



SIEMENS

Making India future-ready

Annual Report 2012

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The background image shows a man in a grey suit and blue tie walking through an airport terminal, pulling a black suitcase. He is smiling and looking towards the camera. In the foreground, a woman with long dark hair is seen from the back, holding a young child. The child is looking towards the man. The airport terminal has a modern design with large windows and a high ceiling.

SIEMENS

There is more to life than waiting at airports.

Siemens answers for efficient airport infrastructure are helping people save time every time they fly.

Bengaluru is a city on the move, making its airport amongst the busiest in the country. It needs an airport that can efficiently manage a constant flow of passengers and flights to the second. This is where Siemens airport management systems are helping Bengaluru International Airport. With building automation, runway lighting systems, security and flight management systems this airport is

ready for the future. Fully automated check-in counters are helping passengers avoid long check-in lines. It is not only about making airports faster, safer or greener - it is also about giving people the time to do what they love doing most. When it is about building cities that are livable and lovable, Siemens has the answers that last.

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

The background of the advertisement is a photograph of a woman in a purple shirt standing on a rooftop at night, holding a book and looking up at a bright street lamp. Another person is sitting on the roof in the foreground, also looking up. The scene is illuminated by the warm glow of the street lights against a dark blue night sky.**SIEMENS**

Power can illuminate more than just homes.

Siemens answers for bulk power transmission over long distances is ensuring a brighter future for the country.

The progress and prosperity of the people of the country depends on consistent and quality power supply. But for the traditionally power-starved regions, the closest power source may lie hundreds of kilometers away. Drawing power from such great distances can be quite expensive, not to mention the heavy transmission losses on the way. This is where Siemens High Voltage Direct Current (HVDC) technology is helping bridge the gap. With transmission lines like the one in operation between Mundra and Haryana, power can now be transmitted with minimum losses.

The benefits at the end of the line are clearly visible. Big factories and small businesses can now run at their full capacity ensuring faster economic progress for the region. As incomes rise, families can now support their children better. Providing them better opportunities for learning and development. When it is about going the distance to ensure a brighter future for the country, Siemens has the answers that last.

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



SIEMENS

One picture can capture a family's happiness.

Siemens answers for ultrasound imaging are detecting liver diseases early, helping patients recover faster.

An alarming percentage of India's population suffers from liver related diseases. Unfortunately, fatal illnesses like Hepatitis B and Hepatitis C go undetected till the advanced stages. For families dependent on a person, the financial and emotional implications can be crippling.

This is where Siemens advanced ultrasound scanning technology is helping doctors detect liver diseases early. In turn, helping patients save the costs incurred on otherwise longer treatments, drastically. The technology uses

elastography to distinguish between liver tissues, diagnosing diseases much more accurately and unlike biopsies, without any painful surgeries.

It is one technology that compliments MRI and CT Scan, ensuring that more patients can afford early check-ups, have early detection and ensure speedier recoveries. When it is about helping people lead healthier and happier lives, Siemens has the answers that last.

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Financial Highlights - Siemens Limited

(₹ in Million)

	2011-12	2010-11	2009-10	2008-09	2007-08
Orders received	102,351	122,886	124,305	87,964	87,722
Income, Profit and Dividend					
Total Income (including exceptional income)	129,774	121,336	94,777	89,508	85,361
Profit Before Depreciation, Interest and Tax	7,489	14,398	13,708	15,155	9,596
Depreciation	2,010	1,522	1,015	778	637
Interest	270	127	106	59	41
Profit Before Tax	5,209	12,749	12,587	14,319	8,918
Tax	1,777	4,295	4,315	3,870	2,984
Profit After Tax	3,432	8,454	8,272	10,449	5,934
Dividend - %	300%	300%	250%	250%	150%
Dividend - ₹ Per Share	6	6	5	5	3
Share Capital, Assets and Book Value					
Share Capital	681	681	674	674	674
Share capital suspense account	23	-	-	-	-
Reserves & Surplus	38,922	37,481	34,103	28,492	20,017
Net Worth (Shareholders' Fund) ^	39,626	38,162	34,778	29,166	20,691
Loans	-	-	2	6	11
Total Capital Employed	39,626	38,162	34,780	29,172	20,702
Capital Represented by:					
Fixed Assets	14,972	13,486	9,805	7,352	6,442
Investments	-	-	3,885	4,770	5,237
Net Current Assets & Other Assets	24,654	24,676	21,090	17,050	9,023
Net Assets	39,626	38,162	34,780	29,172	20,702
Book Value - ₹	112.56	112.14	103.15	86.50	61.37
Returns					
On Total Income (PBT) - %	4.01	10.51	13.28	16.00	10.45
On Capital Employed (PBIT) - %	13.83	33.74	36.50	49.28	43.28
On Shareholders Fund (PAT) - %	8.66	22.15	23.79	35.83	28.68
Per Share (PAT) - ₹	9.75	24.95	24.53	30.99	17.78

