

Combining the
real and digital worlds



Annual Report

2023

SIEMENS

Financial Highlights

(₹ in millions)

	2022-23	2021-22	2020-21	2019-20	2018-19
Orders received*	463,829	198,509	146,615	113,853	132,377
Income, Profit and Dividend*					
Revenue from operations	179,651	152,558	131,045	105,407	136,838
Profit Before depreciation, interest expense and tax	27,889	19,404	17,156	13,198	18,703
Depreciation	2,235	2,119	2,282	2,709	2,173
Interest expense	203	341	196	296	114
Profit before tax (excluding gain on sale of business)	25,451	16,944	14,678	10,193	16,416
Gain on sale of Business	-	3,559	487	-	-
Profit Before Tax (PBT)	25,451	20,503	15,165	10,193	16,416
Tax	6,338	5,195	4,135	2,628	5,547
Profit After Tax (PAT)	19,113	15,308	11,030	7,565	10,869
Dividend - %	500%	500%	400%	350%	350%
Dividend - ₹ Per Share	10	10	8	7	7
Share Capital, Assets and Book Value					
Equity share capital	712	712	712	712	712
Other Equity	129,533	115,247	102,725	94,028	89,724
Net Worth (Equity)	130,245	115,959	103,437	94,740	90,436
Loans	-	-	25	-	-
Total Capital Employed	130,245	115,959	103,462	94,740	90,436
Capital Represented by:					
Property, plant and equipment, Capital work-in-progress, Other intangible assets, Investment property and Right-of- Use assets	10,359	10,732	11,425	12,531	12,487
Investments & Goodwill	22,533	22,201	22,120	550	550
Net Current Assets & Other Assets	97,353	83,025	69,892	81,659	77,399
Net Assets	130,245	115,959	103,437	94,740	90,436
Book Value - ₹	365.73	325.62	290.46	266.03	253.95
Returns*					
On Revenue from operations [PBT (excluding gain on sale of business)] - %	14.17	11.11	10.92	9.67	12.00
On Capital Employed (PBT) - %	19.54	17.68	14.66	10.76	18.15
On Shareholders Fund (PAT) - %	14.67	13.20	10.66	7.99	12.02
Per Share (PAT) - ₹	53.67	42.98	30.97	21.24	30.52

* Includes total operations of the Company

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Board of Directors



Deepak S. Parekh
Chairman



Mehernosh B. Kapadia
Independent Director
(Upto 1st May 2023)



Sindhu Gangadharan
Independent Director



Shyamak R. Tata
Independent Director
(From 30th January 2023)



Anami N Roy
Independent Director
(From 1st May 2023)



Johannes Apitzsch
Director
(Upto 31st December 2022)



Tim Holt
Director



Matthias Rebellius
Special Director (Nominee of
Siemens Aktiengesellschaft,
Germany)



Willem Rudolf Basson
Director
(Upto 30th April 2023)



Dr. Juergen Wagner
Director
(From 1st May 2023)



Sunil Mathur
Managing Director and
Chief Executive Officer



Dr. Daniel Spindler
Executive Director and
Chief Financial Officer

Heads of Business



Guilherme Mendonca
Energy



Suprakash Chaudhuri
Digital Industries



Robert HK Demann
Smart Infrastructure



Gunjan Vakharia
Mobility

Committees of Directors

(as on 30th September 2023)

Audit Committee

Mr. Shyamak R. Tata - Chairman

Mr. Anami Roy

Dr. Juergen Wagner

Risk Management Committee

Mr. Deepak S. Parekh - Chairman

Mr. Shyamak R. Tata

Mr. Matthias Rebellius

Mr. Tim Holt

Dr. Juergen Wagner

Nomination and Remuneration Committee

Mr. Shyamak R. Tata - Chairman

Mr. Matthias Rebellius

Mr. Anami Roy

Stakeholders Relationship Committee

Mr. Shyamak R. Tata - Chairman

Mr. Sunil Mathur

Dr. Daniel Spindler

Corporate Social Responsibility Committee

Mr. Deepak S. Parekh - Chairman

Ms. Sindhu Gangadharan

Dr. Juergen Wagner

Mr. Sunil Mathur

Dr. Daniel Spindler

Share Transfer Committee

Mr. Sunil Mathur - Chairman

Dr. Daniel Spindler

Company Secretary

Mr. Ketan Thaker

Registered and Corporate Office:

