Notes to the financial statements for the year ended 30 September 2018 (Currency: Indian rupees millions)

Corporate information

Siemens Limited ("The Company") is a public company domiciled in India with its registered office at Birla Aurora, Level 21, Plot No. 1080 Dr. Annie Besant Road, Worli Mumbai – 400030. The Company is listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

The Company offers products integrated solutions for industrial applications for manufacturing industries, drives for process industries, intelligent infrastructure and buildings, efficient and clean power generation from fossil fuels and oil and gas applications, transmission and distribution of electrical energy and for passenger and freight transportation, including rail vehicles, rail automation and rail electrification systems.

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared and presented under the historical cost convention, except for derivative instruments and certain other financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The accounting policies adopted in the preparation of financial statements are consistent for all the periods presented.

The financial statements are presented in INR, which is the functional currency and all values are rounded to the nearest millions (INR 1,000,000), except when otherwise indicated.

The financial statements were authorised for issue in accordance with a resolution of Board of directors on 18 November 2018.

1.2 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle. Based on the nature of business and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.3 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing assets beyond its previously assessed standard of performance.

Depreciation on property, plant and equipment is provided on a straight-line basis over the useful lives of assets estimated by the management, taking into account the nature of the asset on technical evaluation of the useful life, which may not necessarily be in alignment with the indicative useful lives prescribed by Schedule II to the Companies Act, 2013. The following useful lives are assumed:

Assets	**Estimated useful lives**
Land	
- Freehold	-
- Leasehold	Over the lease period
Buildings	
- Factory buildings	30 years
- Other buildings	50 years
- Roads	10 years
- Leasehold improvements	Over the lease period

1.3 Property, plant and equipment (Continued)

Plant and equipment	3 – 20 years
Furniture and fixtures	5 years
Office equipment	
- Computers	3 years
- Hardware, mainframes and servers	5 years
- Other office equipment	3 - 5 years
Vehicles	4 years

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their carrying value and estimated net realizable value and are disclosed separately in the financial statements.

Capital work-in-progress includes the cost of property, plant and equipment that are not ready for intended use at the balance sheet date.

1.4 Intangible assets

Intangible assets comprises of software and technical know-how. Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment losses, if any. 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:

Assets	**Estimated useful lives**
Software	3 - 5 years
Technical know-how	5 - 10 years

1.5 Investment property

Investments in land or buildings (including property under construction) which are held to earn rentals and/or for capital appreciation are classified as investment property. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price and borrowing costs, if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use.

Depreciation on investment property is provided on a straight-line basis over the useful lives of assets estimated by the management. Such classes of investment properties and their estimated useful lives are as under:

Assets	**Estimated useful lives**
Land	
- Freehold land	-
- Leasehold land	Over the lease period
Factory Buildings	30 years

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. On disposal of an investment property, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

1.6 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Revenue are stated exclusive of sales tax, value added tax, goods and service tax and net of trade and quantity discount.

Revenue from sale of products is recognised on transfer of significant risk and rewards of ownership of the products to the customers, which is usually on dispatch of goods.

Notes to the Financial Statements *(Continued)*
for the year ended 30 September 2018
(Currency: Indian rupees millions)

1.6 Revenue recognition (Continued)

When the outcome of a construction contract can be estimated reliably, revenue from construction contracts are recognized under the percentage-of-completion method, based on the percentage of costs incurred to date compared to the total estimated contract costs. An expected loss on the construction contract is recognized as an expense immediately. Contract revenue earned in excess of billing has been reflected as "Project excess cost" under "Other financial assets" and "Billing in excess" of contract revenue has been reflected under "Other current liabilities" in the balance sheet.

Revenue from services represents service income other than from services which are incidental to sale of products and projects. Revenue from services is recognised as per the terms of the contract with the customer using the proportionate completion method.

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

Export incentives receivable are accrued for, when the right to receive the credit is established and there is no significant uncertainty regarding the realisability of the incentive.

Rental income arising from operating leases is accounted on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit and Loss due to its operating nature.

1.7 Inventories

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

Raw materials, work-in-progress, finished goods and traded goods are carried at the lower of cost and net realisable value. Cost is determined on the basis of the weighted average method.

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.

1.8 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of the specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in arrangement.

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. Contingent rentals are recognised as an expense in the period which they are incurred.

Where the Company is the lessor:

Assets subject to operating leases are included in property, plant and equipment and investment property. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

1.9 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 are recognised in the period in which the employee renders the related service.

(b) Post-employment and other long-term benefits

(i) **Defined Contribution Plans:** The Company's approved superannuation scheme and employee state insurance scheme are defined contribution plans. The Company's contribution payable under the schemes is recognised as expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

1.9 Employee benefits (Continued)

(ii) **Defined Benefit Plans and other Long Term Benefits:** The Company's gratuity, pension and medical benefit schemes are defined benefit plans. Leave wages, retention bonus, silver jubilee and star awards are other long term benefits. The present value of the obligation under such defined benefit plans and other long term benefits are 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. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Provident fund has been considered as a defined benefit plan since any additional obligations on account of investment risk and interest rate risk are required to be met by the Company.

Incase of defined benefit plans, remeasurement comprising of actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (wherever applicable) is recognized in other comprehensive income (OCI) and is reflected in retained earnings and is not eligible to be reclassified to profit or loss. In case of other long term benefits, all remeasurements including actuarial gain or loss are charged to Statement of Profit and Loss.

The Company recognises following items in the net defined benefit obligation as an expense in Statement of Profit and Loss:

- Service cost including current service cost, past service cost and gains and losses on curtailments and settlements; and
- Net interest expense or income.

Provision for leave wages, pension, medical benefit, retention bonus, silver jubilee and star awards which is expected to be utilized within the next 12 months is treated as short term employee benefits and beyond 12 months as long term employee benefits. For the purpose of presentation, the allocation between short and long term provisions has been made as determined by an actuary.

The contribution to gratuity trust is expected to be made within next 12 months. Accordingly the provision for gratuity is classified as current.

1.10 Share-based payments

Share-based payment consists of share awards of the Holding Company i.e. Share matching plan (SMP) and Siemens Stock Awards (SSA) to the employees of the Company. These awards are predominantly designed as cash-settled transactions. The fair value of the amount payable is remeasured at the end of each reporting period upto the settlement date, with the changes in the fair value recognised as employee benefits expenses with a corresponding increase in liabilities.

1.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets other than investment in subsidiary are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the below categories:

(a) Financial assets at amortised cost

(b) Financial assets including derivatives at fair value through profit or loss (FVTPL)

(c) Financial assets at fair value through other comprehensive income (FVTOCI)

(d) Equity instruments

1.11 Financial instruments (Continued)

(a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business where the objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables, loans and other financial assets.

(b) Financial Assets including derivatives at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the Statement of Profit and Loss.

(c) Financial Assets at fair value through other comprehensive income (FVTOCI)

Derivative instruments included in FVTOCI category are measured initially as well as at each reporting date at fair value. Movement in fair value is recognised in OCI.

(d) Equity instruments

Equity investment in subsidiary is measured at cost

Derecognition

A financial asset is primarily derecognised when:

(a) the right to receive cash flows from the asset has expired, or

(b) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and a) the Company has transferred substantially all the risks and rewards of the asset, or b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on the following financial assets and credit risk exposure:

(a) Financial assets that are measured at amortised cost e.g. deposits

(b) Trade receivables, project excess cost or any another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows the simplified approach for recognition of impairment loss allowance on trade receivables (net of billing in excess) and project excess cost. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

1.11 Financial instruments (Continued)

Impairment of financial assets *(Continued)*

ECL is the difference between net of all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on trade receivables (net of billing in excess) and project excess cost.

The Company does not have any purchased or originated credit-impaired financial assets, i.e., financial assets which are credit impaired on purchase/origination.

ECL impairment loss allowance (or reversal) recognized during the period is recognized in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss (FVTPL), payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and derivative financial instruments.

Subsequent measurement

Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. All other financial liabilities such as deposits are measured at amortised cost using EIR method.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value is used due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.12 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 recognized in the Statement of Profit and Loss 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 recognized in the Statement of Profit and Loss. Non monetary items are stated in the balance sheet using the exchange rate at the date of the transaction.

1.12 *Foreign currency transactions (Continued)*

Derivative instruments and hedge accounting

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 like forward contracts and options. The Company enters into forward exchange contracts and options, where the counterparty is a bank. The hedging strategy is used for mitigating the currency fluctuation risk and the Company does not use the forward exchange and options contracts for trading or speculative purpose.

The forward exchange and options contracts are re-measured at fair value at each reporting date with the resultant gains/ losses thereon being recorded in Statement of Profit and Loss.

Commodity risk is mitigated by entering into future contracts to hedge against fluctuation in commodity prices

The Company designates some of the forward contracts in a cash flow hedging relationship by applying the hedge accounting principles.

These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated as hedges for future cash flows are recognised in OCI and reflected in the cash flow hedge reserve, net of applicable deferred income taxes. The ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts accumulated in cash flow hedge reserve are reclassified to profit and loss in the period during which the forecasted transaction materialises.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in cash flow hedge reserve is immediately transferred to the Statement of Profit and Loss for the period.

1.13 *Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result from general approximation of value and the same may differ from the actual realised value.

1.14 *Taxation*

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effect of temporary differences between accounting income and taxable income for the year) computed in accordance with the relevant provisions of the Income Tax Act, 1961. Current tax and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in OCI or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

1.14 *Taxation (Continued)*

The current tax payable is based on taxable profit for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying units intend to settle the asset and liability on a net basis.

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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 generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against those deductible temporary differences can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

1.15 *Earnings per share*

Basic earnings per share are 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.16 *Provisions and contingencies*

Provisions are recognized when the Company recognises it has a present obligation (legal or constructive) as a result of past events and 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. If the effect is material, provisions are recognised at present value by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognized as a provision. 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 and present obligation that arises from past events which is not recognised since it is not probable that there will be an outflow of resources. When there is a possible and 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.

Provisions for warranty related cost are recognised when the product is sold or service is provided to the customer. Initial recognition is based on past experience.

Contingent assets are not recognized in the financial statements.

1.17 *Cash and Cash equivalents*

Cash and cash equivalents include cash, cheques in hand, cash at bank and deposits with banks having maturity of three months or less. Bank deposits with original maturity of up to three months are classified as 'Cash and cash equivalents' and with original maturity of more than three months are classified as 'Other bank balances'.

