049W
Chartered Accountants

per Sudhir Soni

Partner

Membership No: 41870

Mumbai

24 November 2010

Siemens Ltd.

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

24 November 2010

Cash Flow Statement

for the year ended 30 September 2010

(Currency : Indian rupees thousands)

	Schedule	2010	2009
<u>Cash flow from operating activities</u>			
Profit before tax		12,587,479	14,318,593
Adjustments for:			
Interest expense		105,876	58,772
Bad debts	20	169,705	246,216
Provision for doubtful debts/advances, net	20	47,785	(121,563)
Depreciation and amortisation	6	1,014,796	777,794
Profit on sale of fixed assets, net	16	(267,265)	(238,276)
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)
Sale of lease rights		-	(78,000)
Profit on sale of Electronics Assembly Division		-	(30,307)
Unrealised exchange loss/ (gain), net		371,046	(1,027,379)
Interest income	15	(776,085)	(523,002)
Dividend income	17	-	(2,232,881)
Operating profit before working capital changes		13,253,337	9,090,508
(Increase)/ Decrease in inventories		(5,186,796)	(2,100,828)
(Increase)/ Decrease in sundry debtors and other receivables		587,746	(1,261,079)
Increase/ (Decrease) in sundry creditors and other current liabilities		4,186,291	(1,862,579)
Increase/(Decrease) in provisions		1,982,963	5,233,690
Net change in working capital		1,570,204	9,204
Cash generated from operations		14,823,541	9,099,712
Direct taxes paid, net		(4,811,711)	(5,631,333)
Net cash provided by operating activities		10,011,830	3,468,379
<u>Cash flow from investing activities</u>			
Purchase of fixed assets		(2,882,658)	(1,708,871)
Proceeds from sale of fixed assets		305,793	258,268
Purchase of investments			
- In subsidiary companies		(702,506)	(1,700,999)
- In mutual funds		-	-
Sale of investments			
- In subsidiary company		-	3,021,459
- In mutual funds		-	1,205,740
- Others		108	-
Dividend received			
- From subsidiary company	17	-	2,229,459
- From mutual funds	17	-	3,422
Interest received		680,257	520,377

Cash flow statement (Continued)

	<i>Schedule</i>	2010	2009
Inter corporate deposits placed		(17,124,000)	(10,845,000)
Inter corporate deposits received back		15,310,000	9,050,000
Sale of lease rights		-	78,000
Sale of Electronic Assembly business		-	28,150
Cash generated from investing activities		(4,413,006)	2,140,005
Cash flow from financing activities			
Interest paid		(36,733)	(2,251)
Dividend paid (including tax thereon)		(1,966,830)	(1,180,526)
Repayment of long term borrowings		(3,496)	(4,708)
Net cash used in financing activities		(2,007,059)	(1,187,485)
Net increase in cash and cash equivalents		3,591,765	4,420,899
Cash and cash equivalents at beginning of the year		14,449,022	9,130,895
Cash and cash equivalents acquired on merger of Flender Ltd.	2.1	158,812	-
Effect of exchange gain/(loss) on cash and cash equivalents		334,831	897,228
Cash and cash equivalents at the end of the year	11	18,534,430	14,449,022

Note:

1. Cash and cash equivalents at the end of the period include current account balances with banks of ₹19,336 (2009: ₹13,863) which are restricted in use.
2. The figures of the current year include changes in the cash flow of the erstwhile Flender Ltd., which was amalgamated with the Company w.e.f. 1 October 2009 and are therefore to that extent not comparable with previous year's figures. (Refer Schedule 2.1)
3. The amalgamation of Flender Ltd. with the Company (Refer Schedule 2.1) is a non cash transaction and hence, has no impact on the Company's cash flow for the year.

As per our report even date

For S.R.Batliboi & Associates

Firm Registration Number:- 101049W
Chartered Accountants

per Sudhir Soni

Partner

Membership No: 41870

Mumbai

24 November 2010

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

24 November 2010

Schedules to the Financial Statements for the year ended 30 September 2010 (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 notified in the Companies (Accounting Standards) Rules 2006, (as amended) issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of Companies Act, 1956 ('the Act'), 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	10-20%
- 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 ₹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 realisable 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:

1.4 *Intangible assets (Continued)*

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

1.5 *Impairment of assets*

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or cash generating unit. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value 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 recognised 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 realisable 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 recognise 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 *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. Contract revenue earned in excess of billing has been reflected as "Project Work-in-progress net of amounts billed there against" under "Inventories" and "Billing in excess" of contract revenue has been reflected under "Current Liabilities" in the balance sheet. Provision for expected loss is recognised immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

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

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

Interest income is recognised on the time proportion basis.

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

1.8 *Inventories*

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

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

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

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

Project Work-in-progress net of amounts billed is valued at cost incurred on the contract with the profit taken thereon, in accordance with the Percentage of Completion method followed by the Company for Revenue Recognition, and reduced by progressive billings

Schedules to the Financial Statements (*Continued*) for the year ended 30 September 2010 (Currency: Indian rupees thousands)

1.9 Leases

Where the Company is the lessee:

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

Where the Company is the lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the 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, leave and medical benefit 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 recognised 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 recognised 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 taxable income for the year) computed in accordance with the relevant provisions of the Income Tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent

1.12 Taxation (Continued)

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.

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

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

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

Contingent assets are neither recognised 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

2.1 Amalgamation of Flender Limited, Kolkata

Pursuant to the scheme of amalgamation ('the scheme') of the erstwhile Flender Limited with the Company under sections 391 to 394 of "The Companies Act" as approved in the Board Meeting held on 23 July 2009 and subsequently sanctioned by the Honorable High Court of Kolkata on 19 April 2010, the assets and liabilities of the erstwhile Flender Limited were transferred to and vested in the Company with effect from 1 October 2009. Accordingly, the scheme has been given effect to in these accounts.

The operations of Flender Limited include manufacturing of gear boxes, coupling and spares.

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

- i. The assets, liabilities, reserves and credit balance in the profit and loss account of Flender Limited as at 1 October 2009 have been incorporated at their book values in the financial statements of the Company.
- ii. 4,320,000 equity shares of ₹10 each fully paid up of Flender Limited and investments in such equity shares held by the Company stands cancelled and the excess amount of ₹1,544,315 of the book value of the investment in the equity share capital of Flender Limited over the face value of such share capital has been debited to the General Reserves of the Company.

Consequently, the financial statements for the year ended 30 September 2010 include the financial statements of Flender which, however are not material in relation to the financial statements of the Company.

2.2 Proposed Amalgamations

The Board of Directors approved the amalgamation of Siemens Rolling Stock Private Ltd. (SRSPL), a wholly owned subsidiary and Siemens Healthcare Diagnostics Ltd. (SHDL) with the Company on 7 June 2010 and 30 November 2009, respectively. The amalgamation schemes were filed with the Honorable High Courts. In terms of the scheme, the appointed date is 1 October 2009. Pending approval of the aforesaid High Courts, no effect of the above mentioned proposed amalgamation schemes have been recognised in these financial statements.

Further, during the year, the Board of Directors of the Company had approved the scheme of amalgamation of its wholly owned subsidiaries Siemens Building Technologies Private Limited (SBTPL) and Vista Security Technics Private Limited (Vista) with the Company. The amalgamation scheme was filed with the Honorable High Court of Madras and the relevant High court orders have been received on 3 September 2010 (read with order dated 5 October 2010). The appointed date for the amalgamation is 1 October 2010.

Schedules to the Financial Statements (*Continued*)
as at 30 September 2010
(Currency : Indian rupees thousands)

	2010	2009
3 Share capital		
Authorised		
1,000,000,000 Equity Shares of ₹2 each (2009: 1,000,000,000 Equity shares of ₹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 ₹2 each (2009: 338,024,465 Equity shares of ₹2 each)	<u>676,049</u>	<u>676,049</u>
Subscribed and fully paid-up		
337,160,200 Equity Shares of ₹2 each fully paid-up (2009: 337,160,200 Equity shares of ₹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 (2009: 186,041,090) Equity shares of ₹2 each, fully paid-up, are held by the Holding company, Siemens AG, Germany;		
55,500,000 (2009: 55,500,000) Equity shares of ₹2 each, fully paid-up, were allotted as fully paid-up bonus shares by capitalisation of the General reserve;		
168,580,100 (2009: 168,580,100) Equity Shares of ₹2 each, fully paid up, were allotted as fully paid up bonus shares by capitalisation of Securities Premium account;		
3,638,085 (2009: 3,638,085) Equity shares of ₹2 each, were allotted as fully paid-up for consideration received other than in cash.		
4 Reserves and surplus		
Capital reserve		
- Balance brought forward	688	688
- Addition on amalgamation of Flender Ltd. (Refer Schedule 2.1)	<u>10,164</u>	<u>-</u>
	10,852	688
Amalgamation reserve		
- Balance brought forward	55,635	55,635
Securities premium account		
- Balance brought forward	1,520,495	1,520,495
- Addition on amalgamation of Flender Ltd. (Refer Schedule 2.1)	<u>24,300</u>	<u>-</u>
	1,544,795	1,520,495
Revaluation reserve		
- Balance brought forward	13,194	14,036
- revaluation transferred from profit and loss account	<u>(845)</u>	<u>(842)</u>
	12,349	13,194
General reserve		
- Balance brought forward	26,901,875	18,425,670
- Addition on amalgamation of Flender Ltd. (Refer Schedule 2.1)	70,265	-
- Excess of the book value of the investments in the equity share capital of Flender Ltd. over the face value of such share capital (Refer Schedule 2.1)	<u>(1,544,315)</u>	<u>-</u>
- Transfer from profit and loss account	7,052,012	8,476,205
	<u>32,479,837</u>	<u>26,901,875</u>
	<u>34,103,468</u>	<u>28,491,887</u>
5 Unsecured loans		
Interest free loans under		
- sales tax deferral scheme	<u>2,410</u>	<u>5,906</u>
	<u>2,410</u>	<u>5,906</u>
The loan under the sales tax deferral scheme is payable upto 2011		
- Amounts payable within one year	2,410	3,496

6 Fixed assets

	In tangible assets		Tangible assets				Total	Previous year	
	Goodwill	Technical knowhow	Land (Refer note i)	Buildings (Refer note i, iii and v)	Plant and machinery	Furniture, fittings and office equipment			Vehicles
Gross block									
At 1 October 2009	239,558	147,739	584,293	3,435,030	5,438,370	1,484,289	18,495	11,347,774	9,910,985
Additions on amalgamation of Flender Ltd. (Refer Schedule 2.1)	-	-	652	86,625	678,234	47,864	1,518	814,893	-
Additions	-	-	304,743	240,770	967,708	147,865	10,596	1,671,682	1,521,989
Deductions/ adjustments	-	-	-	(10,626)	(212,933)	(60,229)	(1,673)	(285,461)	(85,200)
At 30 September 2010	239,558	147,739	889,688	3,751,799	6,871,379	1,619,789	28,936	13,548,888	11,347,774
Accumulated depreciation									
At 1 October 2009	195,526	93,393	44,832	608,081	2,957,045	1,136,896	16,988	5,052,761	4,339,333
Additions on amalgamation of Flender Ltd. (Refer Schedule 2.1)	-	-	189	29,057	336,325	20,393	1,518	387,482	-
Charge for the year (Refer note ii)	26,171	15,831	6,913	148,439	662,563	154,321	1,403	1,015,641	778,636
Deductions/ adjustments	-	-	-	(3,546)	(204,507)	(37,207)	(1,673)	(246,933)	(65,208)
At 30 September 2010	221,697	109,224	51,934	782,031	3,751,426	1,274,403	18,236	6,208,951	5,052,761
Net block									
At 30 September 2010	17,861	38,515	837,754	2,969,768	3,119,953	345,386	10,700	7,339,937	6,295,013
At 30 September 2009	44,032	54,346	539,461	2,826,949	2,481,325	347,393	1,507	6,295,013	

Notes:-

i Included in the gross block of land at 30 September 2010 is freehold land of ₹471,814 (2009: ₹171,814) and buildings includes ₹172,750 (2009: ₹175,722) representing 520 shares of ₹50 each and 10 shares of ₹100 each (2009: 560 shares of ₹50 each and 10 shares of ₹100 each) in various co-operative housing societies.

ii Depreciation provided has been disclosed as under:

	2010	2009
Charge for the year	1,015,641	778,636
Transfer to Revaluation reserve	(845)	(842)
As per profit and loss account	1,014,796	777,794

iii Buildings include assets held for sale :

	2010	2009
Acquisition Value	475,436	10,018
Accumulated depreciation	(250,355)	(3,683)
Written Down Value	225,081	6,335

iv Assets includes assets given on operating lease

Particulars	2010			2009		
	Buildings	Furniture and Fixture and office equipment	Plant and Machinery	Buildings	Furniture and Fixture and office equipment	Plant and Machinery
Gross Block	888,040	181,161	461,045	547,886	137,540	286,218
Written Down Value	697,030	53,920	193,515	440,245	46,866	131,287
Depreciation charge for the year	36,201	21,372	42,520	11,523	12,508	22,005

v Building includes ₹24,962 (2009: Nil) cost incurred by the company on certain assets ownership of which vests with the West Bengal State Electricity Board.

Schedules to the Financial Statements (*Continued*)
as at 30 September 2010
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	2010	2009
7 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)		
3,734,079 (2009: 3,216,870) Equity Shares of ₹10 each fully paid-up in Siemens Building Technologies Private Ltd. (100% holding; 2009 :86.15% holding) (Purchased 517,209 shares during the year)	3,634,601	2,932,095
25,000,000 (2009: 25,000,000) Equity Shares of ₹10 each fully paid-up in Siemens Rolling Stock Private Ltd. (100% holding; 2009: 100% holding)	250,000	250,000
Nil (2009: 4,320,000) Equity Shares of ₹10 each fully paid-up in Flender Ltd. (2009: 100% holding) (Refer Schedule 2.1)	-	1,587,515
	<u>3,884,601</u>	<u>4,769,610</u>
Investment in other companies		
(Quoted)		
Nil (2009: 10,485) Equity Shares of ₹1 each fully paid up in PRICOL Ltd. (Sold during the year)	-	8
Nil (2009: 10,000) Equity Shares of ₹10 each fully paid up in Scooters India Ltd. (Sold during the year)	-	100
	<u>-</u>	<u>108</u>
(Unquoted)		
Nil (2009:1) equity share of ₹10 each fully paid up in International Shock Absorbers Ltd. (Written off during the year)	-	0.01
	<u>-</u>	<u>0.01</u>
	<u>3,884,606</u>	<u>4,769,723</u>
- Aggregate book value of unquoted investments	3,884,606	4,769,615
- Aggregate book value of quoted investments	-	108
- Aggregate market value of quoted investments	-	355
8 Deferred tax assets		
Deferred tax assets		
Arising on account of timing differences in :		
Provision for doubtful debts and advances	324,938	309,642
Expenditure debited to profit & loss account but allowable for tax purposes in following years	946,838	732,587
Others	358,913	414,514
	<u>1,630,689</u>	<u>1,456,743</u>
Less - Deferred tax liability		
Arising on account of timing differences in :		
Excess of depreciation allowable under income-tax law over depreciation provided in accounts	317,689	337,617
Deferred tax assets (net)	<u>1,313,000</u>	<u>1,119,126</u>

	2010	2009
9 Inventories		
Raw materials [includes Goods in Transit ₹312,744 (2009 : ₹965,031)]	2,587,551	2,531,516
Work-in-progress	2,187,953	1,272,465
Finished goods [includes Goods in Transit ₹241,385 (2009 : ₹19,549)]	2,047,366	1,111,011
Project Work-in-progress net of amounts billed there against	8,512,346	4,806,979
	<u>15,335,216</u>	<u>9,721,971</u>
10 Sundry debtors (Unsecured)		
Debts outstanding		
- over six months	12,343,168	15,998,492
- other debts	21,501,490	19,353,824
	<u>33,844,658</u>	<u>35,352,316</u>
Of which		
- considered good	33,023,441	34,583,115
- considered doubtful	821,217	769,201
	<u>33,844,658</u>	<u>35,352,316</u>
Provision for doubtful debts	<u>(821,217)</u>	<u>(769,201)</u>
	<u>33,023,441</u>	<u>34,583,115</u>
Included in debtors are debts due from companies under the same management :		
- Osram India Private Ltd.	117	16
- Siemens Information Systems Ltd.	115,263	44,799
- Siemens Information Processing Services Private Ltd.	9,529	11,158
- Siemens Power Engineering Private Ltd.	26,005	2,953
- Powerplant Performance Improvement Ltd.	10,467	10,336
- Siemens Hearing Instruments Private Ltd.	588	4,310
- Flender Ltd.	-	13,515
- Siemens Rolling Stock Private Ltd.	819	6,307
- Morgan Construction Company India Private Ltd.	3,589	6,357
- Siemens Building Technology Private Ltd.	7,119	3,884
- Winergy Drive Systems India Private Ltd.	1,938	95
- Siemens Corporate Finance Private Ltd.	10,818	17,592
- Siemens VAI Metals Technologies Private Ltd.	97,233	552,586
- Siemens Healthcare Diagnostics Ltd. (formerly known as Siemens Medical Solutions Diagnostics Ltd.)	1,698	3,689
- Siemens Product Lifecycle Private Ltd.	383	-
Included in debtors are debts due from private companies in which some of the directors are common directors :		
- Bayer Material Science Private Ltd.	1,232	-