Siemens Limited
Birla Aurora, Level 21, Plot No. 1080,
Dr. Annie Besant Road, Worli, Mumbai 400 030
Phone: +91 22 6251 7000 Fax: +91 22 2436 2403
CIN: L28920MH1957PLC010839
Website: www.siemens.co.in

Registrar and Share Transfer Agent:

TSR Consultants Private Limited
Phone: +91 22 81081 18484; Fax: +91 22 6656 8494
Email: csg-unit@tcplindia.co.in;
Website: www.tcplindia.co.in

Investor Relations Team:

Contact Person: Mr. Raj Shah

E-mail: Corporate-Secretariat.in@siemens.com Phone: +91 22 6251 7000 Fax: +91 22 2436 2403

Details of 66th Annual General Meeting

Day and Date : Tuesday, 13th February 2024

Time : 3.00 p.m.

Chairman's Statement



Dear Shareholders,

The global economy continued to face headwinds in financial year 2023 due to geo-political tensions, high inflation and tighter monetary policies by most central banks around the world. The prognosis of a looming recession setting in during the financial year 2023 did not materialize, though uncertainties related to economic recovery and slowing growth rates across the major economies lingered.

On the other hand, India's economy remained resilient. While it is not immune to the global environment, India is in the spotlight due to its strong domestic consumption-driven economy. The capital expenditure cycle, both public and private, grew stronger, with the engineering and manufacturing sector being a key beneficiary during the financial year 2023. The energy and infrastructure sectors have been the driving force behind the increase in the order book for Corporate India.

In this backdrop, all the businesses of the Company did commendably well, as is evident in the Company's strong performance in Revenues, New Orders and Net Profit. This was representative of the continued growth in capital expenditure and digital spending by both public as well as private sectors.

Financial Performance – Highlights

For the financial year 2023, the Company received New Orders valued at ₹ 463,829 million, a 138.8 percent increase over ₹ 194,221 million in the financial year 2022. The Order Backlog as of September 30, 2023 stood at ₹ 455,227 million. Sales (excluding other operating revenues) were up by 21.3 percent to ₹ 177,007 million, compared to ₹ 145,881 million in the previous financial year.

Profits from Operations stood at ₹ 20,167 million compared to ₹ 13,974 million in the previous financial year, an increase of 44.3 percent over the previous financial year. The Company's Profit before Tax stood at ₹ 25,451 million compared to ₹ 16,802 million in the previous financial year, an increase of 51.5 percent. The Profit after Tax for the financial year was ₹ 19,113 million, an increase by 52.9 percent compared to ₹ 12,497 million in the previous financial year. The Board of Directors of the Company has recommended a dividend of ₹ 10/- per equity share of the face value of ₹ 2/- each for the financial year ended September 30, 2023. The above financial performance is for continuing operations.

Business Performance – Highlights

Among the key highlights during the financial year 2023, the Company received an order worth approximately ₹ 260 billion to supply 1,200 locomotives of 9000 horsepower (HP) for Indian Railways. This is the single largest order in the history of the Company. The locomotives would be delivered over an eleven-year period, and the contract includes 35 years of full service maintenance. This is an outstanding achievement!

The Company is also supplying steel tank traction transformers for the 1,200 locomotives as part of the above-mentioned order. These steel tank transformers are competitive and more efficient when compared to the aluminum option. It won several big orders for supplying large power transformers to India's largest electric power transmission utility as part of the customer's efforts for integrating renewable energy.

In a step to address the fast-growing demand for electric vehicle (EV) charging infrastructure in India, the Company acquired the EV division of Mumbai-based Mass-Tech Controls Private Limited. The division is engaged in design, engineering and manufacturing of a wide range of alternate current chargers, and 30 to 300kW capacity direct current chargers for various end applications for EVs. The addition of products will complete the Company's portfolio of e-mobility solutions. It will also address the needs of the Indian market, which has unique requirements such as lower power rating and parallel charging.