1.18 *Government grants and subsidies*

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs for which they are intended to compensate. Where the grant relates to an asset, the same is presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

2. *Significant accounting judgments, estimates and assumptions*

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.1 *Project revenue and costs*

The percentage-of-completion (POC) method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. The Company re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

2.2 *Taxes*

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2.3 *Property, plant and equipment and intangible assets*

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

2.4 *Impairment of non-financial 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 using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. 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 recognized in the Statement of Profit and Loss. 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.

2.5 *Employee benefits*

The Company's obligation for employee benefits is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Refer note 43 for details of the key assumptions used in determining the accounting of these plans.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the Actuary considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

2.6 Impairment of financial assets

The Company assesses impairment on financial assets based on Expected Credit Loss (ECL) model. The provision matrix is based on its historically observed default rates over the expected life of the financial assets and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward looking estimates are analysed.

2.7 Provisions

Significant estimates are involved in the determination of provisions related to liquidated damages, onerous contracts, warranty costs, asset retirement obligations, legal and regulatory proceedings (Legal Proceedings). The Company records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. The provision for warranty, liquidated damages onerous contracts is based on the best estimate required to settle the present obligation at the end of reporting period.

Legal Proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. Internal and external counsels are generally part of the determination process.

All the estimates are revised periodically.

Standard issued that are not yet effective

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1 2018:

Ind AS 115 - Revenue from Contracts with Customers

The new standard replaces existing revenue recognition standards Ind AS 11, Construction contracts and Ind AS 18, Revenue. The core principle of the new standard is that revenue should be recognized when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled.

Essential concepts in Ind AS 115 have been analysed on revenue stream level. The Company’s revenue streams mainly consist of revenue from projects, products and services arising from varied segments. Existing revenue recognition in case of revenue from projects is based on percentage-of-completion method including any adjustments arising of variable considerations and penalties, revenue from sale of products is based on transfer of risks and rewards to customer and revenue from services is as per proportionate completion method.

Ind AS 40 - Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management’s intentions for the use of a property does not provide evidence of a change in use.

Ind AS 21 - The Effect of Changes in Foreign Exchange Rates

The Appendix B clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

While an initial assessment of the above standards does not indicate a significant impact, except for the disclosure requirements of Ind AS 115 - Revenue from Contracts with Customers, a reliable estimate of the impact can be concluded only upon completion of the ongoing evaluation process. The Company does not expect any material effect on its financial statements.

Notes to the financial statements *(Continued)*
as at 30 September 2018
(Currency: Indian rupees millions)

3 Property, plant and equipment

	Freehold Land	Leasehold Land	Buildings (Refer note i & ii)	Plant and equipments (Refer note ii & iii)	Furniture and fixtures (Refer note ii)	Office equipments (Refer note ii)	Vehicles	Total
Gross carrying value								
At 1 October 2016	560	325	5,223	7,244	178	564	2	**14,096**
Additions	-	383	285	1,915	117	125	1	**2,826**
Deductions / adjustments	-	(383)	(130)	(131)	(6)	(30)	-	**(680)**
At 30 September 2017	**560**	**325**	**5,378**	**9,028**	**289**	**659**	**3**	**16,242**
Accumulated depreciation / impairment								
At 1 October 2016	-	2	228	1,713	110	154	1	**2,208**
Charge for the year	-	6	234	1,417	22	227	-	**1,906**
Deductions / adjustments	-	-	(23)	(45)	(3)	(13)	-	**(84)**
At 30 September 2017	**-**	**8**	**439**	**3,085**	**129**	**368**	**1**	**4,030**
Net block								
At 30 September 2017	**560**	**317**	**4,939**	**5,943**	**160**	**291**	**2**	**12,212**

3 Property, plant and equipment *(Continued)*

	Freehold Land	Leasehold Land	Buildings (Refer note i & ii)	Plant and equipments (Refer note ii & iii)	Furniture and fixtures (Refer note ii)	Office equipments (Refer note ii)	Vehicles	Total
Gross carrying value								
At 1 October 2017	560	325	5,378	9,028	289	659	3	**16,242**
Additions	-	-	202	1,875	17	149	-	**2,243**
Deductions / adjustments (Refer note iv)	-	-	-	(150)	(5)	(16)	-	**(171)**
At 30 September 2018	**560**	**325**	**5,580**	**10,753**	**301**	**792**	**3**	**18,314**
Accumulated depreciation / impairment								
At 1 October 2017	-	8	439	3,085	129	368	1	**4,030**
Charge for the year	-	6	239	1,456	55	154	-	**1,910**
Deductions / adjustments	-	-	-	(45)	(4)	(16)	-	**(65)**
At 30 September 2018	**-**	**14**	**678**	**4,496**	**180**	**506**	**1**	**5,875**
Net block								
At 30 September 2018	**560**	**311**	**4,902**	**6,257**	**121**	**286**	**2**	**12,439**

Notes:-

i) Buildings includes gross block of ₹ 734 (2017: ₹ 734) representing 365 shares of ₹ 50 each and 11 shares of ₹ 100 each (2017: 365 shares of ₹ 50 each and 11 shares of ₹ 100 each) in various co-operative housing societies respectively.

ii) **Assets include assets given on operating lease**

Particulars	Buildings	Plant and equipments	Furniture and fixtures	Office equipments
Gross carrying value as at 30 September 2017	507	365	6	53
Written Down Value as at 30 September 2017	382	338	4	13
Depreciation charge for the year	42	37	4	18
Gross carrying value as at 30 September 2018	**430**	**442**	**7**	**29**
Written Down Value as at 30 September 2018	**375**	**323**	**2**	**13**
Depreciation charge for the year	**58**	**36**	**2**	**23**

iii) Plant and equipments includes gross block of ₹ 7 (2017: ₹ 7) and Net block of Nil (2017: ₹ 2) which represents cost incurred by the Company on certain assets ownership of which vests with the West Bengal State Electricity Board.

iv) Includes government grant amounting to ₹ 79 pertaining to investment in qualifying assets, which has been netted-off with property, plant and equipment.

v) For contractual commitment with respect to property, plant and equipment refer note 36 (a)

vi) The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Notes to the financial statements *(Continued)*
as at 30 September 2018
(Currency: Indian rupees millions)

4 Investment Property

	Land and Buildings	Total
Gross carrying value		
At 1 October 2016	1,136	**1,136**
Additions	18	**18**
Deductions / adjustments	-	**-**
At 30 September 2017	**1,154**	**1,154**
Accumulated depreciation		
At 1 October 2016	39	**39**
Charge for the year	36	**36**
Deductions / adjustments	-	**-**
At 30 September 2017	**75**	**75**
Net block		
At 30 September 2017	**1,079**	**1,079**

	Land and Buildings	Total
Gross carrying value		
At 1 October 2017	1,154	**1,154**
Additions	-	**-**
Deductions / adjustments	-	**-**
At 30 September 2018	**1,154**	**1,154**
Accumulated depreciation		
At 1 October 2017	75	**75**
Charge for the year	37	**37**
Deductions / adjustments	-	**-**
At 30 September 2018	**112**	**112**
Net block		
At 30 September 2018	**1,042**	**1,042**

Notes:

i)	**Information regarding income and expenditure on investment properties**	**Sept 2018**	Sept 2017
	Rental income derived from investment properties	**273**	273
	Direct operating expenses (including repairs and maintenance) generating rental income	**(27)**	(9)
	Profit arising from investment properties before depreciation and indirect expenses	**246**	264
	Less: Depreciation	**(37)**	(36)
	Profit arising from investment properties before indirect expenses	**209**	228

4 Investment Property *(Continued)*

ii) Fair value disclosure

Description of valuation techniques used and key inputs to valuation on investment properties:

Particulars	Valuation technique	Fair Value	
		Sept 2018	Sept 2017
Land and building	Stamp duty reckoner rate/ Valuation Report	**1,788**	1,944

The valuation of certain investment properties is in accordance with the Ready Reckoner rates prescribed by for the purpose of levying stamp duty. The Company has referred to the publications and government website for Ready Reckoner rates. Further, the fair value of certain investment property has been determined with the help of Independent valuer. Fair value of property is based on Direct Comparison Approach and Depreciated Replacement Cost Approach.

iii) The Company has elected to continue with the carrying value for all of its investment property as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

5 Intangible assets

	Intangible assets		
	Technical know-how	**Software**	**Total**
Gross carrying value			
At 1 October 2016	66	30	**96**
Additions	-	10	**10**
Deductions / adjustments	-	-	**-**
At 30 September 2017	**66**	**40**	**106**
Accumulated depreciation / impairment			
At 1 October 2016	20	9	**29**
Charge for the year	16	8	**24**
Deductions / adjustments	-	-	**-**
At 30 September 2017	**36**	**17**	**53**
Net block			
At 30 September 2017	**30**	**23**	**53**

Notes to the financial statements *(Continued)*
as at 30 September 2018
(Currency: Indian rupees millions)

5 Intangible assets *(Continued)*

	Intangible assets		
	Technical know-how	**Software**	**Total**
Gross carrying value			
At 1 October 2017	66	40	**106**
Additions	-	-	**-**
Deductions / adjustments	-	-	**-**
At 30 September 2018	**66**	**40**	**106**
Accumulated depreciation / impairment			
At 1 October 2017	36	17	**53**
Charge for the year	13	7	**20**
Deductions / adjustments	-	-	**-**
At 30 September 2018	**49**	**24**	**73**
Net block			
At 30 September 2018	**17**	**16**	**33**

Note:

i) The Company has elected to continue with the carrying value for all of its intangible assets as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

		Sept 2018	Sept 2017
6	**Investments - Non - current**		
	Investment in subsidiary company (unquoted)(investment valued at cost unless otherwise stated)		
	64,898 (2017 : 64,898) Equity Shares of ₹ 10 each fully paid-up in Siemens Rail Automation Pvt. Ltd.	**550**	550
	Aggregate amount of unquoted investments	**550**	550
7	**Trade receivables - Non - current (unsecured)**		
	Long-term trade receivables	**746**	569
	Of which		
	- considered good	**752**	580
	Impairment Allowance	**(6)**	(11)
		746	569
8	**Loans - Non - current (unsecured, considered good)**		
	Loan to employees	**18**	23
	Loan to related parties (Refer note 42 and below)	**5,290**	2,460
		5,308	2,483

Loans to related parties are given for the purpose of meeting the working capital requirements and for general corporate purposes such as asset back loans/leases.