Schedules to the Financial Statements (*Continued*)
as at 30 September 2010
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	2010	2009
11 Cash and bank balances		
Cash in hand	7,782	5,691
Cheques in hand	902,292	792,587
Balances with scheduled banks		
- on current account	820,117	1,486,035
- on deposit account	15,918,900	10,473,300
Balances with other banks	885,339	1,691,409
	<u>18,534,430</u>	<u>14,449,022</u>
Bank balances with other banks in current account includes :		
- Citibank, Colombo	1,714	10,286
- Deutsche Bank, Colombo	1,371	1,048
- Standard Chartered Bank, Nepal	32	36
- Standard Chartered Bank, Doha	152,607	65,797
- Standard Chartered Bank, Qatar	282,193	180,265
- The Hongkong and Shanghai Banking Corporation Limited, Qatar	429,951	-
- The Hongkong and Shanghai Banking Corporation Limited, Khulna	-	6,658
- The Hongkong and Shanghai Banking Corporation Limited, Dhaka	17,471	11,796
- The HongKong and Shanghai Banking Corporation, Doha	-	1,415,523
	<u>885,339</u>	<u>1,691,409</u>
Maximum amount outstanding at any time during the year :		
- Citibank, Colombo	13,205	124,005
- Deutsche Bank, Colombo	1,489	1,182
- Standard Chartered Bank, Nepal	36	142
- Standard Chartered Bank, Doha	171,326	598,217
- Standard Chartered Bank, Qatar	1,805,761	192,410
- The Hongkong and Shanghai Banking Corporation Limited, Qatar	2,633,658	-
- The Hongkong and Shanghai Banking Corporation Limited, Khulna	-	9,279
- The Hongkong and Shanghai Banking Corporation Limited, Dhaka	17,471	35,376
- The HongKong and Shanghai Banking Corporation, Doha	-	5,913,155
12 Loans and advances (Unsecured)		
Loans and advances recoverable in cash or kind or for value to be received		
- considered good	3,882,041	4,265,843
- considered doubtful	156,997	141,779
	<u>4,039,038</u>	<u>4,407,622</u>
Provision for doubtful advances	<u>(156,997)</u>	<u>(141,779)</u>
	3,882,041	4,265,843
Advance payments of income tax [net of provision for tax ₹ 18,701,459 (2009: ₹ 14,184,946)]	2,364,920	2,069,722
Balances with customs, port trusts, etc.	1,053,087	799,425
Inter corporate deposits		
- Subsidiaries	1,824,000	1,450,000
- Others	3,300,000	1,860,000
Interest accrued on inter corporate deposits	24,946	12,650
	<u>12,448,994</u>	<u>10,457,640</u>

12 Loans and advances (Unsecured) (Continued)

	2010	2009
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	1,100,000	800,000
- Siemens Building Technologies Private Ltd.	674,000	850,000
- Winergy Drive Systems India Private Ltd.	1,000,000	660,000
- Siemens Rolling Stock Private Ltd.	1,150,000	600,000
- Siemens Healthcare Diagnostics Ltd.	400,000	400,000
- Siemens VAI Metals Technologies Private Ltd.	800,000	-
	<u>5,124,000</u>	<u>3,310,000</u>
Maximum amount outstanding at any time during the year :		
- Osram India Private Ltd	1,100,000	800,000
- Siemens Building Technologies Private Ltd.	1,020,000	1,100,000
- Siemens Healthcare Diagnostics Ltd.	400,000	400,000
- Siemens Rolling Stock Private Ltd.	1,150,000	600,000
- Winergy Drive Systems India Private. Ltd.	1,000,000	660,000
- Morgan Construction Company India Private Ltd.	-	175,000
- Siemens VAI Metals Technologies Private Ltd.	800,000	-
13 Current liabilities		
Sundry creditors		
- Micro and Small Enterprises (Refer Schedule 33)	148,845	653,274
- Subsidiaries	51,516	33,142
- Others	28,988,239	22,840,278
Advances from customers (Refer note below)	14,684,326	16,115,365
Unclaimed dividend	19,336	13,863
	<u>43,892,262</u>	<u>39,655,922</u>
Note		
Advance from customers include progress payments billed and advances received from project related work	13,639,351	14,975,178
14 Provisions		
Pension	166,332	174,983
Leave wages	228,961	240,841
Medical benefits	202,067	70,754
Silver Jubilee	82,647	74,418
Warranty (Refer Schedule 25)	2,882,574	2,441,545
Loss order (Refer Schedule 25)	661,819	891,614
Liquidated damages (Refer Schedule 25)	6,718,140	5,651,320
Contingencies (Refer Schedule 25)	2,763,991	2,106,815
Proposed dividend	1,685,801	1,685,801
Tax on proposed dividend	279,990	286,502
	<u>15,672,322</u>	<u>13,624,593</u>

**Schedules to the Financial Statements (*Continued*)
for the year ended 30 September 2010
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	2010	2009
15 Interest income		
Interest on bank deposits [includes tax deducted at source ₹42,245 (2009 : ₹57,786)]	495,726	249,779
Others [includes tax deducted at source ₹26,935 (2009 : ₹61,931)]	280,359	273,223
	<u>776,085</u>	<u>523,002</u>
16 Other operating income, net		
Export incentives	71,684	97,375
Profit on sale of fixed assets, net	267,265	238,276
Recoveries from subsidiary companies, associates and third parties	417,212	337,627
Miscellaneous income	92,154	23,941
	<u>848,315</u>	<u>697,219</u>
17 Other income		
Dividend from subsidiary companies	-	2,229,459
Dividend from mutual fund investments	-	3,422
Miscellaneous Other Income	-	108,307
	<u>-</u>	<u>2,341,188</u>
18 Cost of sales and services		
Raw materials and components consumed	19,778,363	18,929,334
Traded goods purchased	14,782,572	9,374,986
Spares and stores consumed	583,576	266,601
Project bought outs	35,989,247	30,391,246
(Increase)/ Decrease in inventories	(5,422,908)	(1,096,038)
Other costs	2,763,301	6,110,783
	<u>68,474,151</u>	<u>63,976,912</u>
Included in other costs, change in excise duty on closing stock of finished goods	52,711	19,788
19 Personnel costs		
Salaries, wages and bonus, net	5,437,883	4,629,505
Contribution to provident and other funds	522,000	525,841
Workmen and staff welfare	365,226	343,643
	<u>6,325,109</u>	<u>5,498,989</u>
20 Other costs, net		
Exchange loss / (gains), net	676,337	82,520
Travel and conveyance	1,060,182	862,588
External software services and data processing	510,041	480,268
Rates and taxes	381,729	543,057
Communications	517,159	443,108
Packing and forwarding	537,466	349,372
Power and fuel	350,714	267,554
Insurance	168,152	264,184
Rent	350,034	196,513

	2010	2009
20 Other costs, net (Continued)		
Repairs		
- on building	76,689	89,782
- on machinery	97,904	68,354
- others	122,569	118,830
Legal and professional	199,834	173,914
Advertising and publicity	97,892	5,185
Office supplies, printing and stationery	76,656	76,079
Research and development expenditure	163,967	171,022
Bank guarantee commission/ bank charges	82,733	97,697
Lease rentals	33,460	36,044
Donation	306	1,580
Commission to directors	12,540	11,600
Directors' fees	1,260	1,300
Bad debts	169,705	246,216
Provision for doubtful debts and advances, net	47,785	(121,563)
Miscellaneous expenses	534,280	412,349
	<u>6,269,394</u>	<u>4,877,553</u>
21 Commitments and contingent liabilities		
(a) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<u>1,573,096</u>	<u>712,829</u>
(b) Contingent liabilities		
Taxation matters (excluding interest)		
- In respect of certain completed assessments where matters are under appeal by the Company	432,706	432,706
Excise/sales tax liabilities	522,173	309,422
Customs liabilities	120,000	120,000
Claims against the company not acknowledged as debts	<u>75,430</u>	<u>47,055</u>
22 Supplementary statutory information		
<i>(i) Managerial remuneration</i>		
Personnel and other costs include remuneration paid to Directors' as set out below:		
Salaries	20,918	25,145
Perquisites	51,943	53,183
Commission	12,540	11,600
Performance linked incentive	65,700	75,378
Payment of stock appreciation rights	-	5,631
Directors sitting fees	1,260	1,300
Contribution to provident fund	1,584	2,734
Contribution to superannuation fund	2,076	2,103
	<u>156,021</u>	<u>177,074</u>

Managerial remuneration includes ₹Nil (2009 : ₹5,000) towards consideration in connection with retirement from office.

**Schedules to the Financial Statements (*Continued*)
for the year ended 30 September 2010
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	2010	2009
22 Supplementary statutory information (Continued)		
Certain whole time Directors are covered under the Company's gratuity, leave, medical and silver/golden jubilee schemes along with the other employees of the Company. These liabilities are determined for all employees by an independent actuarial valuation. The specific amount for such benefit can't be ascertained separately and accordingly the same has not been included above.		
Computation of Managerial Remuneration:		
Profit before tax	12,587,479	14,318,593
Add:		
Depreciation charged in the accounts (Refer Schedule 6)	1,014,796	777,794
Profit on sale of fixed assets, net (as per Section 349 of the Act)	-	239,974
Provision for doubtful debts and advances, net	47,785	(121,563)
Provision for wealth tax	(19,572)	(17,381)
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 (Refer Schedule 16)	(267,265)	(238,276)
Depreciation as computed under Section 350 of the Act (see note below)	<u>(1,014,796)</u>	<u>(777,794)</u>
Net profit as per Section 349 of the Act	12,348,427	12,230,195
Add:		
Managing and other director's remuneration and commission	<u>156,021</u>	<u>177,074</u>
Profit as per Section 198	<u>12,504,448</u>	<u>12,407,269</u>
Performance linked incentive to Managing and Whole-Time Directors is 0.53% (2009: 0.61%) of the net profits as calculated above,	65,700	75,378
Commission to other Directors is 0.10% (2009: 0.09%) of the net profits as calculated above	<u>12,540</u>	<u>11,600</u>
	<u>78,240</u>	<u>86,978</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.		
<i>(ii) Auditors' remuneration (for Audit services exclusive of service tax)</i>		
- Audit fees	12,500	12,500
- Tax audit fees	4,000	4,000
- Other services	2,312	11,680
- Reimbursement of expenses	<u>1,201</u>	<u>915</u>
	<u>20,013</u>	<u>29,095</u>

	2010	2009
22 Supplementary statutory information (Continued)		
<i>(iii) Earnings and expenditure in foreign exchange (on accrual basis)</i>		
(a) Earnings in foreign currency		
- Exports of goods		
Direct on FOB basis	1,996,012	2,569,481
- Project Business (Based on Actual Billing)	13,458,842	17,303,793
- Commission	445,715	520,410
- Service charges and others	116,336	143,815
(b) Expenditure in foreign currency (on accrual basis)		
- Travelling	106,180	79,158
- Installation charges	70,048	40,723
- Expenditure on contracts at foreign sites	5,297,240	2,741,317
- Commission	27,899	175,630
- Service charges	1,078,209	1,652,704
- Others	818,613	622,355
(c) Value of imports calculated on CIF basis		
- Raw material, components, spare parts and traded goods	33,960,321	26,397,846
- Capital goods	888,961	528,565
<i>(iv) Net dividend remitted in foreign exchange</i>		
Final :		
Period to which the dividend relates	1.10.2008 to 30.09.2009	1.10.2007 to 30.09.2008
Number of non-resident shareholders	One	One
Number of equity shares held on which dividend was due	186,041,090	186,041,090
Amount remitted	930,205	558,123
23 Disclosure as per Clause 32 of the listing Agreement		
Loans and advances in the nature of loans	Amount at 30 September	Maximum amount outstanding at any time during the year
Subsidiary company		
- Siemens Building Technologies Private Ltd.		
- 2010	674,000	1,020,000
- 2009	850,000	1,100,000
- Siemens Rolling Stock Private Ltd.		
- 2010	1,150,000	1,150,000
- 2009	600,000	600,000

**Schedules to the Financial Statements (*Continued*)
for the year ended 30 September 2010
(Currency : Indian rupees thousands)**

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

(i) *Sales and Services*

Class of goods	2010		2009	
	Quantity	Value	Quantity	Value
Refer Note (a) and (d) below				
Switchgear items		10,090,893		8,738,746
Electric motors/ generators	118,600 Nos.	3,056,814	87,452 Nos.	2,388,714
Switchboards, control boards and miscellaneous accessories		4,139,198		4,111,312
X-ray equipment		305,119		230,307
Railway equipment		9,397,893		9,647,280
Variable speed AC/DC drive systems, motor control modules and programmable control systems		6,177,180		5,041,047
Protection systems		1,149,956		926,084
Data acquisition, logging and control systems		262,128		981,629
Medical electronic diagnostic equipment		6,264,109		4,202,445
Other engineering project goods		34,799,999		33,754,477
Maintenance, repairs and other services		7,173,174		8,510,311
Industrial turbines		6,674,653		3,571,504
Rental Income		535,819		463,291
Transformer		912,311		800,188
Geared Motors/ Geared Boxes		1,767,444		-
		92,706,690		83,367,335
Commission income		445,715		520,410
		93,152,405		83,887,745

(ii) *Imported and indigenous raw materials, stores and spares and components consumed*

	2010		2009	
	Value	% of total consumption	Value	% of total consumption
Imported	8,219,732	40	6,978,996	36
Indigenous	12,142,207	60	12,216,939	64
	20,361,939	100	19,195,935	100

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

(iii) Inventories

Finished goods

Refer Note (a) below

Class of goods	Quantity		Value	
	2010	2009	2010	2009
Opening Stock				
Switchgear items			308,637	411,257
Electric motors/ generators	2,672 Nos	3,871 Nos	123,143	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
			<u>1,111,011</u>	<u>1,488,496</u>
Work-in-progress			1,272,465	1,759,283
Project Work-in-progress net of amounts billed there against			4,806,979	2,846,638
			<u>7,190,455</u>	<u>6,094,417</u>
Closing Stock				
Switchgear items			342,510	308,637
Electric motors/ generators	3,217 Nos	2,672 Nos	127,200	123,143
Switchboards, control boards, etc.			131,624	25,232
X-ray equipment			-	4,743
Medical electronic diagnostic equipment			175,166	72,200
Railway equipment			421,635	228,313
Variable speed AC/DC drive systems, motor control modules and programmable control systems			504,751	284,378
Protection systems/ uninterrupted power			1,598	1,324
Data acquisition, logging and control systems			12,647	13,806
Integrated Building Management System			21,949	-
Geared Motors/ Geared Boxes			35,715	-
Others			272,571	49,235
			<u>2,047,366</u>	<u>1,111,011</u>
Work-in-progress			2,187,953	1,272,465
Project Work-in-progress net of amounts billed there against			8,512,346	4,806,979
			<u>12,747,665</u>	<u>7,190,455</u>

Schedules to the Financial Statements (*Continued*)
for the year ended 30 September 2010
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24 Additional information pursuant to the provisions of paragraph 4 with 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	2010 Value	2009 Value
Medical electronic diagnostic equipment	4,548,262	3,274,879
Others	10,234,310	6,100,107
Towards projects execution	35,989,247	30,391,246
	<u>50,771,819</u>	<u>39,766,232</u>

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

		2010		2009	
	Unit	Quantity	Value	Quantity	Value
Copper flats, strips and profiles	MT	1,887	773,779	1,659	550,923
Enamelled copper wire	MT	18,683	282,216	13,692	198,300
Brass sheets and strips	MT	2,024,993	38,661	214,397	17,320
Aluminium ingots, profiles and castings	MT	7,032	100,800	188	46,620
Iron and steel castings and shafts	MT	7,231	746,875	5,599	585,771
Dynamo steel sheets, strips and laminations	MT	7,253	466,870	3,091	289,006
Hot rolled and cold rolled steel sheets, strips, housings, etc.	MT	21,306	687,624	21,455	652,845
Cables and wires	Kms	37,368	126,905	11,030	104,412
Silver components	Kgs	9,204	353,820	6,440	212,485
Ball and roller bearings	Nos	78,595	385,527	189,585	237,836
Thyristors, diodes and transistors	Nos	64,920	438,787	128,907	580,264
X-ray tubes	Nos	94	8,468	30	6,337
Amphenol terminals	Nos	965,398	37,612	1,023,967	37,149
Vacuum tubes	Nos	14,657	218,218	17,966	252,140
Integrated circuits	Nos	50,367	15,943	38,003	10,853
Capacitors and condensers	Nos	206,739	59,403	146,094	63,282
Printed circuit boards	Nos	7,024	24,047	13,860	25,264
Turbine components	Pcs	2,054,531	1,814,944	2,300,235	2,096,391
Others			13,197,864		12,962,136
			<u>19,778,363</u>		<u>18,929,334</u>

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

(vi) *Capacities and Production*

Refer Note (b) and (c) below

Class of goods manufactured	Unit	2010		2009	
		Annual installed capacity (refer note (c) below)	Actual production	Annual installed capacity (refer note (c) below)	Actual production
Switchgear items	Nos	15,319,789	15,064,598	16,263,493	12,216,614
Electric motors/ generators	Nos	20,023	20,522	20,023	16,008
Switch boards, control boards and miscellaneous accessories	Nos	2,888	2,127	2,000	2,279
X-ray equipment	Nos	1,283	1,226	1,283	958
Electromedical equipment	Nos	209	13	209	23
Variable speed AC/DC drive systems, motor control modules and programmable control system	Nos	6,248	1,894	6,248	1,924
Instrument Transformers	Nos	1,740	1,065	1,133	421
Static Converter for railways	Nos	610	85	610	129
Audio frequency track circuit	Nos	900	626	900	336
Interlocking relays	Nos	250,000	110,110	250,000	130,130
Auxiliary inverter for AR locomotive	Nos	180	104	150	131
Traction converter for diesel locomotive	Nos	72	34	72	72
Electrical control cabinet	Nos	288	68	288	138
Circuit breakers above 1000 volts	Nos	3,500	940	2,250	1,270
Power Transformers	MVA	15,000	4,905	15,000	2,140
Single stage/ multi stage turbines	MW	69	39	69	33
Traction Converters for EMU	Nos	180	109	180	140
Auxiliary Converters for EMU	Nos	180	132	180	142
High Frequency Power Supply	Nos	600	-	600	-
Digital Axcel Counter	Nos	300	175	-	-
Medium Voltage Drive	Nos	96	1	-	-
Gears/ Gear couplings/ Spares	Nos	2,500	1,288	-	-

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

- For paragraph 3(ii) of Part II of Schedule VI to the Companies Act, 1956, the classes of goods dealt with by the Company are grouped under suitable product heads. In terms of note 3 to paragraph 3 of Part II of Schedule VI, disclosures by quantity are restricted to those items/articles which individually account for 10% or more of the total sales and services, purchases or closing stocks as applicable.
- For paragraph 4C, of Part II to Schedule VI to the Companies Act, 1956, the goods manufactured by the Company are grouped as per the classification of Industrial Licenses without giving the individual articles covered by each license.
- Installed capacities are as certified by the Management.
- 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.