^ Bonus shares issued in the year 2007-2008

Chairman's Statement



Dear Shareholders,

After growing at a relatively faster pace over the past two years, the Indian economy slowed down this year. Compared to the 8.4% year-on-year growth for the period April 2010-March 2011, India's GDP grew by 6.5% in the period from April 2011 to March 2012. In October 2012, the government revised downward the growth forecast for 2012-13 from 6.7% to 6.3%. The Indian economy has been affected by global factors such as lower trade and capital flows as well as domestic challenges, both structural and cyclical. Clearly, our economy needs an impetus to drive growth.

This impetus can come only if stalled and delayed infrastructure projects take off, interest rates ease, and consumption of manufactured goods increases. The government has announced reforms that allow higher foreign direct investments in sectors such as aviation, multi-brand retail, insurance, and media. Though this will definitely improve business and investment confidence, concrete steps are required to walk the talk and implement what has been announced.

Siemens Ltd. also came off a major high in financial year 2010-11. Needless to say, the Company was affected by the uncertain macro-economic environment, coupled with high interest rates, stalled infrastructure projects, and delayed decisions on new projects. Our profitability has also been impacted, partly due to increased project costs and a reduction in sales due to customer liquidity issues and their project delays.

Performance highlights

Operating in uncertain and challenging economic conditions, businesses across the four Sectors of the Company delivered a reasonable performance compared to other market participants. For the financial year ended September 30, 2012, sales were up by 8% to ₹ 12,708 crores, compared with ₹ 11,818 crores in the previous year.

The Company received new orders valued at ₹ 10,235 crores, a 17% drop compared with ₹ 12,289 crores in the previous year. The unexecuted order value as of September 30, 2012 stood at ₹ 13,660 crores – a decline of 2% compared with ₹ 13,921 crores in the previous year. Profits from operations stood at ₹ 690 crores compared with the ₹ 1,183 crores of the financial year 2010-11.

For the year ended September 30, 2012, the Company's profit before taxes stood at ₹ 521 crores, compared with ₹ 1,275 crores in the previous year. The profit after taxes for the year was ₹ 343 crores compared with ₹ 845 crores in the previous year, down by 59%.

The Board of Directors has recommended a dividend of ₹ 6/- for every equity share of ₹ 2/- for the financial year ended September 30, 2012. During the previous financial year, the Company had paid a dividend of ₹ 6/- for every equity share of ₹ 2/-.

Performance analysis

Confidence is still low in the markets we operate in. New orders have been deferred due to a combination of factors: coal linkages, land and environmental clearances, higher inflation and interest rates, tighter liquidity, lower investments, and delays in finalizing projects in the infrastructure sector.

Operationally, all four Sectors – Energy, Healthcare, Industry, and Infrastructure & Cities – performed at par, as a result of factors that include a drop in capital expenditures, increased project costs, and unbooked profits due to customers delaying acceptance of products. Many Business Units, however, continue to maintain their leadership positions in the markets where they operate.

The Company has been focusing on innovation, customer satisfaction, streamlining operations, and an integrated approach to providing technology solutions.

Among the highlights of the last fiscal year: the Energy Sector signed a contract with Power Grid Corporation of India Ltd. to construct a 765-kV test laboratory for the National High Power Test Laboratory (NHPTL). NHPTL intends to build stand-alone testing facilities in India for electrical equipment manufacturing and power utility companies, the first of its kind in the country.

The Healthcare Sector continued its focus on bringing high-end healthcare technology to India. It won an order from House of Diagnostics, a medical diagnostics solution provider targeting the niche segment of corporations and large hospital chains to install India's first magnetic resonance positron-emission tomography (MR-PET) system at Indraprastha Apollo Hospital.

The Industry Sector won an order from Jupiter Life Sciences, the largest custom research and manufacturing services provider in India, to supply a distributed control system using foundation fieldbus (FF) technology. Introduced by Siemens in 2012, the FF technology is the standard in the chemical industry.