			Sept 2018	Sept 2017
9	**Other financial assets - Non - current**			
	i)	**Financial assets at amortised cost**		
		Security deposits	**277**	210
		Export incentive	**80**	-
	ii)	**Financial assets at fair value through Profit or Loss**		
		Derivative contracts	**21**	120
			378	330

10 Income tax disclosure

		Sept 2018	Sept 2017
(a)	**Income tax expense**		
	Current tax:		
	Current Income tax charge	**5,221**	4,587
	Adjustments in respect of prior years - True up	**47**	(120)
	Deferred tax		
	In respect of current year origination and reversal of temporary differences	**(268)**	644
	In respect of prior years - True up	**(47)**	120
	Deferred tax assets not recoverable	**44**	124
	Changes in statutory tax rate	**(24)**	-
	Total tax expense recognised in Statement of Profit and Loss	**4,973**	5,355
(b)	**Income Tax on Other Comprehensive Income**		
	Remeasurements of defined benefit plans	**33**	37
	Fair value changes on derivative designated as cash flow hedge reserve	**4**	3
	Total tax expense recognised in Other comprehensive income	**37**	40
(c)	**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 30 September 2018 and 30 September 2017**		
	Profit Before tax	**13,912**	16,691
	Other Comprehensive items	**105**	115
	Total	**14,017**	16,806
	Tax at statutory average income tax rate of 34.78% (2017 : 34.608%) (A)	**4,876**	5,813
	Tax effect of expenses that are not deductible for tax purposes	**112**	57
	Tax effect of additional allowances for tax purposes	**-**	(30)
	Tax effect of Capital gain & tax paid at lower rate	**-**	(572)
	Tax effect of change in statutory rate	**(24)**	-
	Deferred tax assets not recoverable	**44**	124
	Total (B)	**132**	(421)
	At the effective income tax rate of 35.73% (2017: 32.10%) (A+B)	**5,008**	5,392
	Income tax reported in statement of profit and loss	**4,973**	5,355
	Income tax expense of Other Comprehensive income	**37**	40
	Total	**5,010**	5,395

(Currency: Indian rupees millions)

10 Income tax disclosure *(Continued)*

(d) Movement of Deferred tax

	Balance Sheet		Profit & Loss	
	Sept 2018	Sept 2017	**Sept 2018**	Sept 2017
Deferred tax assets				
Arising on account of temporary differences in :				
Provision for doubtful debts and advances	**746**	846	**(100)**	65
Provision for loss allowance	**417**	308	**109**	(22)
Provisions made disallowed and allowed only on payment basis	**1,540**	1,470	**70**	(179)
Provision for Inventory allowance	**551**	564	**(13)**	(27)
Other temporary differences	**509**	190	**320**	(26)
Less - Deferred tax liability				
Arising on account of temporary differences in :				
Accelerated Depreciation for tax purposes	**(1,108)**	(1,016)	**(91)**	(699)
Deferred tax assets (net)	**2,655**	2,362	**295**	(888)
Deferred tax recognised directly in Other Comprehensive Income	**10**	80	**(70)**	(21)
Total Deferred tax as shown in Balance sheet and Profit and Loss	**2,665**	2,442	**225**	(909)

(e) Reconciliation of deferred tax assets, net

	Sept 2018	Sept 2017
Opening balance	**2,442**	3,351
Tax income/(expense) during the period recognised in profit or loss	**295**	(888)
Tax income/(expense) during the period recognised in Other comprehensive income	**(70)**	(21)
Deferred tax assets (net)	**2,665**	2,442

11 Income tax assets (net)

Advance payments of income tax [net of provision for tax ₹ 49,631 (2017: ₹ 31,277) including payments made under protest of ₹ 4,738 (2017: ₹ 4,658)]	**6,349**	5,375
	6,349	5,375

12 Other non-current assets

Capital advances	**134**	118
Balances with statutory / government authorities [includes payments made under protest of ₹ 1,562 (2017: ₹ 1,176)]	**2,887**	1,838
Prepaid lease	**61**	60
Others	**72**	82
	3,154	2,098

		Sept 2018	Sept 2017
13	**Inventories (valued at lower of cost and net realisable value)**		
	Raw materials [includes Goods in Transit ₹ 694 (2017 : ₹ 593)]	**4,797**	4,495
	Work-in-progress	**3,165**	3,432
	Finished goods	**691**	655
	Traded goods [includes Goods in Transit ₹ 796 (2017 : ₹ 353)]	**2,736**	1,583
		11,389	10,165
14	**Trade receivables - Current (unsecured)**		
	Trade receivables	**35,298**	33,775
	Receivables from related parties (Refer note 42)	**2,820**	2,331
		38,118	36,106
	Of which		
	- considered good	**37,100**	34,846
	- which have significant increase in credit risk	**35**	16
	- credit impaired	**983**	1,244
		38,118	36,106
	Impairment allowance	**(1,614)**	(1,950)
		36,504	34,156

i) Trade receivable does not consist any amounts due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

ii) For terms and conditions relating to related party receivables, refer note 42

iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days of credit period.

		Sept 2018	Sept 2017
15	**Cash and cash equivalents (Refer note below)**		
	Balances with banks		
	- On current accounts	**1,920**	1,157
	- Bank deposits with original maturity of less than 3 months	**23,190**	27,075
	Cash on hand	**2**	3
	Cheques / drafts on hand	**20**	114
		25,132	28,349

Changes in liabilities arising from financing activities:

The changes in liabilities arising from financing activities is on account of cash flow changes only and there are no non-cash changes.

		Sept 2018	Sept 2017
16	**Other bank balances**		
	Bank deposits with remaining maturity of less than 12 months	**11,270**	12,310
	Unpaid dividend account (Refer note below)	**55**	54
		11,325	12,364

The balance in unpaid dividend is used only for payment of dividend.

Notes to the financial statements *(Continued)*
as at 30 September 2018
(Currency: Indian rupees millions)

		Sept 2018	Sept 2017
17	**Loans - Current (unsecured, considered good)**		
	Inter corporate deposits to related parties (Refer note below and note 42)	**3,375**	3,670
	Loan to employees	**50**	63
		3,425	3,733

Inter corporate deposit to related parties are given for the purpose of meeting the working capital requirements.

Particulars in respect of loans and advances in the nature of loans as required by Regulation 34(3) read with Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186 of the Companies Act, 2013

Name of the Company		**Sept 2018**	Sept 2017
i)	Loans and advances in the nature of loans to subsidiary		
	Inter corporate deposit to subsidiary **: Siemens Rail Automation Pvt. Ltd.**		
	- Balance as at year end	**-**	150
	- Maximum amount outstanding at any time during the year	**175**	337

Siemens Rail Automation Pvt. Ltd. has utilised the inter corporate deposit for meeting the working capital requirements. It was repaid by April 2018.

			Sept 2018	Sept 2017
18	**Other financial assets - Current**			
	i)	**Financial assets at amortised cost**		
		Security deposits		
		- considered good	**163**	267
		- considered doubtful	**25**	15
			188	282
		Impairment allowance	**(25)**	(15)
			163	267
		Interest accrued on inter corporate deposits	**65**	36
		Interest accrued on bank deposits	**426**	372
		Project excess cost and unbilled revenue		
		- considered good	**14,800**	7,975
		- considered doubtful	**169**	134
			14,969	8,109
		Impairment allowance	**(169)**	(134)
			14,800	7,975
		Export incentive / Government grant	**1,045**	-
		Others	**437**	566
	ii)	**Financial assets at fair value through Profit or Loss**		
		Derivative contracts	**589**	788
	iii)	**Financial assets at fair value through Other Comprehensive Income**		
		Derivative contracts	**18**	9
			17,543	10,013

		Sept 2018	Sept 2017
19	**Other current assets**		
	Advance to suppliers	**821**	793
	Prepaid expenses	**84**	49
	Balances with statutory / government authorities, net	**2,980**	2,925
	Others	**1**	63
		3,886	3,830

	Sept 2018	Sept 2017
20 Share capital		
Authorised		
1,000,000,000 Equity shares of ₹2 each (2017: 1,000,000,000 Equity shares of ₹ 2 each)	**2,000**	2,000
	2,000	2,000
Issued		
356,983,950 Equity shares of ₹ 2 each (2017: 356,983,950 Equity shares of ₹ 2 each)	**714**	714
Subscribed and fully paid-up		
356,120,255 Equity shares of ₹ 2 each fully paid-up (2017: 356,120,255 Equity shares of ₹ 2 each fully paid-up)	**712**	712
	712	712

a) Shares held by holding company and subsidiary of holding company:

255,351,805 (2017: 255,351,805) Equity shares of ₹ 2 each, fully paid-up, are held by the Holding Company, Siemens AG, Germany;

11,738,108 (2017: 11,738,108) Equity shares of ₹ 2 each, fully paid-up, are held by Siemens Metals Technologies Vermögensverwaltungs GmbH (formerly known as Siemens VAI Metals Technologies GmbH), a 100% subsidiary of Siemens AG, Germany

b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	2018		2017	
	Number	**Amount**	Number	Amount
Shares outstanding at the beginning of the year	**356,120,255**	**712**	356,120,255	712
Shares issued / subscribed during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**356,120,255**	**712**	356,120,255	712

c) Details of shareholders holding more than 5% shares in the Company as on 30 September:

	2018		2017	
Name of shareholder	**No. of shares held**	**% of Holding**	No. of shares held	% of Holding
Siemens Aktiengesellschaft, Germany	**255,351,805**	71.70%	255,351,805	71.70%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(Currency: Indian rupees millions)

20 Share capital *(Continued)*

d) Details of aggregate number of shares issued for consideration other than cash and bonus shares issued during the period of five years immediately preceding 30 September:

Equity shares allotted as	Sept 2018	Sept 2017
Fully paid up to the shareholders of Siemens VAI Metals Technologies Pvt. Ltd. (SVAI) in accordance with the scheme of amalgamation	**11,738,108**	11,738,108
Fully paid up to the shareholders of Siemens Power Engineering Pvt. Ltd. (SPEL) in accordance with the scheme of amalgamation	**3,461,538**	3,461,538
Fully paid up to the shareholders of Winergy Drive Systems India Pvt. Ltd. (Winergy) in accordance with the scheme of amalgamation	**625,139**	625,139

e) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts (if any). The distribution will be in proportion to the number of equity shares held by the shareholders.

