



SIEMENS

Strong roots, sustainable growth

Annual Report 2011

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Moving those who move the economy forward.



Siemens answers are making travelling within and between cities a lot smoother.

Indian cities have seen incredible growth in the last few years. More people are pouring into the cities every day, putting the existing infrastructure under tremendous pressure. But cities like Mumbai and Bengaluru are finally finding the balance between growth and livability. With the help of Siemens propulsion and electrical systems, passengers on Mumbai's local trains are discovering that journeys can be smoother and comfortable, even during peak hours. While our advanced infrastructure systems at the Bengaluru airport are making air travel a pleasurable experience. When it comes to making cities that are livable and sustainable, Siemens has the answers that last.

Building cities worth building a future in.



Siemens answers are making cities more lasting, livable and prosperous.

The growth story of a country is written in its cities. Which is why, Siemens is helping Indian cities become places where people and business can thrive. Like in Mumbai, our propulsion and electrical systems are taking the stress out of travelling in local trains. In another part of the city, buildings like the Oberoi Mall in Goregaon are discovering that energy consumption and costs can be lowered without sacrificing comfort. Doctors at Medicity in Delhi are using our advanced medical scanners to diagnose critical diseases earlier. Helping patients save cost and more importantly, live healthier for longer. For a country looking to power itself into the future, Siemens has the answers that last.

Small cells don't have to lead to big problems.



Siemens answers are helping doctors detect diseases earlier, saving costs and extending lives.

When diseases are caught early, they make less of an impact on everyone. That's because a large majority of today's healthcare cost go toward treating the late stages of diseases like cancer and heart conditions. With Siemens advanced diagnostic technology, doctors can accurately identify these killers earlier. So patients get the treatment they need sooner. Thus saving lives and cutting costs. When it comes to putting people's health first, Siemens has the answers that last.

Financial Highlights - Siemens Limited

(` in Million)

	2010-11	2009-10	2008-09	2007-08	2006-07
Orders received	122886	124305	87964	87722	95720
Income, Profit and Dividend					
Total Income (including exceptional income)	121967	94777	89508	85361	79479
Profit Before Depreciation, Interest and Tax	14399	13708	15155	9596	9236
Depreciation	1522	1015	778	637	492
Interest	127	106	59	41	2
Profit Before Tax	12750	12587	14319	8918	8742
Tax	4295	4315	3870	2984	2776
Profit After Tax	8454	8272	10449	5934	5966
Dividend - %	300%	250%	250%	150%	240%
Dividend - ` Per Share	6	5	5	3	4.8
Share Capital, Assets and Book Value					
Share Capital	681	674	674	674	337
Reserves & Surplus	37481	34103	28492	20017	15572
Net Worth (Shareholders' Fund) ^	38162	34778	29166	20691	15909
Loans	-	2	6	11	15
Total Capital Employed	38162	34780	29172	20702	15924
Capital Represented by:					
Fixed Assets	14183	9805	7352	6442	5570
Investments	-	3885	4770	5237	4676
Net Current Assets & Other Assets	23979	21090	17050	9023	5678
Total Assets	38162	34780	29172	20702	15924
Book Value - `	112.14	103.15	86.50	61.37	94.37
Returns					
On Total Income (PBT) - %	10.45	13.28	16.00	10.45	11.00
On Capital Employed (PBIT) - %	33.74	36.50	49.28	43.28	54.91
On Shareholders Fund (PAT) - %	22.15	23.79	35.83	28.68	37.50
Per Share (PAT) - `	24.95	24.53	30.99	17.78	35.39

^ Bonus shares issued in the year 2007-2008

Chairman's Statement



Dear Shareholders,

The year 2010-11 took off where the previous year ended - in an upbeat mode - but as the year progressed, uncertainties in the domestic economy emerged. Among the factors that have led to moderation of growth are higher inflation, higher interest rates that led to reduced liquidity, lower consumption, unabated increase in commodity prices and other input costs.

However, our order intake of the past two years, which has remained stable, is evidence of the fact that Siemens Ltd. came out of the economic crisis of 2007-08 stronger. Since a majority of our revenues are generated from the domestic business, our steady financial performance also proved that the Indian economy is indeed resilient compared to the global economy. We built capabilities oriented toward making us more customer-focused, worked on strengthening internal processes and streamlined the organization to increase our competitiveness. These initiatives will enable us to sustain our growth path.

It is significant to note that the company's parent Siemens AG increased its stake from 55% to 75% earlier in the year through an investment of approximately 1 billion Euros. This is a clear message that Siemens Ltd. and the Indian market will play a greater role in Siemens worldwide.