Schedules to the Financial Statements (*Continued*) for the year ended 30 September 2010 (Currency : Indian rupees thousands)

25 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 2009	2,441,545	5,651,320	891,614	2,106,815
Additions on amalgamation of Flender (Refer Schedule 2.1)	10,934	6,841	16,325	5,892
Provisions :				
- Created	1,124,320	1,836,318	655,478	762,815
- Utilised	(246,101)	(213,725)	(746,827)	(5,607)
- Reversed	(448,124)	(562,614)	(154,771)	(105,924)
Balance as at 30 September 2010	<u>2,882,574</u>	<u>6,718,140</u>	<u>661,819</u>	<u>2,763,991</u>

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

	2010	2009
(i) Contract Revenue recognised for the year ended 30 September 2010	57,315,137	55,167,095
(ii) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress as at 30 September 2010	177,469,205	154,693,242
(iii) Amount of advances received	8,789,843	6,648,354
(iv) Amount of Retentions	13,283,856	16,875,744
(v) Amounts due from customers	12,510,906	5,854,199
(vi) Amounts due to customers	8,999,435	8,684,323

27 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:

	2010	2009
(i) Amount due not later than one year from the balance sheet date	95,787	30,988
(ii) Amount due later than one year and not later than five years	374,591	80,332
(iii) Amount due later than five years	327,670	60,682
	<u>798,048</u>	<u>172,002</u>

Lease rent debited to profit and loss account ₹383,494 (2009: ₹232,557)

Sub-lease payments recognised in the profit and loss account ₹20,790 (2009: ₹28,559)

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

28 Related party transactions

28.1 Parties where control exists

Siemens AG	Holding company
Siemens Rolling Stock Private Ltd.	Wholly owned subsidiary company
Flender Ltd.	Wholly owned subsidiary company (w.e.f 1 August 2009) and amalgamated with the company (w.e.f. 1 October 2009)
Siemens Building Technologies Private Ltd.	Wholly owned subsidiary company (w.e.f. 8 January 2010)
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. (upto 20 September 2010)
Avenues (Honkong) Ltd. (Hongkong)	Wholly owned subsidiary of Siemens Building Technologies Private Ltd. (upto 30 April 2010)
iMetrex Technologies Ltd. (Ireland)	Wholly owned subsidiary of Siemens Building Technologies Private Ltd.
Europlex Technologies (UK) 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)
Clonshaugh Security Ltd. formerly known as Europlex Technologies Ltd.(Ireland)	Wholly owned subsidiary of iMetrex Technologies Ltd. (Ireland)

Schedules to the Financial Statements (*Continued*) for the year ended 30 September 2010 (Currency : Indian rupees thousands)

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

Fellow Subsidiaries		
	Siemens S.A.	Argentina
	Memcor Australia Pty. Ltd.	Australia
	Siemens Ltd.	Australia
	ETM professional control GmbH	Austria
	Siemens Aktiengesellschaft Österreich	Austria
	Siemens VAI Metals Technologies GmbH (upto 1 July 2010)	Austria
	Siemens W.L.L.	Bahrain
	Siemens Bangladesh Ltd.	Bangladesh
	Siemens S.A./N.V.	Belgium
	Iriel Ind. Com. Sist. Eletr. Ltda.	Brasilia
	Siemens Ltda.	Brasilia
	Siemens Eletroeletronica Limitada	Brasilia
	Siemens Milltronics Process Instruments, Inc.	Canada
	Siemens Canada Ltd.	Canada
	Trench Ltd.	Canada
	Siemens Medium Voltage Switching Technologies (Wuxi) Ltd.	China
	Siemens International Trading Ltd., Shanghai	China
	MWB (Shanghai) Co Ltd.	China
	Siemens Electrical Drives (Shanghai) Ltd.	China
	Siemens Sensors & Communication Ltd.	China
	Siemens Wiring Accessories Shandong Ltd.	China
	Siemens Circuit Protection Systems Ltd.	China
	Siemens Electrical Apparatus Ltd.	China
	Siemens Switchgear Co. 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 Mechanical Drive Systems (Tianjin) Co. Ltd.	China
	Siemens Factory Automation Engineering Ltd.	China
	Siemens Shanghai Medical Equipment Ltd.	China
	Siemens Mindit Magnetic Resonance Ltd.	China
	Siemens Numerical Control Ltd.	China
	Siemens Industrial Turbomachinery (Huludao) Co. Ltd.	China
	Siemens Manufacturing S.A.	Columbia
	Siemens S.A.	Columbia
	Koncar Power Transformers Ltd.	Croatia
	Siemens Industrial Turbomachinery s.r.o.	Czech Republic
	Siemens s.r.o.	Czech Republic

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

Fellow Subsidiaries	Siemens Electric Machines s.r.o.	Czech Republic
	Siemens EM dARE	Czech Republic
	Siemens Flow Instruments A/S	Denmark
	Siemens Wind Power A/S	Denmark
	Siemens Turbomachinery Equipment A/S	Denmark
	Siemens S.A.	Ecuador
	Siemens Technologies S.A.E.	Egypt
	Siemens Osakeyhtiö	Finland
	Trench France S.A.S.	France
	Siemens Transmission & Distribution SAS	France
	Siemens S.A.S.	France
	Siemens VAI Metals Technologies SAS	France
	Flender-Graffenstaden SAS	France
	Siemens SAS, Division Production Sensors & Communication, Usine de Haguenau	France
	SYKATEC Systeme, Komponenten, Anwendungstechnologie GmbH	Germany
	Siemens Industriegetriebe GmbH	Germany
	LINCAS Export Services GmbH	Germany
	Siemens Industrial Turbomachinery GmbH	Germany
	Siemens Turbomachinery Equipment GmbH	Germany
	Weiss Spindeltechnologie GmbH	Germany
	Ruhrtal Hochspannungsgeräte GmbH	Germany
	S'Busbar Trunking GmbH & Co KG (upto 1 January 2010)	Germany
	Siemens Financial Services GmbH	Germany
	Trench Germany GmbH	Germany
	Siemens Finance & Leasing GmbH	Germany
	VVK Versicherungsvermittlungs- und Verkehrskontor GmbH	Germany
	Mechanik Center Erlangen GmbH	Germany
	Wallace & Tiernan GmbH	Germany
	Alpha Verteilertechnik GmbH	Germany
	evosoft GmbH	Germany
	HSP Hochspannungsgeräte GmbH	Germany
	Loher GmbH	Germany
	A. Friedr Flender AG	Germany
	Siemens Geared Motors Gesellschaft mit beschränkter Haftung	Germany
	Siemens VAI Metals Technologies GmbH	Germany
	Winergy AG	Germany
	Flender Industriegetriebe GmbH, Penig(upto July 2010)	Germany
	Siemens Industrial Turbomachinery Ltd.	Great Britain
	Siemens plc	Great Britain

Schedules to the Financial Statements (*Continued*) for the year ended 30 September 2010 (Currency : Indian rupees thousands)

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

Fellow Subsidiaries	Electrium Sales Ltd.	Great Britain
	Siemens A.E., Elektrotechnische Projekte und Erzeugnisse	Greece
	Siemens Ltd.	Hongkong
	Siemens Information Processing Services Private Ltd. (w.e.f 25 June 2009)	India
	Siemens VAI Metals Technologies Private Ltd.	India
	Powerplant Performance Improvement Ltd.	India
	Siemens Hearing Instruments Private Ltd.	India
	Siemens Power Engineering 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
	Osram India Private Ltd.	India
	Siemens Information Systems Ltd.(w.e.f 25 June 2009)	India
	Siemens Product Lifecycle Management Software (India) Private Ltd.	India
	P.T. Siemens Indonesia	Indonesia
	Siemens S.p.A.	Italy
	Trench Italia S.r.l.	Italy
	Siemens Japan K.K.	Japan
	Yaskawa Siemens Automation & Drives Corp.	Japan
	Siemens TOO	Kazakhstan
	Siemens Kenya Ltd.	Kenya
	Siemens Ltd.	Korea
	Siemens Electrical & Electronic Services K.S.C.	Kuwait
	Siemens Malaysia Sdn. Bhd.	Malaysia
	Siemens Innovaciones S.A. de C.V.	Mexico
	Siemens, S.A. de C.V.	Mexico
	Siemens Plant Operations Tahaddart SARL	Morocco
	Siemens Industrial Turbomachinery B.V.	Netherland
	Siemens Nederland N.V.	Netherland
	Siemens (N.Z.) Ltd.	New Zealand
	Siemens AS	Norway
	Siemens L.L.C.	Oman
	Siemens Pakistan Engineering Co. Ltd.	Pakistan
	Siemens S.A.C.	Peru
	Siemens, Inc.	Philippines
	Siemens Power Operations, Inc.	Philippines
	Siemens Sp. z o.o.	Poland

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

Fellow Subsidiaries		
	TurboCare Poland Spólka Akcyjna	Poland
	Siemens S.A.	Portugal
	Siemens W.L.L.	Qatar
	Siemens S.R.L.	Romania
	OOO Siemens	Russia
	Siemens Ltd.	Saudi-Arabia
	Arabia Electric Ltd. (Equipment)	Saudi-Arabia
	Siemens d.o.o. Beograd	Serbia
	Siemens Pte. Ltd.	Singapore
	Siemens Electronics Assembly Systems Pte. Ltd	Singapore
	Siemens d.o.o.	Slovenia
	Siemens Ltd.	South Africa
	Siemens S.A.	Spain
	Fábrica Electrotécnica Josa, S.A.	Spain
	Siemens Industrial Turbomachinery AB	Sweden
	Siemens Schweiz AG, Building Technologies Division, International Headquarters	Switzerland
	Siemens Ltd.	Taiwan
	Siemens Ltd.	Thailand
	Siemens Sanayi ve Ticaret A.S.	Turkey
	Siemens Ukraine	Ukraine
	Siemens LLC	United Arab Emirates
	Siemens Industry, Inc.	USA
	Siemens Energy, Inc.	USA
	Siemens Demag Delaval Turbomachinery, Inc.	USA
	Siemens Water Technologies Corp.	USA
	PETNET Solutions, Inc.	USA
	Morgan Construction Company (upto 1 July 2010)	USA
	Siemens Medical Solutions USA, Inc.	USA
	SMS Inc. - Customer Solutions Group	USA
	Siemens S.A.	Venezuela
	Siemens Automation Systems Ltd.	Vietnam
	Siemens Ltd.	Vietnam

28.3 *Key Managerial Personnel*

Dr. Armin Bruck

Mr. Sunil Mathur

Mr. Vijay. V. Paranjape

Mr. Vilas Parulekar (Retired on 25 September 2009)

Mr. Patrick de Royer (Retired on 31 December 2008)

Mr. K.R.Upilli (Retired on 27 July 2008)

Schedules to the Financial Statements (*Continued*) for the year ended 30 September 2010 (Currency : Indian rupees thousands)

28.4 Related party transactions

Description	2010					2009				
	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel
Sales (net of taxes)										
- Siemens AG	1,471,485	-	-	-	-	2,024,042	-	-	-	-
- Siemens Information Systems Ltd.	-	-	264,927	-	-	-	280,376	88,574	-	-
- Siemens Energy & Automation, Inc	-	-	-	-	-	-	-	519,617	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	-	1,056,279	-	-	-	-	784,264	-	-
- Siemens VAI Metals Technologies SAS	-	-	-	-	-	-	-	154,578	-	-
- Siemens Rolling Stock Private Ltd.	-	19,041	-	-	-	-	28,601	-	-	-
- Siemens Building Technologies Private Ltd.	-	7,093	-	-	-	-	6,876	-	-	-
- Siemens Industry Inc.	-	-	333,077	-	-	-	-	-	-	-
- Flender Ltd.	-	-	-	-	-	-	592	-	3,006	-
- Others	-	-	1,338,929	-	-	-	15,529	1,068,311	-	-
Commission income										
- Siemens AG	425,409	-	-	-	-	481,223	-	-	-	-
- Siemens Industrial Turbomachinery AB	-	-	-	-	-	-	-	17,576	-	-
- Siemens Industrial Turbomachinery Ltd.	-	-	7,961	-	-	-	-	16,047	-	-
- Siemens Pte.Ltd.	-	-	-	-	-	-	-	2,586	-	-
- Loher GmbH	-	-	3,043	-	-	-	-	-	-	-
-A. Friedr Flender AG	-	-	8,640	-	-	-	-	-	-	-
- Others	-	-	662	-	-	-	-	2,978	-	-
Other recoveries										
- Siemens AG	658,524	-	-	-	-	153,633	-	-	-	-
- Siemens Information Systems Ltd.	-	-	125,678	-	-	-	78,636	17,457	-	-
- Siemens Information Processing Services Private Ltd.	-	-	27,192	-	-	-	11,881	7,688	-	-
- Siemens Corporate Finance Private Ltd.	-	-	12,553	-	-	-	-	13,259	-	-
- Siemens Enterprise Communications Private Ltd.	-	-	-	-	-	-	-	25,727	-	-
- Siemens Wind Power A/S	-	-	27,628	-	-	-	-	-	-	-
- Flender Ltd.	-	-	-	-	-	-	3,528	-	6,178	-
- Siemens Rolling Stock Private Ltd.	-	11,962	-	-	-	-	9,593	-	-	-
- Siemens Building Technologies, Inc.	-	14,263	-	-	-	-	8,088	-	-	-
- Others	-	-	186,356	-	-	-	-	30,307	-	-
Reimbursement of expenses										
- Siemens AG	379,943	-	-	-	-	352,973	-	-	-	-
- Siemens Information Systems Ltd.	-	-	31,976	-	-	-	6,830	10,115	-	-
- Siemens Rolling Stock Private Ltd.	-	940	-	-	-	-	720	-	-	-
- Siemens Building Technologies, Inc.	-	3,095	-	-	-	-	385	-	-	-
- Siemens Enterprise Communications Private Ltd.	-	-	-	-	-	-	-	2,357	-	-
- Siemens Pte. Ltd.	-	-	2,469	-	-	-	-	569	-	-
- Siemens Wind Power A/S	-	-	-	-	-	-	-	13,044	-	-
- Siemens Electronics Assembly Systems Pte. Ltd	-	-	14,289	-	-	-	-	11,231	-	-
- Flender Ltd.	-	-	-	-	-	-	-	-	18	-
- Others	-	-	20,844	-	-	-	-	1,210	-	-
Purchase / Other services										
- Siemens AG	19,576,523	-	-	-	-	15,502,378	-	-	-	-
- Siemens Information Systems Ltd.	-	-	180,710	-	-	-	99,365	58,397	-	-
- Siemens Building Technologies Private Ltd.	-	24,782	-	-	-	-	14,350	-	-	-
- Siemens Information Processing Services Private Ltd.	-	-	88,479	-	-	-	28,468	-	-	-
- Koncar Power Transformers Ltd.	-	-	1,932,199	-	-	-	-	43,327	-	-
- Siemens Electrical Apparatus Ltd.	-	-	879,533	-	-	-	-	602,950	-	-
- Siemens Medical Solutions USA, Inc.	-	-	342,836	-	-	-	-	566,228	-	-