21 Other equity

Nature and purpose of reserve

a) Capital reserve was created on account of merger of group companies in earlier years.

b) Amalgamation reserve pertains to amalgamation of Siemens VDO Automotive Limited in 2006.

c) Capital redemption reserve pertains to entity accounted as business combination under common control.

d) Securities premium account represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.

e) General reserve is created out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up shares. As General reserve is created by transfer on one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be subsequently reclassified to statement of profit and loss.

f) Cash flow hedge reserve represents mark-to-market valuation of effective hedges as required by Ind AS 109.

g) Retained earnings are the profits that the Company has earned till date, less any transfers to General reserve and payment of dividend.

The above reserves will be utilised in accordance with the provision of the Companies Act, 2013.

		Sept 2018	Sept 2017
22	**Dividend distribution made and proposed**		
	Cash dividend on equity shares declared and paid:		
	Final dividend for the year ended 2017 : ₹ 7 per share (2016: ₹ 6 per share)	**2,493**	2,137
	Dividend distribution tax on final dividend	**507**	435
		3,000	2,572
	Proposed dividend on equity shares:		
	Final cash dividend for the year ended 2018 : ₹ 7 per share (2017: ₹ 7 per share)	**2,493**	2,493
	Dividend distribution tax on proposed dividend	**512**	507
		3,005	3,000
23	**Other financial liabilities - Non - current**		
	i) Financial liabilities at amortised cost		
	Security deposits	**79**	76
	ii) Financial liabilities at fair value through Profit or Loss		
	Derivative contracts	**51**	36
	Liabilities related to share based payments (Refer note 46)	**328**	265
		458	377
24	**Long-term provisions**		
	a) Provision for employee benefits		
	- Pension (Refer note 43)	**120**	156
	- Leave wages	**665**	663
	- Medical benefits (Refer note 43)	**858**	714
	- Silver jubilee and star awards	**478**	461
		2,121	1,994
	b) Others		
	- Other matters (Refer note 38)	**25**	25
		25	25
		2,146	2,019
25	**Other non-current liabilities**		
	Long-term employee incentives / benefits	**-**	21
	Others	**146**	156
		146	177

(Currency: Indian rupees millions)

			Sept 2018	Sept 2017
26	**Other financial liabilities - Current**			
	i)	**Financial liabilities at amortised cost**		
		Security deposits	**157**	137
		Unclaimed dividend	**55**	54
		Liability for capital goods	**420**	762
		Others	**2,045**	2,217
	ii)	**Financial liabilities at fair value through Profit or Loss**		
		Derivative contracts	**1,214**	503
		Liabilities related to share based payments (Refer note 46)	**154**	305
	iii)	**Financial liabilities at fair value through Other Comprehensive Income**		
		Derivative contracts	**7**	2
			4,052	3,980
27	**Short-term provisions**			
	a)	**Provision for employee benefits**		
		- Pension (Refer note 43)	**32**	35
		- Leave wages	**67**	60
		- Medical benefits (Refer note 43)	**63**	49
		- Gratuity (Refer note 43)	**557**	819
		- Silver jubilee and star awards	**32**	30
		- Retention bonus	**-**	17
			751	1,010
	b)	**Others**		
		- Warranty (Refer notes 38)	**2,787**	2,786
		- Loss order (Refer note 38)	**1,198**	891
		- Liquidated damages (Refer note 38)	**1,057**	1,050
		- Other matters (Refer note 38)	**3,073**	2,494
			8,115	7,221
			8,866	8,231
28	**Current Tax liabilities**			
	Provision for tax [net of advance tax ₹ 8,091 (2017: ₹ 21,479)]		**1,194**	822

		Sept 2018	Sept 2017
29	**Other current liabilities**		
	Advances from customers	**8,157**	7,981
	Billing in excess / advance billings	**3,149**	2,725
	Accrued salaries and benefits	**391**	360
	Interest accrued and due	**153**	125
	Other liabilities		
	- Withholding and other taxes payable	**154**	555
	- Others	**269**	276
		12,273	12,022
30	**Revenue from operations (gross) (Refer note 54)**		
	Sale of products	**69,292**	64,927
	Revenue from projects	**41,338**	34,812
	Sale of services	**12,064**	10,720
	Commission income	**233**	143
		122,927	110,602
	Other operating revenue		
	Export incentives (Refer note 52)	**1,658**	312
	Recoveries from group companies	**1,598**	1,423
	Rental income	**655**	733
	Liabilities written back	**136**	167
	Others	**277**	246
		4,324	2,881
		127,251	113,483
31	**Other income**		
	Interest income	**2,773**	2,233
	Profit on sale of assets, net	**10**	-
	Others	**17**	314
		2,800	2,547
32	**Project bought outs and other direct costs**		
	Spares and stores consumed	**328**	300
	Project bought outs	**24,057**	17,048
	Other direct costs	**4,406**	2,770
		28,791	20,118
	Included in other direct costs, change in excise duty on closing stock of finished goods	**-**	(131)

Notes to the Financial Statements *(Continued)*
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(Currency: Indian rupees millions)

		Sept 2018	Sept 2017
33	**Employee benefits expense**		
	Salaries, wages and bonus, net	**12,503**	11,835
	Contribution to provident and other funds	**1,012**	960
	Share based payments to employees	**285**	429
	Staff welfare expenses	**687**	702
		14,487	13,926
34	**Finance costs**		
	Interest - Others	**82**	77
		82	77
35	**Other expenses**		
	Exchange loss / (gains), net *	**1,190**	(405)
	Travel and conveyance	**1,223**	1,635
	Software license fees and other information technology related costs	**1,592**	1,337
	Rates and taxes	**621**	969
	Communications	**278**	261
	Packing and forwarding	**1,689**	1,379
	Power and fuel	**535**	502
	Insurance	**314**	290
	Rent	**766**	659
	Repairs		
	- on building	**204**	716
	- on machinery	**740**	536
	- others	**235**	263
	Legal and professional [includes auditors' remuneration (Refer note 37)]	**1,538**	1,477
	Advertising and publicity	**226**	157
	Office supplies, printing and stationery	**91**	46
	Research and development expenditure	**147**	66
	Bank guarantee commission / bank charges	**274**	244
	Commission to directors	**16**	15
	Directors' fees	**3**	3
	Bad debts [net of reversal of provision for doubtful debts of ₹ 562 (2017: ₹ 497)]	**101**	159
	CSR expenditure	**195**	149
	Provision for doubtful debts and advances, net	**256**	685
	Loss on sale of property, plant and equipment, net	**-**	23
	Miscellaneous expenses	**1,505**	1,039
		13,739	12,205

*Includes amount transferred from cash flow hedge reserve to exchange loss / (gains) amounting to ₹ (6) (2017: ₹ (1))

		Sept 2018	Sept 2017
36	**Commitments and contingent liabilities**		
(a)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**638**	478
	For commitments relating to lease arrangements (Refer note 40)		
(b)	**Contingent liabilities (to the extent not provided for)**		
	Income tax (excluding interest)	**5,075**	5,703
	Excise, service tax and sales tax liabilities, under dispute	**10,182**	9,587
	Customs liabilities, under dispute	**120**	120
	Claims against the Company not acknowledged as debts	**262**	180

In respect of above contingent liabilities, the future cash outflows are determinable only on receipt of judgements pending at various forums / authorities.

The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

37 Auditors' remuneration (for audit services exclusive of service tax / GST)

	Sept 2018	Sept 2017
As auditor		
- Audit fees	**21**	21
- Tax audit fees	**6**	6
In other capacity		
- Other audit related services	**16**	17
- Reimbursement of expenses	**4**	4
	47	48

38 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 up to 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.

Provision for other matters

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.

(Currency: Indian rupees millions)

38 Disclosure relating to Provisions *(Continued)*

The movements in the above provisions are summarised below:

	Warranty		Liquidated damages		Loss orders		Other matters	
	Sept 2018	Sept 2017	**Sept 2018**	Sept 2017	**Sept 2018**	Sept 2017	**Sept 2018**	Sept 2017
Balance as at 1 October	**2,786**	3,167	**1,050**	1,425	**891**	954	**2,519**	2,594
Provisions :								
- Created	**949**	1,182	**483**	413	**1,191**	1,019	**1,229**	668
- Utilised	**(316)**	(533)	**(218)**	(419)	**(742)**	(809)	**(267)**	(181)
- Reversed	**(632)**	(1,030)	**(258)**	(369)	**(142)**	(273)	**(383)**	(562)
Balance as at 30 September	**2,787**	2,786	**1,057**	1,050	**1,198**	891	**3,098**	2,519
- Current	**2,787**	2,786	**1,057**	1,050	**1,198**	891	**3,073**	2,494
- Non-current	**-**	-	**-**	-	**-**	-	**25**	25

			Sept 2018	Sept 2017
39	**Disclosure pursuant to Indian Accounting Standard - 11 'Construction Contracts' :**			
	(i)	Contract revenue recognised for the year ended 30 September	**41,338**	34,812
	(ii)	Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress as at 30 September	**112,263**	120,375
	(iii)	Amount of advances received	**6,484**	6,239
	(iv)	Amount of retentions	**5,854**	5,079
	(v)	Amounts due from customers	**13,770**	7,792
	(vi)	Amounts due to customers	**2,520**	2,464

40 Disclosure pursuant to Indian Accounting Standard - 17 'Leases' :

a) Where the Company is the lessee:

Lease payments on non-cancellable lease arrangement debited to the statement of profit and loss and the future lease payments in respect of non-cancellable operating lease are summarised below:

		Sept 2018	Sept 2017
(i)	Not later than one year from the balance sheet date	**434**	329
(ii)	Later than one year and not later than five years	**336**	360
(iii)	Later than five years	**-**	5
		770	694

Lease rent debited to the statement of profit and loss ₹ 766 (2017: ₹ 659)

Sub-lease payments recognised in the statement of profit and loss ₹ 451 (2017: ₹ 373)

40 Disclosure pursuant to Indian Accounting Standard - 17 'Leases' *(Continued)*

a) Where the Company is the lessee: *(Continued)*

The future sub-lease payments expected to be received under non-cancellable sub-lease as at 30 September 2018 are as follows :

		Sept 2018	Sept 2017
(i)	Not later than one year from the balance sheet date	**297**	282
(ii)	Later than one year and not later than five years	**390**	687
		687	969

There is no contingent rent recognised in the statement of profit and loss

General description of the leasing arrangement:

(i) The Company has entered into operating lease arrangements for its office premises, storage locations, machinery, residential premises, computer equipments 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% pa. There are no exceptional / restrictive covenants in the lease agreements.

b) Where the Company is the lessor:

Lease income from non-cancellable lease arrangement credited to the statement of profit and loss and the future lease income in respect of non-cancellable operating lease are summarised below:

		Sept 2018	Sept 2017
(i)	Not later than one year from the balance sheet date	**297**	292
(ii)	Later than one year and not later than five years	**390**	691
		687	983

Lease income recognised during the year in statement of profit and loss ₹ 655 (2017: ₹ 733)

There is no contingent rent recognised in the statement of profit and loss.