Performance Highlights

All our three Sectors performed satisfactorily despite stiff competition and pricing pressure. For the financial year ended September 30, 2011, Sales rose by 28% to ₹ 11,941.9 crores for the year ended September 30, 2011, as compared to ₹ 9,315.2 crores in the previous year.

The Company received New Orders valued at ₹ 12,288.6 crores, a marginal 1% drop in the face of tough market conditions in the 12 months ended September 30, 2011, as compared to ₹ 12,430.5 crores in the previous year. On a comparable basis, though, and after excluding the impact of two Mega Projects awarded by Torrent Power, the UNO SUGEN and DGen, and from the Qatar General Water & Electricity Corporation (Kahramaa) in the previous and current periods, Orders of our base business grew by 25%.

The unexecuted order value as of September 30, 2011 stood at ₹ 13,921.3 crores - a rise of 2% as compared to ₹ 13,583.9 crores in the previous year.

Profit from Operations was stable at ₹ 1,197.4 crores, as compared to ₹ 1,191.7 crores in the previous year.

For the year ended September 30, 2011, the Company's Profit before Tax stood at ₹ 1,275 crores, as compared to ₹ 1,258.7 crores in the previous year. The Profit after Tax also stood at ₹ 845.4 crores as compared to ₹ 827.2 crores in the previous year. Please note that our profits are strictly not comparable to last year's financials as in the last year Group companies – Siemens Building Technologies Pvt. Ltd., Vista Security Technics Pvt. Ltd., Siemens Healthcare Diagnostics Ltd. and Siemens Rolling Stock Pvt. Ltd. – were merged into Siemens Ltd.

The Board of Directors has recommended a dividend of ₹ 6/- for every equity share of ₹ 2/- for the financial year ended September 2011. During the previous fiscal, the Company had paid a dividend of ₹ 5/- for every equity share of ₹ 2/-.

Performance Analysis

Operationally, all three Sectors – Energy, Healthcare and Industry – performed well, with many business units maintaining their leadership positions in the markets they operate in.

Among the major achievements during the past year, the Energy Sector rolled out its 100th gas-insulated switchgear (GIS) substation from its factory in Aurangabad. The state-of-the-art factory has achieved a distinction by supplying the complete range of GIS, starting from 72.5 kV up to 420 kV in a short span of time. The Energy Sector also launched a new wind turbine for the Indian market. The new product is ideal for areas with low-speed winds and for customers engaged in power generation.

The Industry Sector executed an order for a special electronics package called Race Control Management, which is one of the most crucial parts of F1 race tracks, for the recently-held F1 Grand Prix – the first time the race was held in India. The

package also included video surveillance and storage, digital signaling system and a time keeping system. Additionally, Siemens also provided the complete IT backbone (VOIP & Data network), information displays and media distribution system for the media centre for this project. The Siemens Race Control Management system enabled the FIA staff to control the race centrally

The Mobility Division won India's largest Cargo Handling System contract from Delhi Cargo Service Center. It also won contracts to electrify the Kolkata Metro and Chennai Metro.

The Healthcare Sector continues to bring affordable healthcare into the Indian market. It set industry benchmarks by supplying over 100 Magnetic Resonance Imaging (MRI) units and over 150 Computerized Tomography (CT) units during the year. The Imaging (HIM) and Clinical Products (HCP) business units also maintained their leadership positions in the industry. The Healthcare Sector also installed high-end technologies for Kovai Medical Center & Hospital such as Artis Zee Biplane Cathlab, MAGNETOM Skyra 3T MRI scanner, Biograph 6 PET/CT scanner, Symbia T SPECT-CT scanner and MAMMOMAT Inspiration mammography system – all the products made available in the state of Tamil Nadu for the first time.

The year was also a successful one for the SMART initiative, the company's bottom-of-the-pyramid product strategy. The company launched ten products with localized features during the year, winning the confidence of customers. Our order intake for SMART products doubled this year compared to last year in terms of percentage of total order intake.

It is clear from consumption trends that more and more corporates are seeking sustainable solutions that are environment-friendly. Sales of our environmental portfolio grew by 35%.

People – our Mainstays

The Company's motivated employees have been one of the most significant mainstays in the performance of the organization. It made consistent efforts to become an employer of choice, and attract, retain and develop its talent. I am glad to share that the Company has been maintaining an attrition ratio below the industry average. Apart from introducing high-potential recruiting initiatives such as the Siemens Graduate Program, the Company increased its emphasis on work-life balance and conducted various on-going skill and competence development programs. Among the significant learning and development initiatives were the Siemens Core Learning Programs including the Supply Chain Management (SCM) 3 Core Learning Program, the Sales Management Learning Program and the Leadership Excellence Program.