28.4 Related party transactions (Continued)

Description	2010					2009				
	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel
- Flender Ltd.	-	-	-	-	-	-	-	-	19,439	-
- Others	-	-	3,434,218	-	-	-	-	2,407,778	-	-
Interest Income										
- Siemens Building Technologies Private Ltd.	-	48,944	-	-	-	-	72,726	-	-	-
- Osram India Private Ltd.	-	-	58,273	-	-	-	-	29,877	-	-
- Winergy Drive Systems India Private Ltd.	-	-	44,931	-	-	-	-	42,392	-	-
- Morgan Construction Company India Private Ltd.	-	-	-	-	-	-	-	8,783	-	-
- Siemens Rolling Stock Private Ltd.	-	61,445	-	-	-	-	14,975	-	-	-
- Siemens Healthcare Diagnostics Ltd.	-	-	24,693	-	-	-	-	8,679	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	-	6,831	-	-	-	-	-	-	-
- Siemens Corporate Finance Private Ltd.	-	-	-	-	-	-	-	117	-	-
Sale of division / investments										
- Siemens Electronics Assembly Systems Pte.Ltd	-	-	-	-	-	-	-	30,307	-	-
Purchase of Investments / Equity Contribution										
- A Friedr.-Flender AG	-	-	-	-	-	-	-	909,935	-	-
Sale of investments in subsidiaries										
- Siemens Corporate Finance Private Ltd.	-	-	-	-	-	-	-	3,021,459	-	-
Dividend paid	930,205	-	-	-	-	558,123	-	-	-	-
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	62,339	-	-	-	-	30,371	-	-	-	-
- Siemens Building Technologies Private Ltd.	-	14,414	-	-	-	-	12,478	-	-	-
- Trench Germany GmbH	-	-	-	-	-	-	-	42	-	-
- Others	-	-	5,687	-	-	-	-	1,550	-	-
Managerial Remuneration										
- Dr. Armin Bruck	-	-	-	-	70,431	-	-	-	-	63,336
- Mr. Sunil Mathur	-	-	-	-	44,254	-	-	-	-	42,711
- Mr. Vijay. V. Paranjape	-	-	-	-	19,427	-	-	-	-	20,624
- Mr. Vilas Parulekar	-	-	-	-	-	-	-	-	-	23,560
- Mr. Patrick de Royer	-	-	-	-	-	-	-	-	-	13,691
- Mr. K.R.Upilli	-	-	-	-	-	-	-	-	-	253
Inter Corporate Deposits given										
- Siemens Building Technologies Private Ltd.	-	2,804,000	-	-	-	-	3,700,000	-	-	-
- Siemens Rolling Stock Private Ltd.	-	4,450,000	-	-	-	-	1,300,000	-	-	-
- Osram India Private Ltd.	-	-	3,750,000	-	-	-	-	1,950,000	-	-
- Winergy Drive Systems India Private Ltd.	-	-	3,120,000	-	-	-	-	2,360,000	-	-
- Morgan Construction Company India Private Ltd.	-	-	-	-	-	-	-	735,000	-	-
- Siemens Healthcare Diagnostics Ltd.	-	-	1,600,000	-	-	-	-	800,000	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	-	1,400,000	-	-	-	-	-	-	-
Inter Corporate Deposits repaid										
- Siemens Building Technologies Private Ltd.	-	2,980,000	-	-	-	-	3,650,000	-	-	-
- Siemens Rolling Stock Private Ltd.	-	3,900,000	-	-	-	-	700,000	-	-	-
- Osram India Private Ltd.	-	-	3,450,000	-	-	-	-	1,400,000	-	-
- Winergy Drive Systems India Private Ltd.	-	-	2,780,000	-	-	-	-	2,080,000	-	-

Schedules to the Financial Statements (*Continued*) for the year ended 30 September 2010 (Currency : Indian rupees thousands)

28.4 Related party transactions (*Continued*)

Description	2010					2009				
	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel	Holding Company	Subsidiaries	Fellow Subsidiaries	Associate	Key managerial personnel
- Morgan Construction Company India Private Ltd.	-	-	-	-	-	-	-	820,000	-	-
- Siemens Healthcare Diagnostics Ltd.	-	-	1,600,000	-	-	-	-	400,000	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	-	600,000	-	-	-	-	-	-	-
Outstanding Balances										
Debtors										
- Siemens AG	344,975	-	-	-	-	880,283	-	-	-	-
- Siemens Building Technologies Private Ltd.	-	7,119	-	-	-	-	3,884	-	-	-
- Siemens Rolling Stock Private Ltd.	-	819	-	-	-	-	6,307	-	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	-	97,233	-	-	-	-	552,601	-	-
- Siemens Information Systems Ltd.	-	-	115,263	-	-	-	-	33,684	-	-
- Morgan Construction Company India Private Ltd.	-	-	3,589	-	-	-	-	6,105	-	-
- Flender Ltd	-	-	-	-	-	-	13,515	-	-	-
- Others	-	-	211,098	-	-	-	-	156,348	-	-
Creditors										
- Siemens AG	5,112,779	-	-	-	-	4,100,111	-	-	-	-
- Siemens Building Technologies Private Ltd.	-	51,516	-	-	-	-	26,785	-	-	-
- Flender Ltd	-	-	-	-	-	-	6,357	-	-	-
- Siemens Information Systems Ltd	-	-	165,554	-	-	-	-	45,729	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	-	14,186	-	-	-	-	37,948	-	-
- Siemens Information Processing Services Private Ltd.	-	-	21,441	-	-	-	-	35,756	-	-
- Siemens Power Engineering Private Ltd.	-	-	62,575	-	-	-	-	32,645	-	-
- Siemens Industrial Turbomachinery Services Private Ltd.	-	-	238,640	-	-	-	-	135,153	-	-
- Koncar Power Transformers Ltd.	-	-	1,314,429	-	-	-	-	13,181	-	-
- Trench Germany Gmbh	-	-	322,357	-	-	-	-	51,574	-	-
- Others	-	-	1,098,651	-	-	-	-	1,034,159	-	-
Inter Corporate Deposits										
- Siemens Building Technologies Private Ltd.	-	674,000	-	-	-	-	850,000	-	-	-
- Siemens Rolling Stock Private Ltd.	-	1,150,000	-	-	-	-	600,000	-	-	-
- Osram India Private Ltd.	-	-	1,100,000	-	-	-	-	800,000	-	-
- Winergy Drive Systems India Private Ltd.	-	-	1,000,000	-	-	-	-	660,000	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	-	800,000	-	-	-	-	-	-	-
- Siemens Healthcare Diagnostics Ltd.	-	-	400,000	-	-	-	-	400,000	-	-
Interest receivable on Inter Corporate Deposits										
- Siemens VAI Metals Technologies Private Ltd.	-	-	945	-	-	-	-	-	-	-
- Siemens Building Technologies Private Ltd.	-	-	-	-	-	-	2,358	-	-	-
- Osram India Private Ltd.	-	-	7,324	-	-	-	-	3,995	-	-
- Winergy Drive Systems India Private Ltd.	-	-	3,668	-	-	-	-	976	-	-
- Siemens Rolling Stock Private Ltd.	-	9,095	-	-	-	-	2,985	-	-	-
- Siemens Healthcare Diagnostics Ltd.	-	-	3,915	-	-	-	-	2,336	-	-
Managerial Remuneration payable										
- Dr. Armin Bruck	-	-	-	-	34,607	-	-	-	-	32,466
- Mr. Sunil Mathur	-	-	-	-	21,835	-	-	-	-	21,842
- Mr. Vijay. V. Paranjape	-	-	-	-	9,258	-	-	-	-	12,377
- Mr. Vilas Parulekar	-	-	-	-	-	-	-	-	-	13,694

29 (i) Information about business segments

	Revenue						Results	
	External sales		Inter segmental sales		Total		2010	2009
	2010	2009	2010	2009	2010	2009		
Industry Automation	6,305,514	5,102,292	471,657	327,653	6,777,171	5,429,945	631,424	468,363
Drive Technologies	8,497,711	5,476,354	5,274,226	6,205,892	13,771,937	11,682,246	1,094,052	736,630
Building Technologies	5,222,141	4,353,913	571,918	688,726	5,794,059	5,042,639	231,290	192,601
Industry Solutions	11,606,740	11,377,433	282,864	119,377	11,889,604	11,496,810	1,096,962	1,071,628
Mobility	10,207,979	10,260,282	-	-	10,207,979	10,260,282	857,544	(76,905)
Fossil Power Generation	1,292,022	4,219,875	2,591	7,681	1,294,613	4,227,556	399,670	441,639
Oil & Gas	7,036,699	5,631,183	7,500	-	7,044,199	5,631,183	936,138	811,993
Power Transmission	28,006,892	24,237,201	1,218,353	481,737	29,225,245	24,718,938	5,189,155	4,004,832
Power Distribution	6,903,493	7,145,102	2,602,980	1,696,864	9,506,473	8,841,966	528,472	652,076
Healthcare	7,537,394	5,431,079	-	-	7,537,394	5,431,079	519,453	413,083
Real Estate	535,820	653,031	-	-	535,820	653,031	433,110	844,186
Eliminations	-	-	(10,432,089)	(9,527,930)	(10,432,089)	(9,527,930)	-	-
Total	93,152,405	83,887,745	-	-	93,152,405	83,887,745	11,917,270	9,560,126
Interest expenses							(105,876)	(58,772)
Interest income							776,085	523,002
Exceptional income							-	2,059,459
Unallocable corporate items							-	2,234,778
Profit before tax							12,587,479	14,318,593
Income tax							(4,516,513)	(4,007,464)
Deferred tax							201,149	208,879
Fringe benefit tax							-	(71,500)
Profit after tax							8,272,115	10,448,508
Consolidated total	93,152,405	83,887,745	-	-	93,152,405	83,887,745	8,272,115	10,448,508

	Assets		Liabilities		Capital Expenditure		Non cash expenditure			
							Depreciation		Others	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Industry Automation	2,698,626	2,491,669	1,824,644	1,470,254	409,670	186,623	125,486	82,009	90,556	206,952
Drive Technologies	5,827,092	3,488,451	4,341,093	3,167,416	339,994	173,105	196,976	104,662	245,163	(28,994)
Building Technologies	2,172,857	1,897,606	1,592,902	1,251,365	114,161	73,170	46,350	38,870	24,763	19,514
Industry Solutions	5,942,237	5,662,121	6,632,635	6,134,182	28,912	12,736	24,000	14,095	(25,568)	62,510
Mobility	3,085,486	3,154,534	4,226,152	3,515,672	57,031	1,355	13,976	8,286	53,570	56,603
Fossil Power Generation	717,554	751,998	3,543,727	2,520,415	21,454	1,543	9,031	5,294	(140,331)	51,132
Oil & Gas	4,929,955	2,495,405	6,503,389	3,457,263	1,192,342	368,713	55,968	56,376	(19,312)	30,490
Power Transmission	26,962,832	25,675,227	18,850,019	19,603,058	459,822	479,164	289,171	245,570	524,970	(1,254,267)
Power Distribution	5,447,517	5,655,691	3,951,905	5,606,291	153,177	37,157	40,758	28,163	(99,912)	(21,955)
Healthcare	2,302,216	1,587,538	3,467,354	2,083,044	67,931	43,871	39,016	19,072	(54,649)	(20,685)
Real Estate	2,177,417	2,144,171	548,990	338,813	113,446	276,282	174,064	175,397	(10,714)	(4,026)
Total	62,263,789	55,004,411	55,482,810	49,147,773	2,957,940	1,653,719	1,014,796	777,794	588,536	(902,726)
Unallocable corporate items	32,080,993	27,448,217	4,084,184	4,138,648	53,824	55,150	-	-	-	-
Consolidated total	94,344,782	82,452,628	59,566,994	53,286,421	3,011,764	1,708,869	1,014,796	777,794	588,536	(902,726)

Schedules to the Financial Statements (*Continued*) for the year ended 30 September 2010 (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	
	2010	2009	2010	2009	2010	2009
Within India	72,933,093	66,618,911	69,158,634	50,326,018	3,011,764	1,708,871
Outside India	20,219,312	17,268,834	25,186,148	32,126,610	-	-
Total	93,152,405	83,887,745	94,344,782	82,452,628	3,011,764	1,708,871

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.
- During the year there has been reorganisation of Industry Automation and Building Technologies business segments. Figures for the year ended 30 September 2009 have been regrouped to make them comparable.

29 (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 geographical segments i.e. within India and outside India.

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

(i) Defined Contribution Plans

Amount of ₹119,401 (2009 : ₹98,881) is recognised as an expense and included in "Personnel costs" (Refer Schedule 19) in the Profit and loss account.

(ii) Defined benefit Plans

a) Amounts for the current period are as follows :

	Gratuity		Pension		Medical	
	2010	2009	2010	2009	2010	2009
I Change in benefit obligation						
Liability at the beginning of the year	604,602	466,489	174,983	160,326	70,754	45,169
Interest cost	48,368	37,249	13,999	12,826	5,613	3,555
Current service cost	67,749	22,783	-	-	3,285	2,980
Past Service Cost (Vested Benefit)	206,274	-	-	-	-	-
Liability transfer in	29,947	9,528	-	-	-	-
Liability transfer out	-	(1,222)	-	-	-	-
Benefit paid	(50,049)	(44,038)	(28,453)	(28,305)	(7,760)	(7,410)
Actuarial (gain)/loss on obligations	(88,290)	113,813	5,803	30,136	130,175	26,460
Liability at the end of the year	818,601	604,602	166,332	174,983	202,067	70,754
II Fair value of plan assets						
Fair value of plan assets at the beginning of the year	647,749	476,575	-	-	-	-
Expected return on plan assets	51,820	50,027	-	-	-	-
Contributions	166,188	171,495	-	-	-	-
Transfer from other company	29,947	9,528	-	-	-	-
Transfer to other company	-	(1,222)	-	-	-	-
Benefit paid	(50,049)	(44,038)	-	-	-	-
Actuarial gain/(loss) on plan assets	4,806	(14,616)	-	-	-	-
Fair value of plan assets at the end of the year	850,461	647,749	-	-	-	-
III Actual return on plan assets						
Expected return on plan assets	51,820	50,027	-	-	-	-
Actuarial gain/(loss) on plan assets	4,806	(14,616)	-	-	-	-
Actual return on plan assets	56,626	35,411	-	-	-	-
IV Amount recognised in the balance sheet						
Liability at the end of the year	818,601	604,602	166,332	174,983	202,067	70,754
Fair value of plan assets at the end of the year	850,461	647,749	-	-	-	-
Net(Asset)/Liability recognised in the balance sheet	(31,860)	(43,147)	166,332	174,983	202,067	70,754

Schedules to the Financial Statements (*Continued*)
for the year ended 30 September 2010
(Currency : Indian rupees thousands)

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

	Gratuity		Pension		Medical	
	2010	2009	2010	2009	2010	2009
V Expenses recognised in the income statement						
Interest cost	48,368	37,249	13,999	12,826	5,613	3,555
Current service cost	67,749	22,783	-	-	3,285	2,980
Expected return on plan assets	(51,820)	(50,027)	-	-	-	-
Past Service Cost (Vested Benefit) Recognised	206,274	-	-	-	-	-
Actuarial (gain) / loss	(93,096)	128,429	5,803	30,136	130,175	26,460
Expense recognised in personnel costs(Schedule 19)	177,475	138,434	19,802	42,962	139,073	32,995
VI Balance sheet reconciliation						
Opening net liability	(43,147)	(10,086)	174,983	160,326	70,754	45,169
Expense as above	177,475	138,434	19,802	42,962	139,073	32,995
Employers contribution	(166,188)	(171,495)	(28,453)	(28,305)	(7,760)	(7,410)
Net(Asset)/Liability recognised in balance sheet	(31,860)	(43,147)	166,332	174,983	202,067	70,754
VII Actuarial Assumptions : For the Year						
Discount Rate Current	8.25%	8.0%	8.25%	8.0%	8.25%	8.0%
Rate of Return on Plan Assets Current	8.0%	8.0%	-	-	-	-
Medical Cost increase rate	-	-	-	-	7.0%	7.0%
Attrition rate	5.0%	5.0%	-	-	-	-
VIII Sensitivity					1% increase	1% decrease
Change in Liability - Discount rate	-	-	-	-	(17,337)	21,055
Change in Liability - Inflation rate	-	-	-	-	22,672	(19,297)
Change in Service Cost - Discount rate	-	-	-	-	(84)	189
Change in Interest Cost - Discount rate	-	-	-	-	702	(702)
IX Amount for the Current and Previous periods as per AS15 Para 120(n) are as follows :						
	Gratuity					
	2010	2009	2008	2007		
Liability at the end of the year	818,601	604,602	466,489	442,128		
Fair value of plan assets at the end of the year	850,461	647,749	476,575	471,412		
Difference	(31,860)	(43,147)	(10,086)	(29,284)		
Experience Adjustment on Plan Liabilities (gain)/ loss	(73,342)	9,883	7,862	15,831		
Experience Adjustment on Plan Assets (loss)/ gain	4,806	(13,897)	1,669	7,071		

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

- b) The fund formed by the Company manages the investments of the Gratuity Fund. Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio, along with the estimated incremental investments to be made during the year. Yield on portfolio is calculated based on a suitable mark-up over the benchmark Government securities of similar maturities. The Company expects to contribute ₹52,532 to gratuity fund in 2010-11.
- 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, need 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 is unable 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.

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	2010	2009
Government of India securities	16%	13%
State Government securities	19%	22%
Public sector unit bonds	38%	32%
Special Discount scheme	27%	33%
Total Plan Assets	100%	100%

Schedules to the Financial Statements (*Continued*) for the year ended 30 September 2010 (Currency : Indian rupees thousands)

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	Buy			Sell		
	Number of contracts	Amount	Indian rupees equivalent	Number of contracts	Amount	Indian rupees equivalent
US Dollar						
2010	192	109,208	4,907,240	111	407,406	18,306,793
2009	163	96,186	4,627,004	103	393,753	18,941,503
Euro						
2010	206	335,518	20,516,067	39	25,414	1,553,989
2009	143	165,104	11,558,916	53	51,930	3,635,600
Qatari Riyal						
2010	2	750	9,255	16	1,682,055	20,769,179
2009	2	1,600	21,144	13	1,303,408	17,224,543
Japanese Yen						
2010	4	32,952	17,702	-	-	-
2009	3	49,000	26,195	-	-	-
Pound Sterling						
2010	21	5,781	410,504	3	2,325	165,115
2009	13	3,855	296,258	-	-	-
CHF						
2010	1	51	2,350	-	-	-
2009	-	-	-	-	-	-
CAD						
2010	1	167	7,291	-	-	-
2009	1	235	10,396	-	-	-
SEK						
2010	1	458	3,066	-	-	-
2009	4	729	33,769	-	-	-

All currency exposures having underlying transactions as at 30 September 2010 are covered by foreign currency forward contracts. The forward contracts have been converted in Indian rupees, at the spot rates, as at 30 September 2010 to facilitate reading purposes only.