General description of the leasing arrangement:

(i) The Company has entered into operating lease arrangements of its factory premises, office premises, machinery and residential premises.

(ii) The future lease rental income is determined on the basis of the monthly lease terms as per the agreements.

(iii) At the expiry of the non cancellable lease period the option of renewal rests with both parties.

(iv) The lease agreements have escalation clause of 5% to 10% pa. There are no exceptional / restrictive covenants in the lease agreements.

(Currency: Indian rupees millions)

41 **(i) Information about business segments**

	Revenue						Results	
	External revenue		Inter segmental revenue		Total			
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Power and Gas	**15,432**	14,387	**41**	16	**15,473**	14,403	**2,460**	2,015
Energy Management	**52,905**	44,337	**1,723**	2,155	**54,628**	46,492	**4,203**	3,234
Building Technologies	**4,913**	4,248	**269**	151	**5,182**	4,399	**444**	289
Mobility (Refer Note 53)	**9,814**	11,872	**-**	-	**9,814**	11,872	**985**	903
Digital Factory	**23,261**	19,489	**1,087**	971	**24,348**	20,460	**1,962**	1,230
Process Industries and Drives (Refer Note 53)	**19,540**	17,826	**2,586**	4,722	**22,126**	22,548	**769**	545
Others	**1,386**	1,324	**-**	-	**1,386**	1,324	**371**	330
Eliminations	**-**	-	**(5,706)**	(8,015)	**(5,706)**	(8,015)	**-**	-
Total	**127,251**	113,483	**-**	-	**127,251**	113,483	**11,194**	8,546
Less : Interest expenses							**82**	77
Add : Interest income							**2,773**	2,233
Add : Other Income							**27**	314
Profit before exceptional items and tax							**13,912**	11,016
Exceptional items (Refer Note 51)							**-**	5,675
Profit before tax							**13,912**	16,691
Income tax							**(5,268)**	(4,467)
Deferred tax							**295**	(888)
Profit after tax							**8,939**	11,336
Total	**127,251**	113,483	**-**	-	**127,251**	113,483	**8,939**	11,336

41 (i) **Information about business segments *(Continued)***

	Assets		Liabilities		Capital Expenditure		Non-cash expenditure			
							Depreciation & amortisation / Impairment (Refer note 3, 4 & 5)		Others	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Power and Gas	**9,587**	8,955	**9,246**	7,961	**184**	173	**226**	242	**237**	330
Energy Management	**41,906**	34,904	**23,484**	21,934	**521**	700	**881**	788	**899**	806
Building Technologies	**2,374**	1,863	**2,161**	1,607	**16**	20	**45**	23	**111**	9
Mobility (Refer Note 53)	**7,388**	5,962	**5,442**	3,786	**25**	30	**45**	50	**(5)**	50
Digital Factory	**7,857**	7,606	**5,654**	5,895	**211**	532	**248**	235	**232**	45
Process Industries and Drives (Refer Note 53)	**12,903**	11,156	**8,190**	8,029	**304**	868	**410**	392	**101**	(27)
Others	**3,138**	3,202	**1,042**	1,225	**187**	864	**112**	236	**-**	13
	85,153	73,648	**55,219**	50,437	**1,448**	3,187	**1,967**	1,966	**1,575**	1,226
Unallocated corporate items	**57,339**	57,583	**4,219**	3,747	**113**	294	**-**	-	**-**	-
Total	**142,492**	131,231	**59,438**	54,184	**1,561**	3,481	**1,967**	1,966	**1,575**	1,226

41 (ii) **Information about geographical areas**

	Revenue based on location of customers		Non-Current assets	
	2018	2017	**2018**	2017
Within India	**100,606**	92,192	**23,641**	22,247
Outside India	**26,645**	21,291	**-**	-
Total	**127,251**	113,483	**23,641**	22,247

(iii) **Revenue from major customers**

During current year, revenue from one of the customer is more than 10% of the total revenue. The same is forming part of Energy Management, Building Technologies, Digital Factory and Process Industries and Drives segment.

Notes to the financial statements *(Continued)*
for the year ended 30 September 2018
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41 (iv) Other disclosures :

- The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and profit from operations as the performance indicator for all of the operating segments. The Chief Executive Officer, Chief Financial Officer and Division CEO & CFO's are the CODM of the Company.
- Inter-segment prices are normally negotiated amongst the segments with reference to the costs, market price and business risks. Transfer prices between operating segments are on arm's length basis in a manner similar to the transactions with third parties.
- No operating segments have been aggregated to form the above reportable operating segments.
- Finance income and costs are not allocated to individual segments as the underlying instruments are managed on a group basis.
- Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.
- Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.
- Profits / losses on inter segment transfers are eliminated at the Company level.

(v) Segment information :

Business Segments: The business of the Company is divided into seven segments. These segments are the basis for management control and hence, form the basis for reporting. The business of each segment comprises of :

- **Power and Gas :-** Provides products and solutions for generation of electricity from fossil and renewable fuels for utilities, independent power producers and engineering, procurement and construction (EPC) companies and the reliable transport of oil and natural gas.
- **Energy Management :-** Supplier of products, systems, solutions and services for transmission and distribution of electrical energy for power utilities and industrial companies. Portfolio ranges from systems for low-voltage grids and distribution grids to solutions for smart grids and energy automation systems to power supply systems for industrial plants and high-voltage transmission systems.
- **Building Technologies :-** Provider of safe, secure, energy-efficient and eco-friendly building infrastructures. As a technology partner, consultant, service provider, systems integrator and product vendor, offerings range from fire safety, security, building automation, heating, ventilation, air conditioning and energy management.
- **Mobility :-** Supplier of solutions for passenger and freight transportation–including rail vehicles, rail automation systems, rail electrification systems, road traffic technology and IT solutions.
- **Digital Factory :-** Contains portfolio of leading edge software solutions and automation technologies covering the complete life cycle from product design and production execution to services for manufacturing companies.
- **Process Industries and Drives :-** Provides products, systems, solutions and services across entire life cycles for all industry sectors.
- **Others :-** Services provided to other group companies and lease rentals have been classified as "Others".

Geographical Areas: The business is organised in two geographical areas i.e. within India and outside India.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated corporate items

Unallocated items include general corporate items which are not allocated to any business segment.

42 Related party transactions

42.1 Parties where control exists

Siemens AG	Holding company

42.2 Subsidiary

Siemens Rail Automations Pvt. Ltd., India	Subsidiary

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

Fellow Subsidiaries	Name	Country
	Siemens Spa	Algeria
	Siemens S.A.	Angola
	Siemens S.A.	Argentina
	Siemens Ltd.	Australia
	Flender Pty. Ltd.	Australia
	J.R.B. Engineering Pty Ltd	Australia
	Siemens Aktiengesellschaft Österreich	Austria
	Siemens AG Österreich, Transformers	Austria
	Flender GmbH	Austria
	Trench Austria GmbH	Austria
	Siemens Metals Technologies Vermögensverwaltungs GmbH	Austria
	ETM professional control GmbH	Austria
	Siemens Mobility GmbH, Plant Rail Systems	Austria
	Siemens Convergence Creators GmbH (upto 31.12.2017)	Austria
	Siemens W.L.L.	Bahrain
	Siemens Bangladesh Ltd.	Bangladesh
	Siemens Healthcare Ltd.	Bangladesh
	Siemens S.A./N.V.	Belgium
	Siemens Mobility S.A. / N.V	Belgium
	Siemens Healthcare SA/NV	Belgium
	Siemens Ltda.	Brazil
	Siemens Eletroeletronica Ltda	Brazil
	Siemens Pte Ltd, Brunei Branch	Brunei
	Siemens Canada Ltd.	Canada
	Siemens Canada Ltd. - RuggedCom	Canada
	Siemens Canada Ltd. - Process Instruments Business Unit	Canada
	Trench Ltd.	Canada
	Siemens Healthcare Diagnostics Manufacturing Ltd.	Cayman Islands
	Siemens S.A.	Chile
	Siemens Power Automation Ltd.	China

Notes to the Financial Statements *(Continued)*
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42.3 Other related parties where transactions have taken place during the year *(Continued)*

Fellow Subsidiaries	Name	Country
	Siemens Electrical Apparatus Ltd., Suzhou	China
	Siemens Switchgear Ltd., Shanghai	China
	Siemens Ltd., China	China
	Flender Ltd., China	China
	Siemens Factory Automation Engineering Ltd.	China
	Siemens High Voltage Switchgear Co., Ltd., Shanghai	China
	Siemens Circuit Protection Systems Ltd., Shanghai	China
	Siemens Electrical Drives Ltd.	China
	Siemens High Voltage Circuit Breaker Co., Ltd., Hangzhou	China
	Siemens Numerical Control Ltd., Nanjing	China
	Siemens Electrical Drives (Shanghai) Ltd.	China
	Siemens Power Plant Automation Ltd.	China
	Trench High Voltage Products Ltd., Shenyang	China
	Yangtze Delta Manufacturing Co. Ltd., Hangzhou	China
	Siemens Medium Voltage Switching Technologies (Wuxi) Ltd.	China
	Beijing Siemens Cerberus Electronics Ltd.	China
	Siemens Shanghai Medical Equipment Ltd.	China
	Siemens Transformer (Guangzhou) Co., Ltd.	China
	Siemens International Trading Ltd., Shanghai	China
	Siemens Industrial Automation Products Ltd., Chengdu	China
	Siemens Healthcare Diagnostics (Shanghai) Co. Ltd.	China
	Siemens Wiring Accessories Shandong Ltd.	China
	Siemens Shenzhen Magnetic Resonance Ltd.	China
	MWB (Shanghai) Co Ltd.	China
	Siemens Industry Software (Shanghai) Co., Ltd.	China
	Siemens Industrial Turbomachinery (Huludao) Co. Ltd.	China
	Siemens S.A.	Colombia
	Siemens S.A.	Costa Rica
	Koncar-Energetski Transformatori, d.o.o.	Croatia
	Siemens, s.r.o.	Czech Republic
	Siemens, s.r.o., odstepny zavod Industrial Turbomachinery	Czech Republic
	Siemens Electric Machines s.r.o.	Czech Republic
	OEZ s.r.o.	Czech Republic
	Siemens Gamesa Renewable Energy A/S	Denmark
	Siemens A/S	Denmark