The mantra for the Company's human resource department has been to “Connect, Automate and Communicate”. This effort was reflected in the results of the Global Engagement and Compliance Survey 2010 conducted to help create an inspiring and motivating work environment for its employees where the Company received 93% favorable responses in the Employee Engagement category.

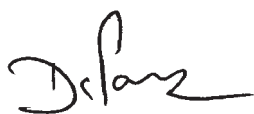
The Road Ahead – Outlook for Siemens Ltd.

The current state of the economy, with a moderated pace of growth, is expected to spill over into the next financial year.

Siemens Ltd. however is ideally poised to meet the infrastructure needs of the country through its Energy, Industry and Healthcare Sectors. With the creation of a fourth Sector for Infrastructure & Cities it has placed an added focus on the infrastructure requirements of rapidly growing cities and urban areas.

With the Company's continued focus on generating sustainable value to its customers and stakeholders, I am confident that the company will continue to do well.

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

Board of Directors

Non-executive Directors

Mr. Deepak S. Parekh	Chairman
Mr. Darius C. Shroff	Director
Mr. Yezdi H. Malegam	Director
Mr. Narendra J. Jhaveri	Director
Mr. Keki Dadiseth	Director
Mr. Pradip V. Nayak	Director
Mr. Joe Kaeser	Director
Dr. Roland Busch	Director
Dr. Otmar Schmitt	Alternate Director for Mr. Joe Kaeser
Mr. Stephan Schneider	Alternate Director for Dr. Roland Busch

Whole-time Directors and Corporate Management

Dr. Armin Bruck	Managing Director and Chief Executive Officer
Mr. Sunil D. Mathur	Executive Director and Chief Financial Officer

Company Secretary

Ajai Jain
Vice President (Legal) & Company Secretary

Committees of Directors

Audit Committee	Investors Grievance Committee	Remuneration Committee	Corporate Governance Committee	Investment Committee
Yezdi H. Malegam (Chairman) Deepak S. Parekh Keki Dadiseth Joe Kaeser / Dr. Otmar Schmitt	Darius C. Shroff (Chairman) Pradip V. Nayak Dr. Armin Bruck	Narendra J. Jhaveri (Chairman) Darius C. Shroff Deepak S. Parekh Pradip V. Nayak	Keki Dadiseth (Chairman) Deepak S. Parekh Yezdi H. Malegam Darius C. Shroff Joe Kaeser / Dr. Otmar Schmitt Dr. Armin Bruck	Deepak S. Parekh (Chairman) Yezdi H. Malegam Pradip V. Nayak Joe Kaeser / Dr. Otmar Schmitt Sunil D. Mathur

Notice

NOTICE is hereby given that the 54th 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 Tuesday, 31st January, 2012, 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, 2011, Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Deepak S. Parekh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Yezdi H. Malegam, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Sunil Mathur, who retires by rotation and being eligible, offers himself for re-appointment.
6. To re-appoint Messrs S.R. Batliboi & Associates, Chartered Accountants (Firm Registration Number : 101049W), as Statutory Auditors of the Company to hold office from the conclusion of the 54th Annual General Meeting upto the conclusion of the next i.e. 55th 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. Appointment of Dr. Roland Busch as Special Director of the Company

As an Ordinary Resolution:

"RESOVLED THAT Dr. Ronald Busch, who was appointed by the Board of Directors as an Additional Director with effect from 29th July, 2011, under Section 260 of the Companies Act, 1956 and Article 110 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under the provisions of Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director be and is hereby appointed as a Special Director of the Company and shall not be liable to retire by rotation."

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

As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, the Company hereby accords its approval to the revision in the remuneration payable to Dr. Armin Bruck, Managing Director with effect from 1st January, 2012, as set out under Serial No. 2 of the Explanatory Statement annexed to this Notice."

9. Revision in remuneration of Mr. Sunil Mathur, Executive Director

As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if required, the Company hereby accords its approval to the revision in the remuneration payable to Mr. Sunil Mathur, Executive Director with effect from 1st January, 2012, as set out under Serial No. 2 of the Explanatory Statement annexed to this Notice."

10. One- time special payment to Mr. Vijay V. Paranjape (former Whole-time Director)

As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval for the one-time special payment of ₹ 8,850,000/- (Rupees Eight Million Eight Hundred and Fifty Thousand Only) to Mr. Vijay V. Paranjape, who ceased to be the Whole-time Director and as Director of the Company with effect from 1st October, 2011."