31 Derivative Instruments (Continued)

b) Commodity Contracts

The Company uses Commodity Future Contracts to hedge against fluctuation in commodity prices. The following are outstanding future contracts entered into by the Company as on 30 September 2010

Year	Commodity	Number of Contracts	Contractual Quantity	Buy /Sell
2010	Copper	1,211	1,211 MT	Buy
	Silver	98	2.94 MT	Buy
2009	Copper	749	749 MT	Buy

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

32 Earnings per share:

	2010	2009
Profit after tax (Net profit attributable to Equity shareholders)	8,272,115	10,448,508
Shares :-		
Weighted average number of Equity shares outstanding during the year	337,160,200	337,160,200
Earnings per share (Basic and diluted)	24.53	30.99

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

The Company has amounts due to suppliers under MSMED as at 30 September 2010. The disclosure pursuant to the said Act is as under:

	2010	2009
Principal amount due to suppliers under MSMED Act	148,845	653,274
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid	1,959	5,670
Payment made to suppliers (other than interest) beyond the appointed day during the year	2,644,768	2,059,172
Interest paid to suppliers under the MSMED Act	-	-
Interest due and payable towards suppliers under MSMED Act towards payments already made	137,530	64,676
Interest accrued and remaining unpaid at the end of the accounting year	139,489	70,346

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.

34 During the year, the Company has entered into a contract, in the normal course of business, for sales of a value of ₹ 14,792 with a Private Limited Company which is a 100% subsidiary of a foreign company and in which a director of the Company is a director. Payment has been received in accordance with the normal sales terms. As a measure of abundant caution, application for approval is being made to the Central Government under Section 297 of the Companies Act, 1956.

35 Prior year comparatives

Previous year's figures have been regrouped/ reclassified wherever necessary, to conform to current year's classification. As per our report of even date.

For S.R.Batliboi & Associates

Firm Registration Number:- 101049W
Chartered Accountants

per Sudhir Soni

Partner

Membership No: 41870

Mumbai

24 November 2010

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

24 November 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

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

Public Issue	<input type="text" value="NIL"/>	Rights Issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="NIL"/>	Private Placement	<input type="text" value="NIL"/>

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

Total Liabilities	<input type="text" value="94,344,782"/>	Total Assets	<input type="text" value="94,344,782"/>
Sources of Funds		Reserves & Surplus	<input type="text" value="34,103,468"/>
Paid-up Capital	<input type="text" value="674,320"/>	Unsecured Loans	<input type="text" value="2,410"/>
Secured Loans	<input type="text" value="NIL"/>	Investments	<input type="text" value="3,884,606"/>
Application of Funds		Miscellaneous Expenditure	<input type="text" value="NIL"/>
Net Fixed Assets	<input type="text" value="9,805,095"/>	Deferred Tax Asset	<input type="text" value="1,313,000"/>
Net Current Assets	<input type="text" value="19,777,497"/>		
Accumulated Loss	<input type="text" value="NIL"/>		

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

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

Turnover (including other income)	94,776,805	Total Expenditure	82,189,326
+/- Profit/Loss Before Tax	+ 12,587,479	+/- Profit/Loss After Tax	+ 8,272,115
(Please tick appropriate box + for Profit, - for Loss)			
Earning per share in Rs	24.53	Dividend Rate %	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 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
24 November 2010

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 2010		30 September 2009	
Siemens Information Systems Ltd.	-	-	-	187,406
[Nil (2009: 6,815,000) Equity shares of ₹10 each, fully paid-up i.e.Nil (2009: 100% holding)] (up to 24 June 2009)				
Flender Ltd.	-	-	-	44,979
[Nil (amalgamated with the Company w.e.f. 1 October 2009) (2009: 4,320,000) Equity shares of ₹10 each, fully paid-up i.e.Nil (100% holding from 1 August 2009)]				
Siemens Information Processing Services Pvt. Ltd.	-	-	-	107,193
[Nil (2009: 2,123,800) Equity shares of ₹10 each, fully paid-up i.e. Nil (2009: 51% holding)] (up to 24 June 2009)				
Siemens Rolling Stock Private Ltd.	-	(212,899)	-	(135,042)
[25,000,000 (2009:25,000,000) Equity shares of ₹10 each, fully paid-up, i.e.100% holding (2009: 100%)]				
Siemens Building Technologies Private Ltd.	-	77,352	-	(146,808)
[3,734,079 (2009: 3,216,870) Equity shares of ₹10 each, fully paid-up i.e. 100% holding (2009: 86.15% holding)] (Additional 13.85% acquired on 8 January 2010)				

**Siemens Group
Consolidated Financial Statements
for the year ended 30 September 2010
with Auditors' Report**

Disclosure pursuant to Central Government approval no. 47/689/2010-CL-III dated 17 September, 2010 under Section 212 (8) of the Companies Act, 1956
(Currency: Indian rupees in thousands)

Particulars	Siemens Information Systems Ltd.		Flender Ltd.		Siemens Information Processing Services Private Ltd.		Siemens Rolling Stock Private Ltd.	
	2010	Upto 24 June 2009	2010	From 1 August 2009	2010	Upto 24 June 2009	2010	2009
Capital	-	-	-	43,200	-	-	250,000	250,000
Reserves	-	-	-	850,418	-	-	-	-
Loans	-	-	-	-	-	-	1,150,000	600,000
Total Assets	-	-	-	900,893	-	-	1,400,000	850,000
Total liabilities	-	-	-	900,893	-	-	1,400,000	850,000
Details of investments: 2,040,514 equity shares of ₹ 10 each fully paid-up in Siemens Information Processing services Pvt Ltd.	-	29,996	-	-	-	-	-	-
Turnover	-	5,733,631	-	389,332	-	764,896	107,629	29,351
Profit / (Loss) before Tax	-	245,718	-	67,336	-	109,433	(212,899)	(134,524)
Provision For Tax	-	42,577	-	23,928	-	-	-	-
Deferred Tax	-	(1,900)	-	(1,570)	-	(2,851)	-	-
Fringe Benefit Tax	-	17,634	-	-	-	5,091	-	518
Profit / (Loss) After Tax	-	187,406	-	44,979	-	107,193	(212,899)	(135,042)
Interim dividend	-	-	-	-	-	-	-	-

Disclosure pursuant to Central Government approval no. 47/689/2010-CL-III dated 17 September, 2010 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. (Hongkong)		iMetrex Technologies Ltd. (Ireland)	
	2010	2009	2010	2009	Upto 21 September 2010	2009	2010	2009	2010	2009
Capital	37,341	37,341	669	669	-	339	-	-	113,535	113,917
Reserves	576,861	571,881	66,246	81,586	-	260,264	-	-	(108,485)	354,169
Loans	674,129	852,873	-	-	-	-	-	-	-	-
Total Assets	1,288,330	1,462,095	66,915	82,256	-	260,603	-	-	5,050	415,468
Total liabilities	1,288,330	1,462,095	66,915	82,256	-	260,603	-	-	5,050	415,468
Details of investments	209,138	331,780	-	-	-	-	-	-	-	-
Turnover	2,490,236	1,772,635	99,620	251,001	284,069	554,486	-	-	-	-
Profit / (Loss) before Tax	258,668	(142,256)	(11,719)	1,875	44,595	138,284	-	(4,897)	(156,205)	(1,230)
Provision For Tax	206,541	26,758	-	4,074	8,611	17,452	-	-	-	-
Deferred Tax	(28,919)	(41,295)	3,622	(3,574)	-	-	-	-	-	-
Fringe Benefit Tax	-	2,929	-	188	-	-	-	-	-	-
Profit / (Loss) After Tax	81,046	(146,808)	(15,341)	1,187	35,984	120,831	-	(4,897)	(156,205)	(1,230)
Interim dividend	-	-	-	-	-	-	-	228,463	-	-

Disclosure pursuant to Central Government approval no. 47/689/2010-CL-III dated 17 September, 2010 under Section 212 (8) of the Companies Act, 1956
(Currency: Indian rupees in thousands)

Particulars	Europlex Technologies (UK) Ltd. (UK)		Europlex Technologies (Ireland) Ltd. (Ireland)	
	2010	2009	2010	2009
Capital	220,717	224,566	199,159	52,634
Reserves	(218,881)	(238,417)	(183,323)	(416,386)
Loans	-	-	-	-
Total Assets	1,836	(48,265)	15,837	(418,691)
Total liabilities	1,836	(48,265)	15,837	(418,691)
Details of investments	-	-	-	-
Turnover	73,563	69,428	141,046	174,653
Profit / (Loss) before Tax	1,705	(23,991)	352,141	(44,178)
Provision For Tax	-	-	-	8,067
Deferred Tax	-	-	-	-
Fringe Benefit Tax	-	-	-	-
Profit / (Loss) After Tax	1,705	(23,991)	352,141	(52,245)
Interim dividend	-	-	-	-

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	34.14	33.32
Avenues (Hongkong) Ltd. (Hongkong)	HK\$	5.78	5.93
iMetrex Technologies Ltd. (Ireland)	Euro	61.25	62.37
Europlex Technologies (UK) Ltd. (UK)	GBP	71.22	71.93
Europlex Technologies (Ireland) Ltd. (Ireland)	Euro	61.25	62.37

Auditors' Report

To the Board of Directors of Siemens Limited

We have audited the attached consolidated balance sheet of Siemens Limited and its subsidiaries (collectively referred to as the 'Siemens Group') as at September 30, 2010, 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 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, 2010;
- (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

Firm registration number: 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership No.: 41870

Place : Mumbai

Date : November 24, 2010

Consolidated Balance Sheet as at 30 September 2010 (Currency : Indian rupees thousands)

	Schedule	2010	2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	3	674,320	674,320
Reserves and surplus	4	32,122,909	27,138,616
		<u>32,797,229</u>	<u>27,812,936</u>
Minority interest			
Equity	5	-	5,173
Non-equity	6	-	51,144
		-	<u>56,317</u>
Loan funds			
Secured loans	7	129	515
Unsecured loans	8	2,410	5,906
		<u>2,539</u>	<u>6,421</u>
		<u>32,799,768</u>	<u>27,875,674</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	9	18,262,356	16,705,108
Accumulated depreciation / amortisation		(8,412,683)	(7,436,799)
Net block		<u>9,849,673</u>	<u>9,268,309</u>
Capital work-in-progress including capital advances		2,551,556	1,616,343
		<u>12,401,229</u>	<u>10,884,652</u>
Investments	10	5	113
Deferred tax asset, net	11	1,427,375	1,196,377
Current assets, loans and advances			
Inventories	12	15,716,320	10,554,838
Sundry debtors	13	34,103,953	36,134,193
Cash and bank balances	14	18,795,018	14,745,833
Loans and advances	15	10,798,019	9,191,125
		<u>79,413,310</u>	<u>70,625,989</u>
Current liabilities and provisions			
Current liabilities	16	(44,682,451)	(41,119,100)
Provisions	17	(15,759,700)	(13,712,357)
		<u>(60,442,151)</u>	<u>(54,831,457)</u>
Net current assets		<u>18,971,159</u>	<u>15,794,532</u>
		<u>32,799,768</u>	<u>27,875,674</u>
Significant accounting policies	1-2		
Schedules to the consolidated financial statements	24 - 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.Batliboi & Associates
Firm Registration Number:- 101049W
Chartered Accountants

per Sudhir Soni
Partner
Membership No: 41870

Mumbai
24 November 2010

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
24 November 2010

Consolidated Profit and Loss Account for the year ended 30 September 2010 (Currency : Indian rupees thousands)

	Schedule	2010	2009
INCOME			
Sales and services (gross)		98,188,248	94,581,979
Excise duty		(2,436,149)	(2,245,714)
Sales and services (net)		95,752,099	92,336,265
Commission income		448,650	528,263
		96,200,749	92,864,528
Interest income	18	667,648	558,449
Other operating income, net	19	1,229,315	626,641
Other income	20	-	114,910
		98,097,712	94,164,528
EXPENDITURE			
Cost of sales and services	21	70,324,637	65,846,808
Personnel costs	22	7,052,342	9,443,848
Depreciation/ amortisation	9	1,687,090	1,732,689
Interest Expense		110,478	73,944
Other costs, net	23	6,856,855	7,685,089
		86,031,402	84,782,378
		12,066,310	9,382,150
Profit before tax before exceptional income			
Exceptional income:			
- Profit on sale of subsidiaries		-	1,501,019
Profit before tax		12,066,310	10,883,169
Consists of:			
- Discontinued operations		-	447,941
- Continuing operations		12,066,310	10,435,228
		12,066,310	10,883,169
Provision for tax			
Current tax (includes ₹ Nil; 2009 : ₹42,577 of discontinued operations)		(4,731,665)	(4,121,560)
Deferred tax credit (includes ₹ Nil; 2009 : ₹4,751 of discontinued operations)		230,998	255,805
Fringe benefit tax (includes ₹ Nil; 2009 : ₹22,726 of discontinued operations)		-	(94,098)
Profit after tax		7,565,643	6,923,316
Share of profit of associate		-	81,670
Minority interest		12,071	41,052
Net profit after tax		7,577,714	7,046,038
Consists of:			
- Discontinued operations		-	387,389
- Continuing operations		7,577,714	6,658,649
Net profit after tax		7,577,714	7,046,038
Balance in profit & loss account brought forward		(1,473,425)	1,929,045
Amount available for appropriation		6,104,289	8,975,083
Appropriations:			
Proposed dividend		1,685,801	1,685,801
Tax on Proposed dividend		279,990	286,502
Transfer to general reserve		8,272,113	8,476,205
Balance carried forward		(4,133,615)	(1,473,425)
		6,104,289	8,975,083
Earnings per share ('EPS')	32		
(Equity share of face value ₹2 each)			
- Basic and diluted		22.48	20.90
Significant accounting policies	1-2		
Schedules to the consolidated financial statements	24 - 33		

The schedules referred to above form an integral part of the consolidated profit and loss account.

As per our report of even date.

For S.R.Batliloi & Associates

Firm Registration Number:- 101049W

Chartered Accountants

per Sudhir Soni

Partner

Membership No: 41870

Mumbai

24 November 2010

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

Deepak S. Parekh

Chairman

Dr. Armin Bruck

Managing Director

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Executive Director

Yezdi H.Malegam

Director & Chairman of Audit Committee

Ajai Jain

Vice President (Legal) & Company Secretary

Mumbai

24 November 2010

Consolidated Cash Flow Statement for the year ended 30 September 2010 (Currency : Indian rupees thousands)

	Schedule	2010	2009
<u>Cash flow from operating activities</u>			
Profit before tax		12,066,310	10,883,169
Adjustments for:			
Interest expense		110,478	73,944
Depreciation and amortisation	9	1,687,090	1,732,689
Profit on sale of fixed assets, net	19	(264,578)	(240,740)
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
Sale of lease rights		-	(78,000)
Profit on sale of Electronics Assembly Division		-	(30,307)
Bad debts	23	317,571	311,921
Provision for doubtful debts/ advances, net	23	49,617	112,425
Unrealised exchange Loss/ (gain), net		371,046	(1,027,379)
Interest income	18	(667,648)	(558,449)
Dividend income	20	-	(6,603)
Operating profit before working capital changes		13,669,886	9,671,651
(Increase) / Decrease in inventories		(5,161,482)	(2,095,654)
(Increase) / Decrease in sundry debtors and other receivables		571,129	(1,187,497)
Increase / (Decrease) in sundry creditors and other current liabilities		3,968,596	(1,176,736)
Increase / (Decrease) in provisions		2,053,853	5,048,707
Net change in working capital		1,432,096	588,820
Cash generated from operations		15,101,982	10,260,471
Direct taxes paid, net		(5,012,117)	(5,928,487)
Net cash provided by operating activities		10,089,865	4,331,984
of which discontinued operations			
- Information Technology Services		-	665,706
- Business Process Outsourcing		-	(227,977)
<u>Cash flow from investing activities</u>			
Purchase of fixed assets	9	(3,053,952)	(2,825,701)
Proceeds from sale of fixed assets		257,314	306,024
Purchase of investments			
- In subsidiary companies		(702,506)	(1,700,999)
- In mutual funds		-	1,834,754
- In subsidiary company		-	3,021,459
- Others		108	-
Dividend income received from mutual funds	20	-	6,603
Interest received		575,571	556,076
Sale of lease rights		-	78,000
Sale of EA business		-	28,150

Cash flow statement (Continued)

	Schedule	2010	2009
Inter corporate deposits placed		(9,870,000)	(5,845,000)
Inter corporate deposits received back		<u>8,430,000</u>	<u>4,700,000</u>
Cash generated from investing activities		(4,363,465)	159,366
of which discontinued operations			
- Information Technology Services		-	693,798
- Business Process Outsourcing		-	(3,722)
<u>Cash flow from financing activities</u>			
Interest paid		(41,335)	(17,423)
Repayment of short term borrowings		(386)	(101,175)
Dividend paid (including tax thereon)		(1,966,830)	(1,578,496)
Repayment of long term borrowings		<u>(3,496)</u>	<u>(4,708)</u>
Net cash used in financing activities		(2,012,047)	(1,701,802)
of which discontinued operations			
- Information Technology Services		-	(359,045)
- Business Process Outsourcing		-	(64)
Net increase in cash and cash equivalents		3,714,353	2,789,548
Cash and cash equivalents at beginning of the year		14,745,833	13,221,817
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)
Effect of exchange gain/(loss) on cash and cash equivalents		<u>334,832</u>	<u>897,229</u>
Cash and cash equivalents at the end of the year	14	<u>18,795,018</u>	<u>14,745,833</u>

Note: Cash and cash equivalents at the end of the period include current account balances with banks of ₹19,336 (2009: ₹13,863) which are restricted in use.