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

Fellow Subsidiaries	Name	Country
	Siemens, S.R.L.	Dominican Republic
	Siemens Technologies S.A.E.	Egypt
	Siemens S.A.	El Salvador
	Siemens Osakeyhtiö	Finland
	Siemens SAS	France
	Trench France SAS	France
	Flender-Graffenstaden SAS	France
	Siemens SAS, Division production Process Automation, Usine de Haguenau	France
	Siemens Industry Software SAS	France
	Siemens Mobility SAS	France
	Siemens Compressor Systems GmbH	Germany
	Flender Industriegetriebe GmbH	Germany
	Siemens Heat Transfer Technology B.V. Niederlassung Deutschland	Germany
	Flender GmbH	Germany
	Siemens Mobility GmbH	Germany
	Siemens Mobility GmbH, dARE	Germany
	SYKATEC Systeme, Komponenten, Anwendungstechnologie GmbH	Germany
	Weiss Spindeltechnologie GmbH	Germany
	Siemens Healthcare Diagnostics Holding GmbH	Germany
	Trench Germany GmbH	Germany
	Siemens Bank GmbH	Germany
	HSP Hochspannungsgeräte GmbH	Germany
	Siemens Healthcare GmbH	Germany
	Siemens Industry Software GmbH	Germany
	Siemens Financial Services GmbH	Germany
	Siemens Healthcare Diagnostics Products GmbH	Germany
	Siemens Beteiligungen Inland GmbH	Germany
	evosoft GmbH	Germany
	Siemens Power Control GmbH	Germany
	Siemens Project Ventures GmbH	Germany
	Siemens Turbomachinery Equipment GmbH(upto 03.10.2017)	Germany
	Siemens S.A.	Guatemala
	Siemens Ltd.	Hongkong
	Siemens Industry Software Ltd.	Hongkong

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

Fellow Subsidiaries	Name	Country
	Siemens Mobility Kft.	Hungary
	Siemens Zrt.	Hungary
	Siemens Zrt., Plant PG SU Budapest	Hungary
	Siemens Postal Parcel & Airport Logistics Pvt. Ltd.	India
	Siemens Financial Services Pvt. Ltd.	India
	Siemens Technology and Services Pvt. Ltd.	India
	Siemens Industry Software (India) Pvt. Ltd.	India
	Siemens Healthcare Pvt. Ltd.	India
	Dresser-Rand India Pvt. Ltd.	India
	Siemens Gamesa Renewable Energy Engineering Centre Pvt. Ltd.	India
	Mentor Graphics (India) Pvt. Ltd.	India
	Siemens Industry Software Computational Dynamics India Pvt. Ltd.	India
	Siemens Factoring Pvt. Ltd.	India
	PETNET Radiopharmaceutical Solutions Pvt. Ltd.	India
	Preactor Software India Pvt. Ltd.	India
	Mentor Graphics (Sales and Services) Pvt. Ltd.	India
	Calypto Design Systems India Pvt. Ltd.	India
	Siemens Convergence Creators Pvt. Ltd. (upto 31.12.2017)	India
	P.T. Siemens Indonesia	Indonesia
	PT. Siemens Industrial Power	Indonesia
	PT Dresser-Rand Services Indonesia	Indonesia
	Siemens Israel Ltd.	Israel
	Siemens S.p.A.	Italy
	Trench Italia S.r.l.	Italy
	Siemens Transformers S.r.l.	Italy
	Siemens TOO	Kazakhstan
	Siemens Electrical & Electronic Services K.S.C.C.	Kuwait
	Siemens Malaysia Sdn. Bhd.	Malaysia
	Dresser-Rand Asia Pacific Sdn. Bhd.	Malaysia
	Siemens, S.A. de C.V.	Mexico
	Siemens Servicios S.A. de C.V.	Mexico
	Siemens S.A.	Morocco
	Siemens Plant Operations Tahaddart SARL	Morocco
	Siemens Gamesa Renewable Energy Blades, SARL AU	Morocco
	Siemens Nederland N.V.	Netherlands
	Siemens Nederland N.V. - dependent ARE 456b	Netherlands

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

Fellow Subsidiaries	Name	Country
	Siemens Heat Transfer Technology B.V.	Netherlands
	Siemens Industry Software B.V.	Netherlands
	Siemens Ltd.	Nigeria
	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
	Siemens S.A.	Portugal
	Siemens W.L.L.	Qatar
	Siemens S.R.L.	Romania
	SIMEA S.R.L., Plan SEIT Sibiu	Romania
	OOO Siemens	Russia
	OOO Siemens Gas Turbine Technologies	Russia
	Siemens Ltd.	Saudi Arabia
	Arabia Electric Ltd. (Equipment)	Saudi Arabia
	Dresser-Rand Arabia LLC	Saudi Arabia
	ISCOSA Industries and Maintenance Ltd.	Saudi Arabia
	Siemens d.o.o. Beograd	Serbia
	Siemens Pte. Ltd.	Singapore
	Power Automation Pte. Ltd.	Singapore
	Siemens Mobility Pte. Ltd.	Singapore
	Siemens Healthcare Pte. Ltd.	Singapore
	Siemens s.r.o.	Slovakia
	Siemens d.o.o.	Slovenia
	Siemens Proprietary Ltd.	South Africa
	Flender (Pty) Ltd	South Africa
	Siemens Ltd. Seoul	South Korea
	Siemens S.A.	Spain
	Fábrica Electrotécnica Josa, S.A.	Spain
	SIEMENS MOBILITY, S.L.U.	Spain
	Siemens Industrial Turbomachinery AB	Sweden
	Siemens AB	Sweden
	Siemens Schweiz AG	Switzerland

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

Fellow Subsidiaries	Name	Country
	Siemens Schweiz AG, Building Technologies Division, International Headquarters	Switzerland
	Siemens Ltd.	Taiwan
	Siemens Ltd.	Thailand
	Siemens Mobility Ltd.	Thailand
	Siemens S.A.	Tunisia
	Siemens Sanayi ve Ticaret Anonim Sirketi	Turkey
	Flender Mekanik Güc Aktarma Sistemleri Sanayi ve Ticaret Anonim Sirketi	Turkey
	Siemens LLC	UAE
	SD (Middle East) LLC	UAE
	Siemens Industrial Turbomachinery Ltd.	UK
	Siemens plc	UK
	Siemens Transmission & Distribution Ltd.	UK
	Industrial Turbine Company (UK) Ltd.	UK
	I DT Factory Congleton	UK
	Siemens Protection Devices Ltd.	UK
	Siemens HC Ltd. MR Magnet Technology	UK
	100% foreign owned subsidiary "Siemens Ukraine"	Ukraine
	Siemens S.A.	Uruguay
	Siemens Industry, Inc.	USA
	Siemens Energy, Inc.	USA
	Siemens Energy, Inc. (US) - Fossil Products (OPP)	USA
	Siemens Energy, Inc. (US) - Oil & Gas (PT2)	USA
	Flender Corporation	USA
	Siemens Energy, Inc. (US) - Dist Gen (PS1)	USA
	Dresser-Rand Company	USA
	eMeter Corporation	USA
	Siemens Corporation	USA
	Siemens Mobility, Inc	USA
	Siemens Product Lifecycle Management Software Inc.	USA
	Siemens Demag Delaval Turbomachinery, Inc.	USA
	Siemens Power Generation Service Company, Ltd.	USA
	Siemens Healthcare Diagnostics Inc.	USA
	Siemens Medical Solutions USA, Inc.	USA
	Siemens Heat Transfer Technology Corp.	USA
	Siemens Gamesa Renewable Energy, Inc.	USA
	Siemens Ltd.	Vietnam

42.4	**Key Managerial personnel**	**Name**
	Whole-Time Directors	Mr. Sunil Mathur
		Mr. Christian Rummel
	Company Secretary	Mr. Ketan Thaker
	Non-Executive Directors	Mr. Josef Kaeser
		Mr. Cedrik Neike
		Mr. Johannes Apitzsch
		Ms. Mariel von Schumann
	Independent Directors	Mr. Deepak Parekh
		Mr. Yezdi Malegam
		Mr. Darius Shroff
		Mr. Keki Dadiseth
		Mr. Mehernosh Kapadia (w.e.f. 2nd May 2018)
	Managing board of SAG	Mr. Josef Kaeser
		Dr. Roland Busch
		Ms. Lisa Davis
		Mr. Klaus Helmrich
		Ms. Janina Kugel
		Mr. Cedrik Neike
		Mr. Michael Sen
		Mr. Ralf P. Thomas
42.5	**Others**	Siemens India Ltd Indian Staff Provident Fund
		Siemens India Ltd Gratuity Fund
		Indian School of business (Common director)
		Breach Candy Hosp. Trust (Common director)
		Omnicom India Marketing Advisory Services Pvt. Ltd.
		Bharatiya Reserve Bank Note Mudran Pvt. Ltd.

