



Reliable partner across  
business verticals

Annual Report 2019

# Financial Highlights - Siemens Limited

(₹ in Million)

	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Orders received</b>	132,377	127,404	135,030	121,199	101,322
<b>Income, Profit and Dividend</b>					
Revenue from operations *	136,838	127,251	113,483	112,295	105,124
Profit Before depreciation, interest, exceptional items and tax (PBDIET)	18,703	15,961	13,059	11,848	11,365
Depreciation	2,173	1,967	1,966	2,264	2,156
Interest	114	82	77	91	73
Profit before exceptional items and tax (PBET)	16,416	13,912	11,016	9,493	9,136
Exceptional Items	-	-	5,675	29,923	7,828
Profit Before Tax (PBT)	16,416	13,912	16,691	39,416	16,964
Tax	5,547	4,973	5,355	10,245	5,131
Profit After Tax (PAT)	10,869	8,939	11,336	29,171	11,833
Interim dividend - %	-	-	-	1375%	-
Interim dividend - ₹ Per Share	-	-	-	27.50	-
Dividend - %	350%	350%	350%	300%	500%
Dividend - ₹ Per Share	7	7	7	6	10
<b>Share Capital, Assets and Book Value</b>					
Equity share capital	712	712	712	712	712
Other Equity	89,724	82,342	76,335	67,496	50,554
Net Worth (Equity)	90,436	83,054	77,047	68,208	51,266
Loans	-	-	-	-	-
Total Capital Employed	90,436	83,054	77,047	68,208	51,266
Capital Represented by:					
Property, plant and equipment, Capital work-in-progress and other intangible assets	12,486	13,097	13,695	12,746	13,854
Investments	550	550	550	550	550
Net Current Assets & Other Assets	77,400	69,407	62,802	54,912	36,862
Net Assets	90,436	83,054	77,047	68,208	51,266
Book Value - ₹	253.95	233.22	216.35	191.53	143.96
<b>Returns</b>					
On Revenue from operations (PBET) - %	12.00	10.93	9.71	8.45	8.69
On Capital Employed (PBT) - %	18.15	16.75	21.66	57.79	33.23
On Shareholders Fund (PAT) - %	12.02	10.76	14.71	42.77	23.08
Per Share (PAT) - ₹	30.52	25.10	31.83	81.91	33.23

**\* Revenue from operations for:**

- 2018-19, 2017-18 and the period 1 July 2017 to 30 September 2017 is net of Goods and Service Tax (GST).
- The period 1 October 2016 to 30 June 2017 and 2015-16 is inclusive of excise duty.
- 2014-15 is net of excise duty.