As per our report of even date.

For S.R.Batliboi & Associates

Firm Registration Number:- 101049W
Chartered Accountants

per Sudhir Soni

Partner

Membership No: 41870

Mumbai

24 November 2010

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

24 November 2010

Schedules to the Consolidated Financial Statements for the year ended 30 September 2010 (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 notified in the Companies (Accounting Standards) Rules 2006, (as amended) issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of Companies Act, 1956 ('the Act'), 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') and its subsidiaries. The Company and its subsidiaries constitute the Siemens Group.

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

Entity	Country of incorporation	% holding 2010	% holding 2009
Subsidiaries			
Siemens Building Technologies Private Ltd. ('SBTPL')	India	100%	86.15%
Siemens Rolling Stock Private Ltd.	India	100%	100%
Flender Limited (amalgamated with the company w.e.f. 01 October 2009)	India	-	100%
Step-down subsidiaries			
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%
Avenues (Hong Kong) Ltd. ('AHKL') (100% share capital held by SBTPL)	Hongkong	-	100%
iMetrex Technologies Ltd. ('iTL') (100% share capital held by SBTPL)	Ireland	100%	100%
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%

Notes :

1. Flender Limited has been amalgamated with the company with effect from 01 October 2009. On amalgamation of Flender Limited, the goodwill as on that date amounting to ₹636,546 has been adjusted against the General Reserve.
2. During the year, Avenues (Hongkong) Ltd and iMetrex Technologies Ltd, Singapore. have been liquidated on 30 April 2010 and 21 September 2010 respectively.

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.

1.2 Principles of consolidation (Continued)

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.

1.3 Use of estimates

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

1.4 Fixed assets and depreciation

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

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

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

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

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

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

Asset	Useful life
Goodwill	60 months
Software	36 months
Technical know-how	60 – 84 months

Schedules to the Consolidated Financial Statements for the year ended 30 September 2010 (Currency: Indian rupees thousands)

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 recognised 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 realisable 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 recognise 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. Cost is determined on a weighted average basis.

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

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

Project Work-in-progress net of amounts billed is valued at cost incurred on the contract with the profit taken thereon, in accordance with the Percentage of Completion method followed by the Company for Revenue Recognition, and reduced by progressive billings.

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. Contract revenue earned in excess of billing has been reflected as "Project Work-in-progress net off amounts billed there against" under "Inventories" and "Billing in excess" of contract revenue has been reflected under "Current Liabilities" in the balance sheet. Provision for expected loss is recognised immediately when it is probable that the total estimated contract costs will exceed total contract.

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

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.

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.

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.

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as assets taken on lease. 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 to 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, leave and medical benefit 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.

1.12 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 recognised 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 recognised 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.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

Schedules to the Consolidated Financial Statements for the year ended 30 September 2010 (Currency: Indian rupees thousands)

1.12 Foreign currency transactions (Continued)

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) 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

1.14 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 Provision

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

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

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

Contingent assets are neither recognised 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.

2 Proposed Amalgamations

The Board of Directors approved the amalgamation of Siemens Rolling Stock Pvt.Ltd. (SRSPL), a wholly owned subsidiary and Siemens Healthcare Diagnostics Ltd. (SHDL) with the Company on 7 June 2010 and 30 November 2009, respectively. The amalgamation schemes were filed with the Honorable High Courts. In terms of the scheme, the appointed date is 1 October 2009. Pending approval of the aforesaid High Courts, no effect of the above mentioned proposed amalgamation schemes have been recognised in these financial statements.

Further, during the year, the Board of Directors of the Company had approved the scheme of amalgamation of its wholly owned subsidiaries Siemens Building Technologies Private Limited (SBTPL) and Vista Security Technics Private Limited (Vista) with the Company. The amalgamation scheme was filed with the Honorable High Court of Madras and the relevant High court orders have been received on 3 September 2010 (read with order dated 5 October 2010). The appointed date for the amalgamation is 1 October 2010.

Schedules to the Consolidated Financial Statements (Continued)
as at 30 September 2010
(Currency : Indian rupees thousands)

	2010	2009
3 Share capital		
Authorised		
1,000,000,000 Equity Shares of ₹2 each (2009: 1,000,000,000 Equity shares of ₹2 each)	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>
Issued		
338,024,465 Equity Shares of ₹2 each (2009: 338,024,465 Equity shares of ₹2 each)	676,049	676,049
	<u>676,049</u>	<u>676,049</u>
Subscribed and paid-up		
337,160,200 Equity Shares of ₹2 each fully paid-up (2009: 337,160,200 Equity shares of ₹2 each fully paid-up)	674,320	674,320
	<u>674,320</u>	<u>674,320</u>
Of the above:		
186,041,090 (2009: 186,041,090) Equity shares of ₹2 each, fully paid-up, are held by the Holding company, Siemens AG, Germany;		
55,500,000 (2009: 55,500,000) Equity shares of ₹2 each, fully paid-up, were allotted as fully paid-up bonus shares by capitalisation of the General reserve;		
168,580,100 (2009 : 168,580,100) Equity Shares of ₹2 each, fully paid up, were allotted as fully paid up bonus shares by capitalisation of Securities Premium account;		
3,638,085 (2009: 3,638,085) Equity shares of ₹2 each, were allotted as fully paid-up for consideration received other than in cash.		
4 Reserves and surplus		
Capital reserve		
- Balance brought forward	10,852	688
- Addition on acquisition of Flender Ltd.	-	10,164
	<u>10,852</u>	<u>10,852</u>
Amalgamation Reserve	55,635	55,635
Securities premium account		
- Balance brought forward	1,520,495	1,520,495
	<u>1,520,495</u>	<u>1,520,495</u>
Foreign currency translation reserve *		
- Balance brought forward	(48,585)	(4,398)
- Created during the year	17,285	(51,998)
- Share allocated to Minority	(7,524)	7,811
	<u>(38,824)</u>	<u>(48,585)</u>
Revaluation reserve		
- Balance brought forward	13,194	14,036
- Additional depreciation on building due to revaluation transferred from profit and loss account	(845)	(842)
	<u>12,349</u>	<u>13,194</u>
General reserve		
- Balance brought forward	27,060,450	18,584,245
- Goodwill of Flender Limited adjusted on amalgamation	(636,546)	-
- Transfer from profit and loss account	8,272,113	8,476,205
	<u>34,696,017</u>	<u>27,060,450</u>
Profit and loss account		
- Balance brought forward	(4,133,615)	(1,473,425)
	<u>(4,133,615)</u>	<u>(1,473,425)</u>
Profit and loss account	<u>32,122,909</u>	<u>27,138,616</u>

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

Schedules to the Consolidated Financial Statements (*Continued*)
as at 30 September 2010
(Currency : Indian rupees thousands)

	2010	2009
5 Minority interest in equity		
Siemens Building Technologies Private Ltd.		
Nil (2009: 517,209) equity shares held by minority interest (Nil holding; 2009: 13.85% holding)	5,173	7,721
Adjustment on purchase of additional interest	<u>(5,173)</u>	<u>(2,548)</u>
	<u>-</u>	<u>5,173</u>
6 Minority interest in non-equity		
Siemens Building Technologies Private Ltd.		
Balance brought forward	51,144	139,665
Adjustment on purchase of additional stake	(46,597)	(39,658)
Share of profit/(loss) for the year/ period	(12,071)	(41,052)
Share of foreign currency translation reserve	<u>7,524</u>	<u>(7,811)</u>
	<u>-</u>	<u>51,144</u>
7 Secured loans		
Finance lease obligation (Refer schedule 25B)	<u>129</u>	<u>515</u>
	<u>129</u>	<u>515</u>
8 Unsecured loans		
Interest free loans under		
- sales tax deferral scheme	<u>2,410</u>	<u>5,906</u>
	<u>2,410</u>	<u>5,906</u>

9 Fixed assets

	Intangible assets			Tangible assets					Total	Previous year
	Goodwill	Technical Knowhow	Software	Land	Buildings	Plant and Machinery	Furniture, Fittings & Office Equipment	Vehicles		
Gross block										
At 1 October 2009	3,756,114	147,739	8,835	637,490	3,660,608	7,563,534	907,494	23,294	16,705,108	15,551,439
Addition on purchase of Flender Ltd.	-	-	-	-	-	-	-	-	-	1,288,086
Additions (others)	650,738	-	-	304,743	582,586	1,173,832	174,996	11,686	2,898,581	3,521,062
Deductions/ adjustments	(1,013,359)	-	(2,557)	-	(10,626)	(234,099)	(78,017)	(2,675)	(1,341,333)	(3,655,479)
At 30 September 2010	3,393,493	147,739	6,278	942,233	4,232,568	8,503,267	1,004,473	32,305	18,262,356	16,705,108
Accumulated depreciation										
At 1 October 2009	1,507,188	93,393	8,835	45,739	639,190	4,324,653	797,107	20,694	7,436,799	7,603,703
Additions on purchase of Flender Ltd.	-	-	-	-	-	-	-	-	-	727,882
Charge for the year	625,888	15,831	-	7,435	159,331	700,177	177,319	1,954	1,687,935	1,645,574
Deductions/ adjustments	(376,813)	-	(2,557)	-	(3,546)	(266,325)	(60,130)	(2,680)	(712,051)	(2,540,360)
At 30 September 2010	1,756,263	109,224	6,278	53,174	794,975	4,758,505	914,296	19,968	8,412,683	7,436,799
Net block										
At 30 September 2010	1,637,230	38,515	-	889,059	3,437,593	3,744,762	90,177	12,337	9,849,673	9,268,309
At 30 September 2009	2,248,926	54,346	-	591,751	3,021,418	3,238,881	110,387	2,600	9,268,309	

Notes:-

- Included in the gross block of land at 30 September 2010 is freehold land of ₹474,446 (2009: ₹19,078) and buildings includes ₹172,750 (2009: ₹179,111) representing 520 shares of ₹50 each and 10 shares of ₹100 each (2009: 560 shares of ₹50 each and 10 shares of ₹100 each) in various co-operative housing societies.
- Land with a value of ₹2,136 (2009: ₹2,136) and building with a value of ₹225,081 (2009 : 6,335) are held for sale at 30 September 2010
- Depreciation provided has been disclosed as under:**

	2010	2009
Charge for the year	1,687,935	1,645,574
Goodwill on investment in associate amortised (refer Schedule 10)	-	87,957
Transfer from Revaluation reserve	(845)	(842)
As per profit and loss account	1,687,090	1,732,689

- Assets includes assets given on operating lease**

Particulars	2010			2009		
	Buildings	Furniture and Fixture and office equipment	Plant and Machinery	Buildings	Furniture and Fixture and office equipment	Plant and Machinery
Gross Block	888,040	181,161	461,045	547,886	137,540	28,783
Written Down Value	697,030	53,920	193,515	440,245	46,866	18,671
Depreciation charge for the year	36,201	19,728	42,520	11,523	12,508	-

- Building includes ₹24,962 (2009: 24,962) cost incurred by the company on certain assets ownership of which vests with the West Bengal State Electricity Board.
- Above additions to gross block and deletions in accumulated depreciation include exchange fluctuation adjustments amounting to ₹51,997 (2009 : ₹21,168) and ₹50,589 (2009 : ₹20,571) respectively on consolidation of non-integral foreign operations.
- Goodwill includes goodwill on consolidation - Gross Block ₹2,986,751 (2009 : ₹3,349,372) Net Block ₹1,564,020 (2009 : ₹2,116,840)

Schedules to the Consolidated Financial Statements (*Continued*)
as at 30 September 2010
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	2010	2009
10 Investments		
Non-Trade, long term (at cost)		
In government securities (unquoted)		
National Savings Certificates	5	5
(Unquoted)		
Shares in associate company		
Nil (2009: 2,160,000) Equity Shares of ₹ 10 each fully paid-up in Flender Ltd. (2009: 50% holding)	-	149,837
Cumulative goodwill on purchase of shares in associate	-	527,743
	-	677,580
Cumulative amortisation of goodwill	-	(343,034)
	-	334,546
Cumulative share of profit in associate company	-	274,638
	-	609,184
Conversion to subsidiary pursuant to purchase of balance shares by the Group	-	(609,184)
	-	-
(Quoted)		
Investment in other companies		
Nil (2009: 10,485) Equity Shares of ₹ 1 each fully paid up in PRICOL Ltd. (Sold during the year)	-	8
Nil (2009: 10,000) Equity Shares of ₹ 10 each fully paid up in Scooters India Ltd. (Sold during the year)	-	100
	-	108
(Unquoted)		
Nil (2009:1) equity share of ₹ 10 each fully paid up in International Shock Absorbers Ltd. (Written off during the year)	-	0.01
	<u>5</u>	<u>113</u>
- Aggregate book value of unquoted investment	5	5
- Aggregate book value of quoted investments	-	108
- Aggregate market value of quoted investments	-	355
11 Deferred tax asset		
Arising on account of timing differences in :		
- Depreciation	-	7,637
- Provision for doubtful debts and advances	365,853	378,407
- Expenditure debited to profit & loss account but allowable for tax purposes in following years	946,838	732,688
- Others	432,373	452,082
	<u>1,745,064</u>	<u>1,570,814</u>
Deferred tax liability		
Arising on account of timing differences in :		
- Depreciation	317,689	374,437
Deferred tax asset (net)	<u>1,427,375</u>	<u>1,196,377</u>

	2010	2009
12 Inventories		
Raw materials	2,897,013	2,976,504
Work-in-progress	2,190,592	1,394,014
Finished goods	2,111,906	1,377,341
Project Work-in-progress net of amounts billed there against	8,516,809	4,806,979
	<u>15,716,320</u>	<u>10,554,838</u>
13 Sundry debtors (Unsecured)		
Debts outstanding		
- Over six months	12,668,909	16,826,807
- Other debts	22,386,624	20,281,709
	<u>35,055,533</u>	<u>37,108,516</u>
Of which		
- Considered good	34,103,953	36,134,193
- Considered doubtful	942,236	980,484
	<u>35,046,189</u>	<u>37,114,677</u>
Provision for doubtful debts	(942,236)	(980,484)
	<u>34,103,953</u>	<u>36,134,193</u>
14 Cash and bank balances		
Cash in hand	7,782	8,869
Cheques in hand	902,292	792,752
Balances with scheduled banks		
- on current account	1,032,842	1,616,326
- on deposit account	15,966,763	10,636,477
Balances with other banks	885,339	1,691,409
	<u>18,795,018</u>	<u>14,745,833</u>
15 Loans and advances (Unsecured)		
Advances recoverable in cash or in kind or for value to be received		
- considered good	3,975,417	4,408,062
- considered doubtful	156,997	143,967
	<u>4,132,414</u>	<u>4,552,029</u>
Provision for doubtful advances	(156,997)	(143,967)
	<u>3,975,417</u>	<u>4,408,062</u>
Advance payments of income tax (net of provision for taxation)	2,365,840	2,085,388
Balances with customs, port trusts etc.	1,140,911	830,369
Inter corporate deposits	3,300,000	1,860,000
Interest accrued on inter corporate deposits	15,851	7,306
	<u>10,798,019</u>	<u>9,191,125</u>
16 Current liabilities		
Sundry creditors	29,939,853	24,801,276
Advances from customers (Refer note below)	14,723,262	16,303,961
Unclaimed dividend	19,336	13,863
	<u>44,682,451</u>	<u>41,119,100</u>
Note		
Advance from customers include progress payments billed and advances received from project related work	13,639,351	14,975,178

**Schedules to the Consolidated Financial Statements (*Continued*)
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	2010	2009
17 Provisions		
Pension	166,332	174,983
Provision for Taxation (net of advance tax payment)	33,496	23,975
Leave wages	255,215	259,204
Medical benefits	202,067	70,753
Silver Jubilee	82,647	74,418
Warranty (Refer schedule 27)	2,904,301	2,457,905
Loss order (Refer schedule 27)	661,819	907,939
Liquidated damages (Refer schedule 27)	6,718,140	5,658,161
Contingencies (Refer schedule 27)	2,769,892	2,112,716
Proposed dividend	1,685,801	1,685,801
Tax on proposed dividend	279,990	286,502
	<u>15,759,700</u>	<u>13,712,357</u>
18 Interest income		
Interest income (Others)	<u>667,648</u>	<u>558,449</u>
	<u>667,648</u>	<u>558,449</u>
19 Other operating income, net		
Export incentives	71,684	97,375
Profit on sale of fixed assets, net	264,578	240,740
Recoveries from associates and third parties	390,987	223,385
Miscellaneous income	502,066	65,141
	<u>1,229,315</u>	<u>626,641</u>
20 Other income		
Dividend on mutual fund investment	-	6,603
Miscellaneous Other Income	-	108,307
	<u>-</u>	<u>114,910</u>
21 Cost of sales and services		
Raw materials and components consumed	20,242,078	19,406,329
Traded goods purchased	15,731,562	10,361,781
Spares and stores consumed	608,494	279,690
Project bought outs	35,994,187	30,386,492
(Increase)/ Decrease in inventories	(5,240,973)	(1,064,879)
Other costs	2,989,289	6,477,395
	<u>70,324,637</u>	<u>65,846,808</u>
Included in other costs, change in excise duty on closing stock of finished goods	52,711	19,788
22 Personnel costs		
Salaries, wages and bonus, net	6,123,573	8,210,639
Contribution to provident and other funds	548,164	768,214
Staff welfare	380,605	464,995
	<u>7,052,342</u>	<u>9,443,848</u>