Notes to the Financial Statements *(Continued)*
for the year ended 30 September 2018
(Currency: Indian rupees millions)

42.6 Related party transactions

Description	Sept 2018					Sept 2017				
	Holding Company	**Subsidiary**	**Fellow Subsidiaries**	**Key managerial personnel**	**Others**	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others
Revenue (net of taxes)										
- Siemens AG	**7,199**	-	-	-	-	6,655	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	**25**	-	-	-	-	42	-	-	-
- Siemens W.L.L.	-	-	**2,370**	-	-	-	-	3,694	-	-
- Others	-	-	**5,655**	-	**3**	-	-	6,003	-	3
Commission income										
- Siemens AG	**100**	-	-	-	-	73	-	-	-	-
- Siemens Industrial Turbomachinery Ltd.	-	-	**24**	-	-	-	-	-	-	-
- Industrial Turbine Company (UK) Ltd.	-	-	**43**	-	-	-	-	39	-	-
- Trench High Voltage Products Ltd., Shenyang	-	-	**20**	-	-	-	-	12	-	-
- Siemens Energy, Inc. (US) - Dist Gen (PS1)	-	-	**34**	-	-	-	-	-	-	-
- Others	-	-	**12**	-	-	-	-	19	-	-
Recoveries from group companies										
- Siemens AG	**1,094**	-	-	-	-	952	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	**11**	-	-	-	-	12	-	-	-
- Siemens Technology and Services Pvt. Ltd. (STS)	-	-	**172**	-	-	-	-	143	-	-
- Siemens Healthcare Pvt. Ltd.	-	-	**70**	-	-	-	-	122	-	-
- Others	-	-	**242**	-	-	-	-	194	-	-
Reimbursement of expenses received										
- Siemens AG	**888**	-	-	-	-	735	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	*	-	-	-	-	8	-	-	-
- Siemens Energy, Inc.	-	-	**11**	-	-	-	-	21	-	-
- Siemens Pte. Ltd.	-	-	**3**	-	-	-	-	40	-	-
- Siemens Ltd. Seoul	-	-	**10**	-	-	-	-	25	-	-
- Siemens Proprietary Ltd.	-	-	**25**	-	-	-	-	1	-	-
- Others	-	-	**128**	-	-	-	-	109	-	-
Other Income										
- Siemens Healthcare GmbH	-	-	-	-	-	-	-	239	-	-

* denotes figures less than a million

42.6 Related party transactions *(Continued)*

Description	Sept 2018					Sept 2017				
	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others
Purchase of goods and services										
- Siemens AG	29,992	-	-	-	-	24,678	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	69	-	-	-	-	13	-	-	-
- Siemens Medium Voltage Switching Technologies (Wuxi) Ltd.	-	-	780	-	-	-	-	728	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	763	-	-	-	-	686	-	-
- Flender GmbH	-	-	1,100	-	-	-	-	-	-	-
- Others	-	-	7,850	-	-	-	-	5,271	-	-
Rent income										
- Siemens Technology and Services Pvt. Ltd. (STS)	-	-	73	-	-	-	-	93	-	-
- Siemens Financial Services Pvt. Ltd.	-	-	76	-	-	-	-	85	-	-
- Siemens Healthcare Pvt. Ltd.	-	-	149	-	-	-	-	208	-	-
- Others	-	-	57	-	-	-	-	30	-	-
Interest income										
- Siemens Financial Services Pvt. Ltd.	-	-	521	-	-	-	-	199	-	-
- Siemens Rail Automation Pvt. Ltd.	-	5	-	-	-	-	16	-	-	-
- Others	-	-	14	-	-	-	-	20	-	-
Interest expenses										
- Siemens AG	-	-	-	-	-	3	-	-	-	-
Bank guarantee charges										
- Siemens AG	111	-	-	-	-	111	-	-	-	-
- Others	-	-	*	-	-	-	-	*	-	-
Dividend paid (on payment basis)										
- Siemens AG	1,787	-	-	-	-	1,532	-	-	-	-
- Siemens Metals Technologies Vermögensverwaltungs GmbH	-	-	82	-	-	-	-	70	-	-
Purchase of fixed assets / investment property / capital work in progress										
- Siemens AG	43	-	-	-	-	337	-	-	-	-
- MWB (Shanghai) Co Ltd.	-	-	-	-	-	-	-	39	-	-
- Siemens Eletroeletronica Limitada	-	-	13	-	-	-	-	-	-	-
- Flender GmbH	-	-	35	-	-	-	-	-	-	-
- Others	-	-	1	-	-	-	-	11	-	-

* denotes figures less than a million

(Currency: Indian rupees millions)

42.6 Related party transactions *(Continued)*

Description	Sept 2018					Sept 2017				
	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others
Sale of fixed assets / investment property										
- Siemens AG	-	-	-	-	-	36	-	-	-	-
- Siemens Osakeyhtiö	-	-	10	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	*	-	-
Sale of SWP business										
Siemens Wind Power Pvt. Ltd.	-	-	-	-	-	-	-	75	-	-
KMP Remuneration **										
- Mr. Sunil Mathur										
Short term employee benefits	-	-	-	122	-	-	-	-	114	-
Post-employment benefits	-	-	-	5	-	-	-	-	5	-
Share based payments	-	-	-	29	-	-	-	-	28	-
- Mr. Christian Rummel										
Short term employee benefits	-	-	-	59	-	-	-	-	60	-
Post-employment benefits	-	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	16	-	-	-	-	16	-
- Mr. Ketan Thaker										
Short term employee benefits	-	-	-	5	-	-	-	-	5	-
Post-employment benefits	-	-	-	*	-	-	-	-	*	-
Share based payments	-	-	-	*	-	-	-	-	*	-
Payment to Trusts										
- Siemens India Ltd Indian Staff Provident Fund	-	-	-	-	390	-	-	-	-	343
- Siemens India Ltd Gratuity Fund	-	-	-	-	344	-	-	-	-	158
Sitting fees to Independent Directors/ Non-executive Directors	-	-	-	3	-	-	-	-	3	-
Commission to Independent Directors/ Non-executive Directors	-	-	-	16	-	-	-	-	15	-

* denotes figures less than a million

** Remuneration does not include the provisions made for gratuity, leave and medical benefits, as they are determined on an actuarial basis for the company as a whole.

42.6 Related party transactions *(Continued)*

Description	Sept 2018					Sept 2017				
	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others
Inter corporate deposits given										
- Siemens Financial Services Pvt. Ltd.	-	-	5,560	-	-	-	-	4,740	-	-
- Siemens Technology and Services Pvt. Ltd. (STS)	-	-	2,122	-	-	-	-	1,270	-	-
- Siemens Rail Automation Pvt. Ltd.	-	25	-	-	-	-	301	-	-	-
- Others	-	-	545	-	-	-	-	60	-	-
Repayment of inter corporate deposits given										
- Siemens Financial Services Pvt. Ltd.	-	-	6,050	-	-	-	-	4,530	-	-
- Siemens Rail Automation Pvt. Ltd.	-	175	-	-	-	-	202	-	-	-
- Siemens Technology and Services Pvt. Ltd. (STS)	-	-	2,122	-	-	-	-	1,270	-	-
- Others	-	-	200	-	-	-	-	20	-	-
Term Loans given										
- Siemens Financial Services Pvt. Ltd.	-	-	2,830	-	-	-	-	2,460	-	-
Factoring of Trade receivables* **										
- Siemens Financial Services Pvt. Ltd.	-	-	958	-	-	-	-	573	-	-
- Siemens Factoring Pvt. Ltd.	-	-	431	-	-	-	-	-	-	-
Outstanding Balances Receivables										
- Siemens AG	1,093	-	-	-	-	1,006	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	2	-	-	-	-	*	-	-	-
- Siemens W.L.L.	-	-	443	-	-	-	-	271	-	-
- Others	-	-	1,282	-	-	-	-	1,054	-	-
Payables										
- Siemens AG	6,464	-	-	-	-	7,571	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	14	-	-	-	-	*	-	-	-
- Siemens W.L.L.	-	-	610	-	-	-	-	273	-	-
- Siemens Energy, Inc. (US) - Dist Gen (PS1)	-	-	680	-	-	-	-	-	-	-
- Others	-	-	2,739	-	-	-	-	2,207	-	-

* denotes figures less than a million

*** The Company has entered into factoring arrangement for certain trade receivables on a non recourse basis. Collections arising of the said arrangement amounting to ₹ 1,389 (2017: ₹ 573) have been adjusted.

(Currency: Indian rupees millions)

Description	Sept 2018					Sept 2017				
	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others
Inter corporate deposits to related parties										
- Siemens Financial Services Pvt. Ltd.	-	-	2,850	-	-	-	-	3,340	-	-
- Siemens Rail Automation Pvt. Ltd.	-	-	-	-	-	-	150	-	-	-
- Siemens Factoring Pvt. Ltd.	-	-	525	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	180	-	-
Term Loan to Related parties										
- Siemens Financial Services Pvt. Ltd.	-	-	5,290	-	-	-	-	2,460	-	-
Interest receivable on inter corporate deposits										
- Siemens Financial Services Pvt. Ltd.	-	-	54	-	-	-	-	18	-	-
- Siemens Convergence Creators Pvt. Ltd.	-	-	-	-	-	-	-	2	-	-
- Siemens Factoring Pvt. Ltd.	-	-	2	-	-	-	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	-	-	-	-	-	*	-	-	-
Interest receivable on Term Loan										
- Siemens Financial Services Pvt. Ltd.	-	-	8	-	-	-	-	16	-	-
KMP remuneration payable **										
- Mr. Sunil Mathur	-	-	-	61	-	-	-	-	61	-
- Mr. Christian Rummel	-	-	-	26	-	-	-	-	26	-
- Mr. Ketan Thaker	-	-	-	*	-	-	-	-	*	-

* denotes figures less than a million

** Remuneration does not include the provisions made for gratuity, leave and medical benefits, as they are determined on an actuarial basis for the company as a whole.

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year, were on an arm's length pricing basis.

43 **Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' :**

(i) **Defined Contribution Plans**

Amount of ₹ 186 (2017: ₹ 186) is recognised as an expense and included in "Employee benefits expense" (Refer note 33) in the statement of profit and loss.

(ii) **Defined Benefit Plans**

a) Amounts for the current period are as follows :

		Gratuity		Pension		Medical	
		Sept 2018	Sept 2017	**Sept 2018**	Sept 2017	**Sept 2018**	Sept 2017
I	**Change in defined benefit obligation**						
	Liability at the beginning of the year	**2,360**	2,271	**191**	171	**763**	784
	Expenses recognised in profit and loss Account						
	- Interest cost	**163**	153	**13**	11	**53**	53
	- Current service cost	**214**	207	**-**	-	**31**	31
	- Past service cost	**-**	-	**-**	-	**29**	-
	Others (Transfer pursuant to sale of business)	**-**	(8)	**-**	-	**-**	*
	Recognised in Other Comprehensive Income						
	Remeasurement (gains) / losses						
	Actuarial (gain) / loss arising from						
	i Change in demographic assumptions	**-**	-	**-**	-	**-**	-
	ii Change in financial assumptions	**(314)**	(58)	**(8)**	(2)	**(166)**	(24)
	iii Experience variance	**65**	(26)	**(7)**	48	**262**	(33)
	Benefits paid	**(220)**	(179)	**(37)**	(37)	**(51)**	(48)
	Liability at the end of the year	**2,268**	2,360	**152**	191	**921**	763

* denotes figures less than a million

		Gratuity		Pension		Medical	
II	**Fair value of plan assets**						
	Fair value of plan assets at the beginning of the year	**1,549**	1,650	**-**	-	**-**	-
	Expenses recognised in profit and loss Account						
	- Return on plan assets	**112**	115	**-**	-	**-**	-
	Others (Transfer pursuant to sale of business)	**-**	(208)	**-**	-	**-**	-
	Remeasurement gains / (losses)						
	- Actuarial gain / (loss) on plan assets	**(74)**	11	**-**	-	**-**	-
	Contributions	**345**	159	**-**	-	**-**	-
	Benefits paid	**(220)**	(178)	**-**	-	**-**	-
	Fair value of plan assets at the end of the year **	**1,712**	1,549	**-**	-	**-**	-

**Plan assets of previous year include balance of ₹ 8 which is in process of being transferred to the Gratuity Trust of Siemens Windpower Pvt. Ltd. pursuant to the transfer of Wind power business.