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## Board of Directors



**Deepak S. Parekh**  
Chairman



**Darius C. Shroff**  
Independent Director



**Yezdi H. Malegam**  
Independent Director



**Keki B. Dadiseth**  
Independent Director



**Mehernosh B. Kapadia**  
Independent Director



**Anjali Bansal**  
Independent Director



**Josef Kaeser**  
Director



**Cedrik Neike**  
Special Director (Nominee of  
Siemens Aktiengesellschaft,  
Germany)



**Mariel von Schumann**  
Director



**Johannes Apitzsch**  
Director



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



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

## Management



**Bhaskar Mandal**  
Head, Digital Industries



**Gerd Deusser**  
Head, Gas & Power



**Robert Demann**  
Head, Smart Infrastructure



**Tilak Raj Seth**  
Head, Mobility

## Committees of Directors

### Audit Committee

Mr. Yezdi H. Malegam - Chairman

Mr. Deepak S. Parekh

Mr. Keki B. Dadiseth

Mr. Johannes Apitzsch

Mr. Mehernosh B. Kapadia

### Risk Management Committee

Mr. Yezdi H. Malegam - Chairman

Mr. Deepak S. Parekh

Mr. Keki B. Dadiseth

Mr. Johannes Apitzsch

Mr. Mehernosh B. Kapadia

### Nomination and Remuneration Committee

Mr. Yezdi H. Malegam - Chairman

Mr. Darius C. Shroff

Mr. Deepak S. Parekh

Mr. Josef Kaeser

Ms. Mariel von Schumann

### Corporate Governance Committee

Mr. Keki B. Dadiseth - Chairman

Mr. Deepak S. Parekh

Mr. Yezdi H. Malegam

Mr. Darius C. Shroff

Mr. Josef Kaeser

Mr. Johannes Apitzsch

### Stakeholders Relationship Committee

Mr. Darius C. Shroff - Chairman

Mr. Sunil Mathur

Dr. Daniel Spindler

Mr. Sunil Mathur

Mr. Cedrik Neike

Mr. Mehernosh B. Kapadia

### Corporate Social Responsibility Committee

Mr. Deepak S. Parekh - Chairman

Mr. Sunil Mathur

Ms. Mariel von Schumann

Dr. Daniel Spindler

### Share Transfer Committee

Mr. Sunil Mathur - Chairman

Dr. Daniel Spindler



<b>Company Secretary</b>
Mr. Ketan Thaker

<b>Registered and Corporate Office:</b>	<b>Registrar and Share Transfer Agent:</b>
<p>Siemens Limited  Birla Aurora, Level 21, Plot No. 1080,  Dr. Annie Besant Road, Worli, Mumbai 400 030  Phone: +91 22 3967 7000 Fax: +91 22 2436 2403  CIN: L28920MH1957PLC010839  Website: <a href="http://www.siemens.co.in">www.siemens.co.in</a></p>	<p>TSR Darashaw Consultants Private Limited  6-10, Haji Moosa Patrawala Industrial Estate,  20, Dr. E. Moses Road, Near Famous Studio,  Mahalaxmi (West), Mumbai - 400 011  Time: 10.00 a.m. to 3.30 p.m. (Monday to Friday)  Phone: +91 22 6656 8484 Extn: 411 / 412 / 413  Fax: +91 22 6656 8494  Email: <a href="mailto:csg-unit@tsrdarashaw.com">csg-unit@tsrdarashaw.com</a>  Website: <a href="http://www.tsrdarashaw.com">www.tsrdarashaw.com</a></p>

<b>Investor Relations Team:</b>
<p>Contact Person: Mr. Vinayak Deshpande  E-mail: <a href="mailto:Corporate-Secretariat.in@siemens.com">Corporate-Secretariat.in@siemens.com</a> Phone: +91 22 3967 7000 Fax: +91 22 2436 2403</p>

<b>Details of 62<sup>nd</sup> Annual General Meeting</b>
<p><b>Day and Date</b> : Tuesday, 11<sup>th</sup> February 2020</p> <p><b>Time</b> : 3.00 p.m.</p> <p><b>Venue</b> : Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400 021</p>

# Chairman's Statement

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Dear Shareholders,

During the financial year 2018-19, the global macro-economic and geo-political situation remained volatile and uncertain. The Indian markets mirrored the global scenario, with the business environment remaining challenging, particularly impacting manufacturing growth that slowed down across several sectors. The situation was accentuated by concerns on liquidity conditions and the risk averseness that prevailed amongst lending institutions. This in turn had spillover effects into other sectors of the economy.

In spite of pressures from global market conditions, India has over the years continued to remain one of the fastest growing major economies. It, however, needs to be emphasized that sectors such as power, infrastructure, transportation, steel and cement are in need of continuous capital investments to drive consistent, all-round economic growth. Only then would capacity utilization and investments in the manufacturing sector improve.

Despite these challenges, Siemens Limited performed well across businesses, delivering strong order growth. With its wide ranged portfolio, market-oriented organization structure, global technology leadership and a strong local competence, the Company is in a good position to partner the country in sustainable growth.

## Financial Performance – Highlights

For the financial year ended 30<sup>th</sup> September 2019, the Company received New Orders valued at ₹ 132,377 million, a 3.9 percent increase over ₹ 127,404 million in the financial year ended 30<sup>th</sup> September 2018. The Order Backlog as of 30<sup>th</sup> September 2019 stood at ₹ 118,795 million. Sales were up by 8.4 percent to ₹ 133,231 million, compared to ₹ 122,927 million in the previous year.

Profits from Operations stood at ₹ 12,584 million compared to ₹ 11,194 million in the previous year.

For the year ended 30<sup>th</sup> September 2019, the Company's Profit before Tax stood at ₹ 16,416 million compared to ₹ 13,912 million in the previous year, an increase of 18 per cent. The Profit after Tax for the year was ₹ 10,869 million, increase by 21.6 percent compared to ₹ 8,939 million in the previous year.

The Board of Directors of the Company has recommended a dividend of ₹ 7/- per equity share of face value of ₹ 2/- each for the Financial Year ended 30<sup>th</sup> September 2019.

## Business Performance – Highlights

From an operational perspective, the Company continued to focus on profitable growth, introducing innovative solutions to the market, and efficient working capital management.

Among the key highlights during the financial year, the Company was awarded an order to upgrade India's oldest HVDC link from Power Grid Corporation of India. The Company launched the Digital Experience and Application Center (DEX), a full-fledged testing, simulation and training center for the machine tool industry. The Company's Vadodara factory achieved a key milestone during the year when it rolled out the 1,000<sup>th</sup> steam turbine. It also built the 9000 HP propulsion system to boost Indian Railways' electrification and haulage capabilities which was entirely designed, built and manufactured in India. The Company also got an order to upgrade and modernize Hindustan Zinc Limited's Power Asset Fleet with state-of-the-art technology.