	2010	2009
23 Other costs, net		
Exchange losses/(gains), net	670,454	61,657
Travel and conveyance	1,173,033	1,338,866
Legal and professional	219,617	529,430
External software services and data processing	555,648	688,322
Communications	541,158	757,141
Rent (Refer Schedule 25)	409,979	715,037
Repairs		
- on building	74,713	205,914
- on machinery	98,950	74,267
- others	141,982	228,265
Provision for doubtful debts and advances, net	49,617	112,425
Rates and taxes	460,600	597,327
Power and fuel	371,046	361,637
Packing and forwarding	537,341	367,178
Insurance	179,013	287,365
Office supplies, printing and stationery	77,296	157,287
Advertising and publicity	102,042	6,817
Research and development expenditure	173,183	181,183
Bank guarantee commission/ bank charges	90,052	114,032
Bad debts	317,571	311,921
Lease rentals (Refer Schedule 25)	33,460	36,044
Donation	306	1,580
Commission to directors	12,540	11,600
Directors' fees	1,260	1,300
Miscellaneous expenses	565,994	538,494
	<u>6,856,855</u>	<u>7,685,089</u>

Schedules to the Consolidated Financial Statements (Continued)
for the year ended 30 September 2010
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	2010	2009
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)	<u>1,591,702</u>	<u>1,025,014</u>
(b) Contingent liabilities		
Taxation matters (excluding interest)		
-In respect of certain completed assessments where matters are under appeal by the Company	432,706	432,706
Excise/sales tax liabilities, under dispute	541,427	312,609
Customs liabilities, under dispute	120,000	120,000
Claims against the company not acknowledged as debts	80,642	117,617
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:		
A Operating Lease		
(i) Amount due not later than one year from the balance sheet date	126,077	170,417
(ii) Amount due later than one year and not later than five years	409,437	90,074
(iii) Amount due later than five years	<u>328,099</u>	<u>349,104</u>
	<u>863,613</u>	<u>609,595</u>
Lease rent debited to profit and loss account ₹443,439 (2009: ₹751,081)		
Sub-lease payments recognised in the profit and loss account ₹20,790 (2009: ₹28,559)		
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	129	386
Present value of Minimum lease payments	126	353
(ii) Later than one year and not later than five years		
Minimum lease payments	-	129
Present value of Minimum lease payments	-	126
(iii) Later than five years	-	-
(iv) Total minimum lease payments at the year end	129	515
Less : amount representing finance charges	3	36
Present value of minimum lease payments (Rate of interest : 16.31% p.a.)	126	479
(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 2010)

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

Fellow Subsidiaries		
Siemens S.A.		Argentina
Memcor Australia Pty. Ltd.		Australia
ETM professional control GmbH		Austria
Siemens Aktiengesellschaft Österreich		Austria
Siemens VAI Metals Technologies GmbH (upto 1 July 2010)		Austria
Siemens W.L.L.		Bahrain
Siemens Bangladesh Ltd.		Bangladesh
Siemens S.A./N.V.		Belgium
Iriel Ind. Com. Sist. Eletr. Ltda.		Brasilia
Siemens Ltda.		Brasilia
Siemens Eletroeletronica Limitada		Brasilia
Siemens Milltronics Process Instruments, Inc.		Canada
Siemens Canada Ltd.		Canada
Trench Ltd.		Canada
Siemens Medium Voltage Switching Technologies (Wuxi) Ltd.		China
Siemens International Trading Ltd., Shanghai		China
MWB (Shanghai) Co Ltd.		China
Siemens Electrical Drives (Shanghai) Ltd.		China
Siemens Sensors & Communication Ltd.		China
Siemens Wiring Accessories Shandong Ltd.		China
Siemens Circuit Protection Systems Ltd.		China
Siemens Electrical Apparatus Ltd.		China
Siemens Switchgear Co. Ltd.		China
Siemens Power Plant Automation Ltd.		China
Siemens Ltd.		China
Siemens Electrical Drives Ltd.		China
Siemens Manufacturing and Engineering Centre Ltd.		China
Siemens Mechanical Drive Systems (Tianjin) Co., Ltd.		China
Siemens Factory Automation Engineering Ltd.		China
Siemens Shanghai Medical Equipment Ltd.		China
Siemens Mindit Magnetic Resonance Ltd.		China
Siemens Numerical Control Ltd.		China
Siemens Industrial Turbomachinery (Huludao) Co. Ltd.		China
Beijing Siemens Cerberus Electronics Ltd.		China
Siemens S.A.		Columbia
Koncar Power Transformers Ltd.		Croatia
Siemens Industrial Turbomachinery s.r.o.		Czech Republic
Siemens s.r.o.		Czech Republic
Siemens Electric Machines s.r.o.		Czech Republic

Schedules to the Consolidated Financial Statements (*Continued*) for the year ended 30 September 2010 (Currency : Indian rupees thousands)

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

Fellow Subsidiaries	Siemens Flow Instruments A/S	Denmark
	Siemens Wind Power A/S	Denmark
	Siemens Turbomachinery Equipment A/S	Denmark
	Siemens S.A.	Ecuador
	Siemens Technologies S.A.E.	Egypt
	Siemens Osakeyhtiö	Finland
	Trench France S.A.S.	France
	Siemens Transmission & Distribution SAS	France
	Siemens S.A.S.	France
	Siemens VAI Metals Technologies SAS	France
	Flender-Graffenstaden SAS	France
	Siemens SAS, Division Production Sensors & Communication, Usine de Haguenau	France
	SYKATEC Systeme, Komponenten, Anwendungstechnologie GmbH	Germany
	Siemens Industriegetriebe GmbH	Germany
	LINCAS Export Services GmbH	Germany
	Siemens Industrial Turbomachinery GmbH	Germany
	Siemens Turbomachinery Equipment GmbH	Germany
	Weiss Spindeltechnologie GmbH	Germany
	Ruhrtal Hochspannungsgeräte GmbH	Germany
	S'Busbar Trunking GmbH & Co KG (upto 1 January 2010)	Germany
	Trench Germany GmbH	Germany
	Siemens Finance & Leasing GmbH	Germany
	VVK Versicherungsvermittlungs- und Verkehrskontor GmbH	Germany
	Mechanik Center Erlangen GmbH	Germany
	Wallace & Tiernan GmbH	Germany
	Alpha Verteilertechnik GmbH	Germany
	Evosoft GmbH	Germany
	HSP Hochspannungsgeräte GmbH	Germany
	Loher GmbH	Germany
	A. Friedr Flender AG	Germany
	Siemens Geared Motors Gesellschaft mit beschränkter Haftung	Germany
	Siemens VAI Metals Technologies GmbH	Germany
	Winergy AG	Germany
	Flender Industriegetriebe GmbH, Penig(upto July 2010)	Germany
	SBT Fire & Security Products GMBH & Co.	Germany
	SBT HVAC Product GMBH.	Germany
	SBT GMBH & Co. OHG.	Germany
	EPROXX Electronic Systems Production GmbH & Co KG	Germany
	Siemens Industrial Turbomachinery Ltd.	Great Britain
	Siemens plc	Great Britain
	Electrium Sales Limited	Great Britain

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

Fellow Subsidiaries	SBT Security Products Ltd.	Great Britain
	Siemens A.E., Elektrotechnische Projekte und Erzeugnisse	Greece
	Siemens Ltd.	Hongkong
	Siemens Information Processing Services Private Ltd.(w.e.f. 25 June 2009)	India
	Siemens VAI Metals Technologies Private Ltd.	India
	Powerplant Performance Improvement Ltd.	India
	Siemens Hearing Instruments Private Ltd.	India
	Siemens Power Engineering 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
	OSRAM India Private Ltd.	India
	Siemens Information Systems Ltd.(w.e.f. 25 June 2009)	India
	Siemens Product Lifecycle Management Software (India) Private Limited	India
	P.T. Siemens Indonesia	Indonesia
	Siemens Ltd.	Ireland
	Siemens S.p.A.	Italy
	Trench Italia S.r.l.	Italy
	Siemens K.K.	Japan
	Yaskawa Siemens Automation & Drives Corp.	Japan
	Siemens TOO	Kazakhstan
	Siemens Kenya Ltd.	Kenya
	Siemens Ltd.	Korea
	Siemens Electrical & Electronic Services K.S.C.	Kuwait
	Siemens Malaysia Sdn. Bhd.	Malaysia
	Siemens Innovaciones S.A. de C.V.	Mexico
	Siemens, S.A. de C.V.	Mexico
	Siemens Plant Operations Tahaddart SARL	Morocco
	Siemens Industrial Turbomachinery B.V.	Netherland
	Siemens Nederland N.V.	Netherland
	Siemens (N.Z.) Ltd.	New Zealand
	Siemens AS	Norway
	Siemens L.L.C.	Oman
	Siemens Pakistan Engineering Co. Ltd.	Pakistan
	Siemens S.A.C.	Peru
	Siemens, Inc.	Philippines
	Siemens Power Operations, Inc.	Philippines
	Siemens Sp. z o.o.	Poland
	TurboCare Poland Spólka Akcyjna	Poland
	Siemens S.A.	Portugal
	Siemens W.L.L.	Qatar

Schedules to the Consolidated Financial Statements (*Continued*) for the year ended 30 September 2010 (Currency : Indian rupees thousands)

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

Fellow Subsidiaries	Siemens S.R.L.	Romania
	OOO Siemens	Russia
	Siemens Ltd.	Saudi-Arabia
	Arabia Electric Ltd. (Equipment)	Saudi-Arabia
	Siemens d.o.o. Beograd	Serbia
	Siemens Pte. Ltd.	Singapore
	Siemens Electronics Assembly Systems Pte. Ltd	Singapore
	Siemens d.o.o.	Slovenia
	Siemens Ltd.	South Africa
	Siemens S.A.	Spain
	Fábrica Electrotécnica Josa, S.A.	Spain
	Siemens Industrial Turbomachinery AB	Sweden
	Siemens Schweiz AG, Building Technologies Division, International Headquarters	Switzerland
	Siemens Ltd.	Taiwan
	Siemens Ltd.	Thailand
	Siemens Sanayi ve Ticaret A.S.	Turkey
	Siemens Ukraine	Ukraine
	Siemens LLC	United Arab Emirates
	Siemens Industry, Inc.	USA
	Siemens Energy, Inc.	USA
	Siemens Demag Delaval Turbomachinery, Inc.	USA
	Siemens Water Technologies Corp.	USA
	PETNET Solutions, Inc.	USA
	Morgan Construction Company (upto 1 July 2010)	USA
	Siemens Medical Solutions USA, Inc.	USA
	SMS Inc. - Customer Solutions Group	USA
	SBT Inc.	USA
	Siemens S.A.	Venezuela
	Siemens Automation Systems Ltd.	Vietnam
	Siemens Ltd.	Vietnam

26.3 Key Managerial Personnel

Dr. Armin Bruck
Mr. Sunil Mathur
Mr. Vijay. V. Paranjape
Mr. Vilas Parulekar (Retired on 25 September 2009)
Mr. Patrick de Royer (Retired on 31 December 2008)
Mr. K.R.Upilli (Retired on 27 July 2008)

26.4 Related party transactions

Description	2010			2009			
	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Holding Company	Fellow Subsidiaries	Associate	Key Managerial Personnel
Sales							
- Siemens AG	1,473,597	-	-	4,345,279	-	-	-
- Siemens Energy & Automation, Inc	-	-	-	-	543,157	-	-
- Siemens VAI Metals Technologies Private Ltd	-	1,097,118	-	-	821,417	-	-
- Siemens VAI Metals Technologies SAS	-	-	-	-	154,578	-	-
- Siemens Medical Solutions Health Services Corp., US	-	4,904	-	-	634,940	-	-
- Siemens IT Solutions & Services Ltd, UK	-	-	-	-	679,817	-	-
- Flender Ltd	-	-	-	-	-	3,006	-
- Siemens Industry Inc.	-	333,077	-	-	-	-	-
- Siemens Switzerland Ltd.	-	264,841	-	-	-	-	-
- Others	-	1,736,569	-	-	2,244,717	-	-
Commission income							
- Siemens AG	425,409	-	-	481,223	-	-	-
- Siemens Industrial Turbomachinery AB	-	-	-	-	17,576	-	-
- Siemens Industrial Turbomachinery Ltd.	-	7,961	-	-	16,047	-	-
- Siemens Pte. Ltd.	-	-	-	-	2,586	-	-
- Loher Gmbh	-	3,043	-	-	-	-	-
- A. Friedr Flender AG	-	8,640	-	-	-	-	-
- Others	-	3,597	-	-	10,773	-	-
Other recoveries							
- Siemens AG	659,043	-	-	153,633	-	-	-
- Siemens Information Systems Ltd	-	125,678	-	-	17,457	-	-
- Siemens Information Processing Services Private Ltd.	-	27,192	-	-	7,688	-	-
- Siemens Corporate Finance Private Ltd.	-	-	-	-	13,259	-	-
- Siemens Enterprise Communications Private Ltd.	-	-	-	-	25,727	-	-
- Flender Ltd	-	-	-	-	-	6,178	-
- Siemens Wind Power	-	27,628	-	-	-	-	-
- Others	-	199,813	-	-	53,027	-	-
Reimbursement of expenses							
- Siemens AG	379,943	-	-	352,973	-	-	-
- Siemens Information Systems Ltd	-	31,976	-	-	10,115	-	-
- Siemens Enterprise Communications Private Ltd.	-	-	-	-	2,357	-	-
- Siemens Pte. Ltd.	-	2,469	-	-	569	-	-
- Siemens Wind Power A/S	-	-	-	-	13,044	-	-
- Siemens Electronics Assembly Systems Pte. Ltd	-	14,289	-	-	11,231	-	-
- Flender Ltd	-	-	-	-	-	18	-
- Siemens Switzerland	-	74,909	-	-	-	-	-
- Others	-	21,125	-	-	1,210	-	-
Purchase / Other services							
- Siemens AG	19,613,627	-	-	15,796,470	-	-	-
- Siemens Information Systems Ltd	-	193,055	-	-	59,633	-	-
- Koncar Power Transformers Ltd.	-	1,932,199	-	-	43,327	-	-
- Siemens Electrical Apparatus Ltd.	-	879,533	-	-	602,950	-	-
- Siemens Medical Solutions USA, Inc.	-	342,836	-	-	566,228	-	-
- Flender Ltd	-	-	-	-	-	19,439	-
- Others	-	3,866,476	-	-	3,185,830	-	-

Schedules to the Consolidated Financial Statements (Continued) for the year ended 30 September 2010 (Currency : Indian rupees thousands)

26.4 Related party transactions (Continued)

Description	2010			2009			
	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Holding Company	Fellow Subsidiaries	Associate	Key Managerial Personnel
Interest Income							
- Osram India Private Ltd	-	58,273	-	-	29,877	-	-
- Winergy Drive Systems India Private Ltd.	-	44,931	-	-	42,392	-	-
- Siemens Healthcare Diagnostics Ltd.	-	24,693	-	-	8,679	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	6,831	-	-	-	-	-
- Morgan Construction Company India Private Ltd.	-	-	-	-	8,783	-	-
- Siemens Corporate Finance	-	-	-	-	117	-	-
Sale of division / investments							
- Siemens Electronics Assembly Systems Pte. Ltd	-	-	-	-	30,307	-	-
Purchase of Investments / Equity Contribution							
- A Friedr.-Flender AG	-	-	-	-	909,935	-	-
Sale of Subsidiaries							
- Siemens Corporate Finance Private Ltd.	-	-	-	-	3,021,459	-	-
Dividend paid	930,205	-	-	558,123	-	-	-
Purchase of Fixed assets / Capital WIP							
- Siemens AG	62,339	-	-	32,504	-	-	-
- Trench Germany GmbH	-	-	-	-	42	-	-
- Siemens Enterprise Communications Private Ltd.	-	-	-	-	4,107	-	-
- Others	-	5,857	-	-	1,804	-	-
Managerial Remuneration							
- Dr. Armin Bruck	-	-	70,431	-	-	-	63,336
- Mr. Sunil Mathur	-	-	44,254	-	-	-	42,711
- Mr. Vijay. V. Paranjape	-	-	19,427	-	-	-	20,624
- Mr. Vilas Parulekar	-	-	-	-	-	-	23,560
- Mr. Patrick de Royer	-	-	-	-	-	-	13,691
- Mr. K.R.Upilli	-	-	-	-	-	-	253
Inter Corporate Deposits given							
- Osram India Private Ltd	-	3,750,000	-	-	1,950,000	-	-
- Winergy Drive Systems India Private Ltd	-	3,120,000	-	-	2,360,000	-	-
- Morgan Construction Company India Private Ltd.	-	-	-	-	735,000	-	-
- Siemens Healthcare Diagnostics Ltd.	-	1,600,000	-	-	800,000	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	1,400,000	-	-	-	-	-
Inter Corporate Deposits repaid							
- Osram India Private Ltd	-	3,450,000	-	-	1,400,000	-	-
- Winergy Drive Systems India Private Ltd	-	2,780,000	-	-	2,080,000	-	-
- Morgan Construction Company India Private Ltd.	-	-	-	-	820,000	-	-
- Siemens Healthcare Diagnostics Ltd.	-	1,600,000	-	-	400,000	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	600,000	-	-	-	-	-
Outstanding Balances							
Debtors							
- Siemens AG	344,975	-	-	880,283	-	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	100,886	-	-	588,584	-	-
- Siemens Information Systems Ltd	-	116,358	-	-	38,635	-	-
- Morgan Construction Company India Private Ltd.	-	4,164	-	-	6,105	-	-
- Others	-	234,825	-	-	198,342	-	-