The Infrastructure & Cities Sector, which has just concluded its first year in operation, won a contract to modernize the electricity distribution system for Maharashtra State Electricity Distribution Company Ltd. The project was part of the government of India's Restructured Accelerated Power Development Reforms Programme (R-APDRP). Another highlight was the automated mail processing system that the Infrastructure & Cities Sector installed for the Department of Post's mail processing center in New Delhi, which went into operation in financial year 2011-12. The system is capable of processing up to 55,000 pieces of mail per hour.

The Company continued its focus on strengthening local manufacturing capabilities, adding three new factories during the year: the Energy Automation and Medium Voltage factories in Goa and the Metals Technologies factory in Turbhe. The current network of factories stands at 22. The SMART (simple, maintenance-friendly, affordable, reliable, and timely) product strategy is enabling the Company to maintain its lead over local and Asian competition. As of September 30, 2012, the number of SMART products with significant local added value stood at 30, with about 30 more of such products in the pipeline.

The Company's sustainability efforts also bore fruit during the financial year 2011-12. The two factories launched in Goa earlier in the year and the Energy factory in Maneja received Leadership in Energy and Environmental Design (LEED) certifications. The Company also won the Bombay Chamber of Commerce & Industry Civic Awards 2011-12 in the Sustainable Environmental Initiatives category. The Goa Pollution Control Board recognised the Company's green factory initiative at the twin factories in Goa with an award of excellence, while the Industry 2.0 magazine presented the Company with a certificate of achievement at its manufacturing innovation conclave.

People excellence

During the financial year 2011-12, the Company primarily focused on retaining its employees and further improving their competencies. With various employee-centric programmes, the Company was successful in decreasing attrition rates and maintaining them at a level lower than the industry average. These efforts were reflected in the results of the Global Engagement and Compliance Survey 2012. The Company received 94% favourable responses in the Employee Engagement category in the survey, which is conducted to help create an inspiring and motivating work environment for its employees.

Its motivated and diverse workforce continues to remain the Company's most important asset. Sustained development of this dynamic workforce through strategic learning programmes is a key factor in Siemens' strategy and an inherent part of "people processes" like the yearly Performance Management Process. In line with this objective, Siemens in India strengthened its learning programme framework and launched the Siemens Learning Campus in India.

The road ahead – outlook for Siemens Ltd.

The outlook for Siemens Ltd. is dependent to a large extent on quicker decision-making by the government on large infrastructure projects, particularly in the power and logistics infrastructure areas. Also in the healthcare segment, where citizens bear the cost of their own medical expenses, the government has to follow up on a promised increase in expenditures to help build an effective healthcare system. Recent developments like the announcement on reforms (higher FDI in sectors such as aviation, insurance, and multi-brand retail), the proposed establishment of a National Investment Board to hasten decisions, and the recently-cleared National Manufacturing Policy have sent a positive message.

I am confident that the government's commitment to economic progress will continue. Together with the growth strategies of private enterprises, it will help turn India into an economic powerhouse. Siemens Ltd. has the solutions, the breadth of expertise, and experience to make India future-ready through its technologies.

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

In conclusion, I would like to sincerely thank the Board, the management, and especially our dedicated employees for their consistent support and commitment to Siemens Ltd. – and of course our esteemed customers for their confidence and loyalty.



Deepak Parekh
Chairman

Board of Directors

Mr. Deepak S. Parekh	Chairman
Mr. Darius C. Shroff	Director
Mr. Yezdi H. Malegam	Director
Mr. Narendra J. Jhaveri	Director
Mr. Keki B. Dadiseth	Director
Mr. Pradip V. Nayak	Director
Mr. Joe Kaeser	Director
Dr. Roland Busch	Director
Mr. Johannes Apitzsch	Alternate Director for Dr. Roland Busch
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 B. Dadiseth Joe Kaeser	Darius C. Shroff (Chairman) Pradip V. Nayak Dr. Armin Bruck	Narendra J. Jhaveri (Chairman) Darius C. Shroff Deepak S. Parekh Pradip V. Nayak	Keki B. Dadiseth (Chairman) Deepak S. Parekh Yezdi H. Malegam Darius C. Shroff Joe Kaeser Dr. Armin Bruck Dr. Roland Busch / Johannes Apitzsch	Deepak S. Parekh (Chairman) Yezdi H. Malegam Pradip V. Nayak Joe Kaeser Sunil D. Mathur Keki B. Dadiseth Dr. Roland Busch / Johannes Apitzsch



Business Responsibility Report