## Continued focus on Digitalization

The Company continued its commitment to generate sustainable value for its customers by leveraging technology solutions. In the financial year 2018-19, the Company expanded its set of digitalization reference projects. It now has over 100 reference cases delivered for over 50 customers across market segments. Many of these projects have brought substantial value to Siemens' customers in the form of productivity improvement, performance monitoring, process optimization, remote monitoring, energy efficiency, grid stability, remote diagnostics and process analytics.

It installed a state-of-the-art Remote Diagnostic Services (RDS) for GAIL (India) Limited covering 29 gas turbines across multiple locations in India. Real-time data analysis from these gas turbines helps the customer increase availability, reduce forced outages and enable proactive, predictive maintenance.

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Digital solutions for a global automotive original equipment manufacturer contributed to reduction of costs and enhancing productivity. With India's automotive industry competing in the global market, such companies need to transition to Industry 4.0 to reduce production costs, minimize defects, boost efficiency and shorten time to market for new products.

During the financial year 2018-19, the Company also launched a new MindSphere Application Center, a state-of-the-art digitalized technology center, supported by Siemens' MindSphere, an open, cloud-based IoT operating system that lets customers connect machines and physical infrastructure to the digital world and its thermodynamic digital twin. The MindSphere Application Center launched in Gurgaon, is the first in the world, specifically aimed at digital solutions for coal and steam-based power plants.

### **Business Responsibility**

The Company is committed to acting responsibly to achieve economic, environmental and social progress. It has been transforming communities across India through Corporate Citizenship initiatives through access to technology, access to education and sustaining communities. During the financial year 2018-19, the Company continued with its contribution to society and the environment through various initiatives.

In the area of education, the Company's scholarship program completed its seventh year and so far has provided holistic development support to 585 engineering students from 65 government engineering colleges across 23 States of India. Fifty percent of these scholarships are offered to girls. The Company also signed Memorandums of Understanding with two State governments – West Bengal and Gujarat – for propagation of Dual Vocational Education & Training (VET) in Government Industrial Training Institutes (ITIs). The program so far has positively impacted 87 ITIs and over 5,500 trainees. The Company's STEM Project (to promote curiosity-based learning in Science, Technology, Engineering and Mathematics) has been scaled up during the year – it now involves over 20,000 students in 75 schools across the country.

In the area of sustainable communities and environment, the Company's Project Asha focuses on 72 villages in Palghar and Aurangabad through interventions in education, healthcare, sanitation, water conservation, energy, livelihood and governance. Twenty-five of these villages were added in the financial year 2018-19. The Project has helped provide potable water as well as water for irrigation in numerous villages – over 150 million liters of rainwater has been harvested and over 1,100 acres of arable land brought under irrigation in the two districts.

### **People Excellence**

During the financial year, the company continued its focus on retention and development of talent, launching various programs specially in the areas of digitalization. Many initiatives have been taken by the Company to make it an employer of choice and a great place to work. The initiatives, which are ongoing, are centered around learning and development, health management, environment protection, health and safety.

### **Outlook**

While there are challenges in any business environment, India's overall macro fundamentals continue to remain stable. The government's efforts to introduce favorable reforms and policies have resulted in improved rankings on the ease of doing business. India also improved its ranking in the global innovation index, which is a positive, considering the role technology will play in improving India's economy. However, it is imperative that domestic demand picks up for economic growth to sustain, which will require government investments in infrastructure and large projects. India has to continue working on improving the ease of doing business and ensure a fair and stable business environment.

The Company has technology solutions and competence, which support and cater to the visionary programs of the government such as Make in India, Digital India, Power for All and Smart Cities. The Company will endeavor to increase its focus on providing digital solutions to enable greater productivity and be the preferred choice for customers across all segments of our business.

The Company has taken measures to increase its competitiveness and strengthen its capabilities and offerings. The strategy has been focused on prudence, profitable growth and operational excellence. India has been one of the top performing countries and the parent company's Managing Board has been very supportive towards its growth.