26.4 Related party transactions (Continued)

Description	2010			2009			
	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Holding Company	Fellow Subsidiaries	Associate	Key Managerial Personnel
Creditors							
- Siemens AG	5,132,776	-	-	4,103,023	-	-	-
- Siemens Information Systems Ltd	-	172,662	-	-	45,729	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	14,186	-	-	37,948	-	-
- Siemens Information Processing Services Private Ltd.	-	21,441	-	-	35,756	-	-
- Siemens Power Engineering Private Ltd.	-	62,575	-	-	32,645	-	-
- Siemens industrial turbomachinery Ltd.	-	238,640	-	-	135,153	-	-
- Koncar Power Transformers Ltd.	-	1,314,429	-	-	-	-	-
- Trench Germany GmbH	-	322,357	-	-	-	-	-
- Others	-	1,159,221	-	-	1,366,820	-	-
Inter Corporate Deposits							
- Osram India Private Ltd	-	1,100,000	-	-	800,000	-	-
- Winergy Drive Systems India Private Ltd	-	1,000,000	-	-	660,000	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	800,000	-	-	-	-	-
- Siemens Healthcare Diagnostics Ltd.	-	400,000	-	-	400,000	-	-
Interest receivable on Inter Corporate Deposits							
- Osram India Private Ltd	-	7,324	-	-	3,995	-	-
- Winergy Drive Systems India Private Ltd	-	3,668	-	-	976	-	-
- Siemens VAI Metals Technologies Private Ltd.	-	945	-	-	-	-	-
- Siemens Healthcare Diagnostics Ltd.	-	3,915	-	-	2,336	-	-
Managerial Remuneration payable							
- Dr. Armin Bruck	-	-	34,607	-	-	-	32,466
- Mr. Sunil Mathur	-	-	21,835	-	-	-	21,842
- Mr. Vijay. V. Paranjape	-	-	9,258	-	-	-	12,377
- Mr. Vilas Parulekar	-	-	-	-	-	-	13,694

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 Consolidated Financial Statements (Continued) for the year ended 30 September 2010 (Currency : Indian rupees thousands)

27 Disclosure relating to Provisions (Continued)

The movements in the above provisions are summarised below:

	Warranties	Liquidated damages	Loss orders	Contingencies
Balance as at 1 October 2009	2,457,905	5,658,161	907,939	2,112,716
- Created	1,140,621	1,836,318	655,477	768,706
- Utilised	(246,101)	(213,725)	(746,826)	(5,606)
- Reversed	(448,124)	(562,614)	(154,771)	(105,924)
Balance as at 30 September 2010	2,904,301	6,718,140	661,819	2,769,892

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

	2010	2009
(i) Contract Revenue recognised for the year ended 30 September 2010	57,402,075	55,187,367
(ii) Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress as at 30 September 2010	177,577,559	154,713,514
(iii) Amount of advances received	8,789,843	6,648,354
(iv) Amount of Retentions	13,283,856	16,875,744
(v) Amounts due from customers	12,514,092	5,867,401
(vi) Amounts due to customers	8,999,435	8,684,323

29 (i) Information about business segments

	Revenue						Results	
	External Revenue		Inter segmental Revenue		Total Revenue		2010	2009
	2010	2009	2010	2009	2010	2009		
Industry Automation	6,305,496	5,088,460	471,678	341,482	6,777,174	5,429,942	630,717	459,789
Drive Technologies	8,497,065	5,870,143	5,274,871	6,207,589	13,771,936	12,077,732	1,092,981	798,759
Building Technologies	8,188,987	6,848,277	629,999	742,285	8,818,986	7,590,562	550,452	12,729
Industry Solutions	11,606,371	11,376,532	283,233	120,278	11,889,604	11,496,810	1,095,618	1,060,712
Mobility	10,315,608	10,288,045	-	445	10,315,608	10,288,490	737,501	(184,327)
Fossil Power Generation	1,292,022	4,219,692	2,591	7,865	1,294,613	4,227,557	399,526	438,346
Oil & Gas	7,036,699	5,630,939	7,500	244	7,044,199	5,631,183	935,354	807,591
Power Transmission	28,006,892	24,236,130	1,218,353	482,809	29,225,245	24,718,939	5,186,034	3,990,678
Power Distribution	6,903,493	7,143,864	2,602,980	1,698,103	9,506,473	8,841,967	527,703	646,939
Healthcare	7,537,394	5,430,843	-	235	7,537,394	5,431,078	518,613	407,079
Real Estate	510,722	339,780	25,099	313,251	535,821	653,031	401,654	689,446
Information Technology Services *	-	5,654,851	-	78,780	-	5,733,631	-	209,759
Business Process Outsourcing *	-	736,972	-	27,923	-	764,895	-	117,251
Eliminations	-	-	(10,516,304)	(10,021,289)	(10,516,304)	(10,021,289)	-	-
Total	96,200,749	92,864,528	-	-	96,200,749	92,864,528	12,076,153	9,454,751
Interest expenses							(110,478)	(73,944)
Interest income (includes ₹ Nil; 2009: ₹117,749 of discontinued operations)							667,648	558,449
Exceptional income							-	1,501,019
Unallocable corporate items (includes ₹ Nil; 2009: ₹3,182 of discontinued operations)							(567,013)	(557,106)
Profit before tax							12,066,310	10,883,169
Share of profit from associate							-	81,670
Minority interest							12,071	41,052
Current tax							(4,731,665)	(4,121,560)
Deferred tax							230,998	255,805
Fringe benefit tax							-	(94,098)
Consolidated total	96,200,749	92,864,528	-	-	96,200,749	92,864,528	7,577,714	7,046,038

* Discontinued operations

29 (i) Information about business segments (Continued)

	Net Capital Employed						Non cash expenditure			
	Assets		Liabilities		Capital Expenditure		Depreciation		Others	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Industry Automation	2,697,777	2,489,137	1,819,221	1,466,711	409,670	186,625	125,486	82,009	90,556	206,953
Drive Technologies	5,826,062	4,747,623	4,334,505	3,668,813	339,995	790,606	196,976	237,069	245,163	(24,820)
Building Technologies	3,807,971	3,712,525	2,431,182	2,134,189	746,621	858,133	679,921	538,632	174,461	176,338
Industry Solutions	5,940,868	5,658,032	6,623,878	6,128,465	28,912	12,736	24,000	14,095	(25,568)	62,510
Mobility	4,180,276	4,031,948	4,288,262	3,683,447	246,602	741,853	52,699	13,092	53,570	56,603
Fossil Power Generation	717,139	750,758	3,541,071	2,518,681	21,454	1,543	9,031	5,294	(140,331)	51,132
Oil & Gas	4,929,401	2,493,753	6,499,852	3,454,954	1,192,342	368,713	55,968	56,376	(19,312)	30,490
Power Transmission	26,961,061	25,669,938	18,838,694	19,595,664	459,822	479,164	289,171	245,570	524,970	(1,254,267)
Power Distribution	5,446,884	5,653,799	3,947,853	5,603,646	153,177	37,157	40,758	28,163	(99,912)	(21,955)
Healthcare	2,301,458	1,585,272	3,462,503	2,079,877	67,931	43,871	39,016	19,072	(54,649)	(20,685)
Real Estate	2,129,823	2,096,462	548,618	338,570	113,446	276,282	174,064	175,397	(10,714)	(4,026)
Information Technology Services *	-	-	-	-	-	144,810	-	269,429	-	138,694
Business Process Outsourcing *	-	-	-	-	-	59,560	-	48,491	-	-
Total	64,938,720	58,889,247	56,335,639	50,673,017	3,779,972	4,001,053	1,687,090	1,732,689	738,234	(603,033)
Unallocable corporate items	28,303,199	23,817,884	4,109,051	4,221,178	53,823	55,148	-	-	-	-
Consolidated total	93,241,919	82,707,131	60,444,690	54,894,195	3,833,795	4,056,201	1,687,090	1,732,689	738,234	(603,033)

* Discontinued operations

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	
	2010	2009	2010	2009	2010	2009
Within India	75,350,075	69,404,858	68,053,304	50,561,980	3,833,512	4,034,107
Outside India	20,850,674	23,459,670	25,188,615	32,145,151	283	22,094
Consolidated total	96,200,749	92,864,528	93,241,919	82,707,131	3,833,795	4,056,201

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.
- During the year there has been reorganisation of Business Segments. Figures for the year ended 30 September 2010 and year ended 30 September 2009 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

Schedules to the Consolidated Financial Statements (*Continued*) for the year ended 30 September 2010 (Currency : Indian rupees thousands)

(iv) Segment information : (Continued)

- **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 geographical segments i.e. within India and outside India.

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

(i) Defined Contribution Plans

Amount of ₹135,947 (2009 : ₹225,872) 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		Superannuation	
	2010	2009	2010	2009	2010	2009	2010	2009
I Change in benefit obligation								
Liability at the beginning of the year	650,664	602,966	174,983	160,326	70,753	45,169	-	77,854
Interest cost	49,602	46,490	13,999	12,826	5,613	3,555	-	1,262
Current service cost	75,341	41,788	-	-	3,285	2,979	-	1,459
Past Service Cost (Vested Benefit)	207,706	-	-	-	-	-	-	-

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

	Gratuity		Pension		Medical		Superannuation	
	2010	2009	2010	2009	2010	2009	2010	2009
Liability transfer in	-	9,528	-	-	-	-	-	(215)
Liability transfer out	(740)	(1,222)	-	-	-	-	-	-
Benefit paid	(52,057)	(65,653)	(28,453)	(28,305)	(7,760)	(7,410)	-	(779)
Actuarial (gain)/loss on obligations	(89,205)	135,612	5,803	30,136	130,176	26,460	-	(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	841,311	650,664	166,332	174,983	202,067	70,753	-	79,383
II Fair value of plan assets								
Fair value of plan assets at the beginning of the year	686,053	520,944	-	-	-	-	-	74,923
Expected return on plan assets	52,521	53,409	-	-	-	-	-	1,784
Contributions	169,604	183,640	-	-	-	-	-	4,102
Transfer from other company	-	9,528	-	-	-	-	-	(215)
Transfer to other company	(568)	(1,222)	-	-	-	-	-	-
Benefit paid	(52,057)	(65,653)	-	-	-	-	-	(779)
Actuarial gain/(loss) on plan assets	4,925	(14,069)	-	-	-	-	-	(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	860,478	686,053	-	-	-	-	-	79,383
Total Actuarial Gain/(Loss) to Be Recognised	94,130	(149,681)	(5,803)	(30,136)	(130,176)	(26,460)	-	(234)
III Actual return on plan assets								
Expected return on plan assets	52,521	53,409	-	-	-	-	-	1,784
Actuarial gain/(loss) on plan assets	4,925	(14,069)	-	-	-	-	-	(432)
Actual return on plan assets	57,446	39,340	-	-	-	-	-	1,352
IV Amount recognised in the balance sheet								
Liability at the end of the year	841,311	650,664	166,332	174,983	202,067	70,753	-	79,383
Fair value of plan assets at the end of the year	860,478	686,053	-	-	-	-	-	79,383
Amount recognised in the balance sheet	(19,167)	(35,389)	166,332	174,983	202,067	70,753	-	-
V Expenses recognised in the income statement								
Interest cost	49,602	46,490	13,999	12,826	5,613	3,555	-	1,262
Current service cost	75,341	41,788	-	-	3,285	2,979	-	1,459
Expected return on plan assets	(52,521)	(53,409)	-	-	-	-	-	(1,784)
Past Service Cost (Vested Benefit) Recognised	207,706	-	-	-	-	-	-	-
Recognition of Transition Liability	(94,130)	149,681	5,803	30,136	130,176	26,460	-	233
Expense recognised in personnel costs (Schedule 22)	185,998	184,550	19,802	42,962	139,074	32,994	-	1,170

Schedules to the Consolidated Financial Statements (Continued) for the year ended 30 September 2010 (Currency : Indian rupees thousands)

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

	Gratuity		Pension		Medical		Superannuation	
	2010	2009	2010	2009	2010	2009	2010	2009
VI Balance sheet reconciliation								
Opening net liability	(35,389)	82,022	174,983	160,326	70,753	45,169	-	2,932
Expense as above	185,998	184,550	19,802	42,962	139,074	32,994	-	1,170
Employers contribution /paid	(169,604)	(183,640)	(28,453)	(28,305)	(7,760)	(7,410)	-	(4,102)
Transfer to other company	(172)	-	-	-	-	-	-	-
Transfer in on Purchase of Flender Ltd	-	4,865	-	-	-	-	-	-
Transfer out on Sale of SISL and SIPS	-	(123,186)	-	-	-	-	-	-
Amount recognised in balance sheet	(19,167)	(35,389)	166,332	174,983	202,067	70,753	-	-

VII Actuarial Assumptions : For the Year								
Discount Rate Current	8.25%	8.0%	8.25%	8.0%	8.25%	8.0%	-	-
Rate of Return on Plan Assets Current	8.0%	8.0%	-	-	-	-	-	-
Medical Cost increase rate	-	-	-	-	7.0%	7.0%	-	-
Attrition rate	5.0%	5.0%	-	-	-	-	-	-

VIII Sensitivity					1% increase	1% decrease		
Change in Liability - Discount rate	-	-	-	-	(17,337)	21,055	-	-
Change in Liability - Inflation rate	-	-	-	-	22,672	(19,297)	-	-
Change in Service Cost - Discount rate	-	-	-	-	(84)	189	-	-
Change in Interest Cost - Discount rate	-	-	-	-	702	(702)	-	-

IX Amount for the Current and Previous periods as per AS15 Para 120(n) are as follows :			
	Gratuity		
	2010	2009	2008
Liability at the end of the year	841,311	650,664	602,966
Fair value of plan assets at the end of the year	860,478	686,053	520,946
Difference	(19,167)	(35,389)	82,020
Experience Adjustment on Plan Liabilities (gain)/ loss	(73,367)	(5,845)	13,131
Experience Adjustment on Plan Assets (loss)/ gain	4,810	(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 ₹52,966 to gratuity fund in 2010-11.
- 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 is unable to reliably measure the same.

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

(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	2010	2009
Government of India securities	16%	13%
State Government securities	19%	22%
Public sector unit bonds	38%	32%
Special Discount scheme	27%	33%
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	Buy			Sell		
	Number of contracts	Amount	Indian rupees equivalent	Number of contracts	Amount	Indian rupees equivalent
US Dollar						
2010	194	110,266	4,954,707	111	407,406	18,306,793
2009	163	96,186	4,627,004	103	393,753	18,941,503
Euro						
2010	209	336,020	20,546,775	45	31,173	1,906,135
2009	160	169,170	11,843,567	57	51,932	3,635,715
Qatari Riyal						
2010	2	750	9,255	16	1,682,055	20,769,179
2009	2	1,600	21,144	13	1,303,408	17,224,543
Japanese Yen						
2010	4	32,952	17,702	-	-	-
2009	3	49,000	26,195	-	-	-
Pound Sterling						
2010	21	5,781	410,504	3	2,325	165,115
2009	13	3,855	296,258	-	-	-
CHF						
2010	1	51	2,350	-	-	-
2009	-	-	-	-	-	-
CAD						
2010	1	167	7,291	-	-	-
2009	1	235	10,396	-	-	-
SEK						
2010	1	458	3,066	-	-	-
2009	4	729	33,769	-	-	-

Schedules to the Consolidated Financial Statements (*Continued*) for the year ended 30 September 2010 (Currency : Indian rupees thousands)

31 Derivative Instruments (Continued)

All currency exposures having underlying transactions as at 30 September 2010 are covered by foreign currency forward contracts. The forward contracts have been converted in Indian rupees, at the spot rates, as at 30 September 2010 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 future contracts entered into by the Company as on 30 September 2010

Year	Commodity	Number of Contracts	Contractual Quantity	Buy/Sell
2010	Copper	1,211	1,211 MT	Buy
	Silver	98	2.94 MT	Buy
2009	Copper	749	749 MT	Buy

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

c Unhedged foreign currency exposure derivatives

	2010				2009			
	Receivable		Payable		Receivable		Payable	
	Amount	Indian rupees equivalent	Amount	Indian rupees equivalent	Amount	Indian rupees equivalent	Amount	Indian rupees equivalent
USD	27,982	1,708,086	2,427	108,960	392	18,732	1,508	72,298
SGD	-	-	22	718	7,490	253,837	547	18,507
EURO	117	7,148	221	13,562	1,598	111,914	5,605	392,372
GBP	-	-	27	2,079	-	-	43	3,361
CHF	-	-	0.44	20	-	-	0.44	20
AUD	-	-	0.06	3	-	-	0.06	3

32 Earnings per share:

	2010	2009
Profit after tax	7,577,714	7,046,038
Profit after tax (Net profit attributable to Equity shareholders)	7,577,714	7,046,038
Shares :-		
Weighted average number of Equity shares outstanding during the year	337,160,200	337,160,200
Earnings per share	22.48	20.90

33 Prior year comparatives

Pursuant to the disposal of 'SISL' and 'SIPS' 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.

As per our report of even date.

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

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

Mumbai
24 November 2010

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
24 November 2010

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As an initiative towards a sustainable planet, the financial highlights section of this annual report has been printed on eco-friendly paper