Earlier in the financial year 2023, the Company launched its first industry-ready 5G routers. The applications on industrial 5G offer long-term benefits to a wide range of customer segments that depend on a strong communication backbone. These include intralogistics, autonomous machines, industrial edge, remote diagnostics, augmented reality, assisted work, wireless backhaul, edge computing and mobile equipment. The availability of 5G is a milestone on the path to Industry 4.0, in which smart factories become more flexible and productive thanks to end-to-end digitalization and the Internet of Things.

Digital transformation

The Company achieved a significant milestone for the Siemens Xcelerator platform with the inclusion of 100 India-relevant digital use and reference cases across multiple industries such as Food & Beverage, Data Centers, Commercial Buildings, Power Utilities and others. Siemens Xcelerator is an open and evolving digital business platform that comprises a comprehensive, curated portfolio that includes digital and Internet of Things (IoT)-enabled offerings (software, hardware and digital services) from Siemens, and certified third parties.

Chairman's Statement

Part of the Siemens Xcelerator portfolio is Industrial Operations X, an open and interoperable portfolio for automating and operating industrial production and Building X, a scalable digital building platform to digitalize, manage and optimize building operations.

This milestone is evidence of the progress that the Company has made over the past year with Siemens Xcelerator and a powerful ecosystem, which enables it to support the increasing demand for digitalization and decarbonization solutions in India.

Sustainability

The Company's sustainability goals are defined under the holistic DEGREE framework (Decarbonization, Ethics, Governance, Resource Efficiency, Equity, Employability). The Company ensures and prioritizes sustainability in its own operation and has adopted a 'value chain approach' – supporting both its suppliers as well as customers on their sustainability journey.

Continuous efforts are being made to decarbonize the operations of the Company in the areas of space optimization, energy efficiency, resilience and green electricity. The Company has installed advanced HVAC chiller system technology as well as energy-efficient equipment and solutions for thermal storage and day light harvesting. Green electricity is generated through roof top solar panels in the factory premises and also through a power purchase agreement. In addition, it has initiated a program for decarbonization of the supply chain. It involves assessment of emissions, decarbonization solutions and carbon reduction targets.

G-AVATAR, the Global Data Monitoring & Remote Analysis Center for Building Related Data located in the Company's Kalwa factory complex, is a showcase of digitalization for energy management and carbon reporting. It monitors over 14,000 data points from 1,300 locations across 90 countries.

The Company empowers its customers to accelerate their sustainability goals along three impact areas: decarbonization and energy efficiency, resource efficiency and circularity, people centricity and societal impact.

Further details on ESG disclosure of the Company can be found in the Business Responsibility and Sustainability Report.

Business Responsibility

The Company considers it as its economic, environmental and social responsibility to foster sustainable local development and add value to the local economy in which it operates. Its CSR projects are long-term in nature and designed to create sustainable value to society.

Through various initiatives, the Company supports over 83,000 students and trainees every year across their entire learning cycle of Science, Technology, Engineering and Mathematics (STEM) education.

The Company's Dual VET (Vocational Education and Training) program has seen remarkable success. Over 53,000 trainees benefit every year through the program, which is currently implemented at over 350 government Industrial Training Institutes (ITIs) across 17 states. As part of the program, thousands of micro, small and medium enterprises (MSMEs) provide in-plant training to the ITI trainees. The Dual VET program is being implemented in collaboration with Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), Ministry of Skill Development and Entrepreneurship, Government of India and Tata STRIVE.

During the financial year 2023, Siemens Scholarship Program completed 10 years since it was launched in 2013 with 20 students. It has since expanded to 1,335 meritorious and deserving students from 125 government engineering colleges across 27 states in India. The program enables access to quality education to economically disadvantaged communities based on the German model of Dual Education and ensures equal opportunity for girls.