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

**Deepak Parekh**  
Chairman



# Notice

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NOTICE is hereby given that the 62<sup>nd</sup> Annual General Meeting of the Members of Siemens Limited will be held at Yashwantrao Chavan Pratishthan Auditorium, Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Nariman Point, Mumbai - 400 021, on Tuesday, 11<sup>th</sup> February 2020, at 3.00 p.m. to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (a) the Audited Financial Statements of the Company for the Financial Year ended 30<sup>th</sup> September 2019, together with the Reports of the Directors and the Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 30<sup>th</sup> September 2019 and the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the Financial Year 2018–19.
3. To appoint a Director in place of Mr. Johannes Apitzsch (DIN: 05259354), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

To consider and if thought fit, to pass the following Resolutions:

### 4. Appointment of Ms. Anjali Bansal (DIN: 00207746) as an Independent Director of the Company

#### As an Ordinary Resolution:

**"RESOLVED THAT** Ms. Anjali Bansal (DIN: 00207746), who was appointed as an Additional Director of the Company with effect from 1<sup>st</sup> April 2019 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 107 of the Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of Ms. Anjali Bansal as an Independent Director, who meets the criteria for independence as provided in Section 149(6) of the Act and applicable rules thereon and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable regulations of Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (three) years from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2022, be and is hereby approved."

### 5. Appointment of Dr. Daniel Spindler (DIN: 08533833) as a Director of the Company

#### As an Ordinary Resolution:

**"RESOLVED THAT** Dr. Daniel Spindler (DIN: 08533833), who was appointed as an Additional Director of the Company with effect from 1<sup>st</sup> September 2019 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 107 of the Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

### 6. Appointment of Dr. Daniel Spindler (DIN: 08533833) as Executive Director and Chief Financial Officer of the Company

#### As an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V to the Act and the Rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the approval of Central Government and such other approvals / permissions, if and as may be required, Dr. Daniel Spindler (DIN: 08533833) be and is hereby appointed as Executive Director and Chief Financial Officer of the Company with effect from 1<sup>st</sup> September 2019 to 31<sup>st</sup> July 2023 on the terms and conditions including those relating to remuneration as set out in the Statement setting out the material facts annexed to this Notice dated 19<sup>th</sup> November 2019 for Item Nos. 5 to 6.

# Notice

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**RESOLVED FURTHER THAT** the Board of Directors ("Board") / Nomination and Remuneration Committee of Directors ("NRC") of the Company be and is hereby authorised to alter and vary the terms and conditions of the said appointment including authority from time to time to determine the amount of salary, performance linked incentive and commission as also the type and amount of perquisites, other benefits and allowances payable to Dr. Daniel Spindler in such manner as may be agreed to between the Board / NRC and Dr. Daniel Spindler, subject to the limits prescribed under Section 197 and Schedule V to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and to do all such acts, deeds, matters and things and execute all such agreements, documents, instruments and writings as may be required in regard to the said appointment as it may in its sole and absolute discretion deem fit, to give effect to this resolution."

## 7. Re-appointment of Mr. Deepak S. Parekh (DIN: 00009078) as an Independent Director

### As a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act, Regulation 16(1)(b) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company and the approval and recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, Mr. Deepak S. Parekh (DIN: 00009078), whose existing term as an Independent Director is upto 29<sup>th</sup> January 2020 and being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 3 (three) years with effect from 30<sup>th</sup> January 2020 and he shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 17(1A) of the Listing Regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Members be and is hereby accorded for continuation of directorship of Mr. Deepak S. Parekh as an Independent Director of the Company who has attained the age of 75 years, during his second term as an Independent Director, effective 30<sup>th</sup> January 2020."

## 8. Re-appointment of Mr. Yezdi H. Malegam (DIN: 00092017) as an Independent Director

### As a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act, Regulation 16(1)(b) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company and the approval and recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, Mr. Yezdi H. Malegam (DIN: 00092017), whose existing term as an Independent Director is upto 29<sup>th</sup> January, 2020 and being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 1 (one) year with effect from 30<sup>th</sup> January 2020 and he shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 17(1A) of the Listing Regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Members be and is hereby accorded for continuation of directorship of Mr. Yezdi H. Malegam as an Independent Director of the Company who has attained the age of 75 years, during his second term as an Independent Director, effective 30<sup>th</sup> January 2020."

## 9. Approval of transactions with Siemens Aktiengesellschaft, Germany, Holding company of the Company

### As an Ordinary Resolution

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded, to enter into material contract(s) / arrangement(s) / transaction(s) for a period of 5 (five) financial years i.e. from 1<sup>st</sup> October 2020 to 30<sup>th</sup> September 2025, in the ordinary course of business with Siemens Aktiengesellschaft, Germany ("Siemens AG"), a 'Related Party', as set out under the Statement setting out the material facts annexed to this Notice dated 19<sup>th</sup> November 2019 for Item No. 9, on such terms and conditions as may be mutually agreed upon between the Company and Siemens AG.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and to finalise the terms and conditions as may be considered necessary, expedient or desirable, in order to give effect to this Resolution."