Another key initiative is Project Jigyasa aimed at promoting curiosity-based learning and encouraging students to take up Science, Technology, Engineering and Mathematics (STEM) careers. It promotes STEM education through science fairs where school teams build innovative projects that address real-life problems. Project Jigyasa is currently being implemented in 13 locations across seven states in India.

Under social and environment focus areas, Project Asha continued to work towards enhancing living conditions for over 600,000 people in over 100 villages in Palghar and Aurangabad. It follows an integrated development model and leverages simple, inclusive technology. The Company also provided humanitarian assistance to communities affected by the floods in Delhi.

These are a few highlights – you will find more details in the CSR Report later in the Annual Report as well as in the Business Responsibility and Sustainability Report.

People Excellence

The Company values, encourages and practices a sharing culture. It is thanks to this culture of empowerment and collaboration between teams and people that the Company has performed well yet again. A strong growth mindset, a feeling of belonging and trust are key to building long-lasting partnerships within the organization as well as with customer and partners. During

the financial year 2023, the Company implemented measures to strengthen its internal practices and the overall culture for employees while enhancing its employee value proposition.

The Company recognizes that up-skilling, re-skilling and cross-skilling of its people is crucial for its continued success. In financial year 2023, it focused on capability building in technical skills, leadership readiness as well as upskilling of people engaged in manufacturing, sales, and engineering to build a flexible and competitive workforce. It also recruited experts in engineering, sales, and digital domains in line with business requirements.

Several learning and development initiatives were launched, covering leadership capability, sustainability and Siemens Xcelerator. One such program is Lead, Empower, Accelerate, Practice (LEAP), which is an action-oriented learning program to build leadership capabilities aligned to the Company's strategic priorities. The Company recorded over 227,000 cumulative hours of learning during the financial year 2023.

Outlook

The geo-political tensions continued to escalate around the world in financial year 2023. The US economy did witness improvement as seen in the better-than-expected GDP growth in the latter part of the financial year. However, the economies of Europe and China remained subdued and are expected to experience slower growth. Elections are also scheduled in many democratic nations across the world in financial year 2024.

In spite of these challenges and risks, the global economic growth expectations can be viewed with cautious optimism – with a growth rate of 2.7 percent in financial year 2024 compared to 3 percent in financial year 2023. There is little probability of global recession as many feared in the beginning of the financial year and the focus will be on growth, inflation and monetary policy. The trend in commodity prices also needs to be watched in the next financial year. This is especially true for 'green metals' such as copper, nickel, zinc and cobalt that are key raw materials for clean energy applications.

India has been largely immune from the economic turmoil. In spite of global economic risks, India will be the fastest growing economy for the next few years and a preferred emerging market for investments. India has gained a strong presence in various global diplomatic and trade forums. It has made progress towards achieving its goal to be a global manufacturing hub. As global supply chains seek to diversify, India stands to gain as a stable destination for manufacturing and business.

The General Elections in 2024 may cause a momentary pause in tendering for large projects but will not disrupt the long-term growth trajectory, which is intact due to our nation's political stability and consistency in policy measures. The GDP growth rate is also expected to pick up momentum, moving from the current 6.4 percent to above 7 percent in the next 3-4 years.

Siemens Limited is best placed to support India in its growth story. Whether in Energy, Infrastructure, Manufacturing or Mobility, Siemens Limited is well positioned to provide technologies and solutions that can address India's requirements. In tune with the increased capital expenditure seen across sectors, the Company too announced capital expenditure of ₹ 416 crore to expand its manufacturing capacity and strengthen the product portfolio. The investment is toward capacity expansions of Power Transformers used in the Power Transmission business and of Vacuum Interrupters for Medium Voltage Switchgear used in the Power Distribution sector. The expansion in capacities of both these products will enable the Company to meet the growing demand both in India and globally.

I am certain that the Company – with its strong corporate governance, technology, products and people – will march forward in its successful, sustainable and profitable growth journey.

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

Deepak S. Parekh

Chairman

Mumbai, Tuesday, 28th November 2023

SIEMENS

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believe in
technology
with
purpose?

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careers at
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