(Currency: Indian rupees millions)

43 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' : *(Continued)*

(ii) Defined Benefit Plans *(Continued)*

		Gratuity		Pension		Medical	
		Sept 2018	Sept 2017	**Sept 2018**	Sept 2017	**Sept 2018**	Sept 2017
III	**Actual return on plan assets**						
	Return on plan assets	**112**	115	**-**	-	**-**	-
	Actuarial gain / (loss) on plan assets	**(74)**	11	**-**	-	**-**	-
	Actual return on plan assets	**38**	126	**-**	-	**-**	-

		Gratuity		Pension		Medical	
		Sept 2018	Sept 2017	**Sept 2018**	Sept 2017	**Sept 2018**	Sept 2017
IV	**Amount recognised in the balance sheet**						
	Defined benefit obligation at the end of the year	**2,268**	2,360	**152**	191	**921**	763
	Fair value of plan assets at the end of the year	**1,712**	1,549	**-**	-	**-**	-
	(Surplus) / Deficit	**556**	811	**152**	191	**921**	763
	Effect Of Asset Ceiling	**-**	-	**-**	-	**-**	-
	Current portion of the above **	**556**	819	**32**	35	**63**	49
	Non Current portion of the above	**-**	-	**120**	156	**858**	714

**Plan assets of previous year include balance of ₹ 8 which is in process of being transferred to the Gratuity Trust of Siemens Windpower Pvt. Ltd. pursuant to the transfer of Wind power business.

		Gratuity		Pension		Medical	
		Sept 2018	Sept 2017	**Sept 2018**	Sept 2017	**Sept 2018**	Sept 2017
V.a	**Expenses recognised in the statement of profit and loss**						
	Net Interest Expense	**51**	38	**13**	11	**53**	53
	Current service cost	**214**	207	**-**	-	**31**	31
	Past service cost	**-**	-	**-**	-	**29**	-
	Expense recognised in statement of profit and loss	**265**	245	**13**	11	**113**	84

		Gratuity		Pension		Medical	
		Sept 2018	Sept 2017	**Sept 2018**	Sept 2017	**Sept 2018**	Sept 2017
V.b	**Included in other comprehensive income**						
	Return on plan assets excluding net interest	**74**	(11)	**-**	-	**-**	-
	Net actuarial (gain) / loss recognised	**(249)**	(85)	**(15)**	46	**96**	(57)
	Actuarial (Gain) or Loss recognised in OCI	**(175)**	(96)	**(15)**	46	**96**	(57)

43 **Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' : *(Continued)***

(ii) **Defined Benefit Plans *(Continued)***

		Gratuity		Pension		Medical	
		Sept 2018	Sept 2017	**Sept 2018**	Sept 2017	**Sept 2018**	Sept 2017
VI	**Actuarial Assumptions**						
	Discount Rate	**8.51%**	7.24%	**8.51%**	7.24%	**8.51%**	7.24%
	Attrition rate:						
	up to 30 years	**15.00%**	15.00%	**-**	-	**15.00%**	15.00%
	31-50 years	**3.00%**	3.00%	**-**	-	**3.00%**	3.00%
	above 50 years	**2.00%**	2.00%	**-**	-	**2.00%**	2.00%
	Salary Escalation / Pension increase rate / Medical cost increase rate	**8.00%**	8.00%	**5.00%**	5.00%	**3.50%**	3.50%
VII	**Sensitivity**						
	Change in Liability for 0.5% decrease in discount rate	**116**	124	**3**	5	**60**	50
	Change in Liability for 0.5% increase in discount rate	**(107)**	(114)	**(3)**	(4)	**(53)**	(47)
	Change in Liability for 0.5% decrease in salary/ medical inflation rate	**(108)**	(114)	**(3)**	(4)	**(31)**	(40)
	Change in Liability for 0.5% increase in salary/ medical inflation rate	**116**	123	**3**	5	**33**	42
VIII	**Maturity Profile of Defined Benefit Obligation (Undiscounted amount)**						
	Year 1	**125**	208	**32**	35	**63**	49
	Year 2	**179**	154	**29**	32	**63**	49
	Year 3	**193**	162	**25**	29	**65**	49
	Year 4	**172**	177	**22**	25	**66**	51
	Year 5	**206**	152	**19**	22	**67**	52
	Years 6 to 10	**924**	846	**63**	79	**376**	282
IX	**Weighted Average Duration of Defined Benefit Obligation**						
	Duration (Years)	**14.45**	14.23	**4.09**	4.78	**13.36**	16.80

(Currency: Indian rupees millions)

43 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' : *(Continued)*

(ii) Defined Benefit Plans *(Continued)*

b) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year 2017-18 and the method of assumption used in preparing sensitivity analysis did not change compared to previous year.

c) 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 ₹125 (2017: ₹ 208) to gratuity fund in 2018-19.

The investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. Generally it aims to have a portfolio mix of equity instruments and debt instruments to minimize the risk exposed to investment.

d) 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.

e) The Company has contributed ₹ 556 (2017: ₹ 475) towards provident fund during the year ended 30 September 2018. The Guidance note issued by the Institute of Actuaries of India states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The Actuary has accordingly provided a valuation and based on the assumptions provided below there is no shortfall as at 30 September 2018.

The details of the fund and plan asset position as at 30 September are as follows:

	Sept 2018	Sept 2017
Present value of benefit obligation at year end	**10,451**	9,785
Fair value of plan assets at year end	**10,874**	10,406
Shortfall / (Surplus)	**(423)**	(621)
Effect due to Asset Ceiling	**423**	621

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	Sept 2018	Sept 2017
Government of India securities (GOI) bond yield	**8.51%**	7.24%
Remaining term of maturity (in years)	**14.45**	14.23
Expected guaranteed interest rate	**8.55%**	8.65%

(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. Under the act, employee who has completed five years of service is entitled to the benefit. The level of benefits provided depends on the members length of service and salary at retirement age.

II Medical

Post retirement medical benefit is paid to the retired employees and their spouse till their survival and after their death, benefits are available to the employee's spouse. It consists of 3 components, which is health insurance, Domiciliary medical allowance and Company support in case the expenses incurred are more than the health insurance coverage subject to the ceiling limit as per the grades.

43 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' : *(Continued)*

(iii) General descriptions of significant defined plans *(Continued)*

III Pension

Pension is paid to management cadre employees of the company, who retired before March 1998. Pension is paid on monthly basis. In case of death in retirement,100 percent pension is paid to the spouse for first six months and then 60 percent thereafter.

(iv) Broad category of Fair value of plan assets & as a percentage of total plan assets of the Gratuity plan

	Sept 2018		Sept 2017	
Particulars (Unquoted)	**Amount**	**%**	Amount	%
Equity Instruments	**23**	**1.34%**	9	0.56%
Debt Instruments	**1,689**	**98.66%**	1,540	99.44%
Total Plan Assets	**1,712**	**100.00%**	1,549	100.00%

44 Earnings per share:	**Sept 2018**	Sept 2017
Weighted average number of equity shares outstanding during the year	**356,120,255**	356,120,255
Profit after tax (before exceptional items)	**8,939**	7,051
Basic and diluted earnings per share before exceptional items	**25.10**	19.80
Profit after tax (after exceptional items)	**8,939**	11,336
Basic and diluted earnings per share after exceptional items	**25.10**	31.83

45 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

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

	Sept 2018	Sept 2017
Principal amount due to suppliers under MSMED Act	**1,249**	1,118
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid.#	**2**	2
Payment made to suppliers (other than interest) beyond the appointed day during the year	**10,531**	13,650
Interest due and payable towards suppliers under MSMED Act towards payments already made	**151**	122
Interest accrued and remaining unpaid at the end of the accounting year	**153**	125

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.

Interest accrued is considered due upon claim from vendors

46 Share-based payment transactions

Share matching plan (SMP) and Siemens Stock Awards (SSA) at Siemens Ltd are classified as cash-settled transactions. The employees of the Company are eligible for the Holding Company's share awards, i.e. SMP and SSA. Under SMP the employee may invest a specified part of their compensation in the Holding Company's shares and at the end of 3 years (vesting period) employee gets one free share for every three shares purchased.

Under SSA, the Company grants stock awards of the Holding Company's shares to the Chief Executive Officer, Chief Financial Officer, members of senior management and other eligible employees. The vesting period is 4 years, after which the beneficiary gets certain number of shares which is tied to the performance of the employee in case of CEO Special Allocation scheme and performance of Holding Company in case of Performance Oriented Siemens Stock Awards.

(Currency: Indian rupees millions)

46 Share-based payment transactions *(Continued)*

At the end of each reporting period, the Company recognises the fair value of the liability and the expense at each reporting period at the market price of the Holding Company's share.

Under Siemens Profit Sharing (SPS), shares of Holding Company are granted to the eligible employees on achievement of the targets by Holding Company.

Details of liabilities arising from the share-based payment transactions are as follows:

	Sept 2018	Sept 2017
Other current financial liabilities	**154**	305
Other non-current financial liabilities	**328**	265
Total carrying amount of the liabilities	**482**	570

Effect of Share-based payment transaction on the profit & loss, shown under the head Employee benefit expense is ₹ 285 (2017: ₹ 429)

47 Derivative Instruments

a) Forward Contracts and Option contracts

The Company uses forward contracts and options 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 and options contracts which are intended for trading or speculative purposes.

The forward exchange and options contracts are fair valued at each reporting date with the resultant gains/ losses thereon being recorded in statement of profit and loss.

The details of forward contracts outstanding at the year end are as follows:-

Currency	**Buy**			**Sell**		
	Number of contracts	**Amount**	**Indian rupees equivalent**	**Number of contracts**	**Amount**	**Indian rupees equivalent**
US Dollar						
30 Sept 2018	**394**	**132**	**9,587**	**385**	**268**	**19,445**
30 Sept 2017	340	99	6,442	406	324	21,181
Euro						
30 Sept 2018	**626**	**180**	**15,148**	**289**	**146**	**12,279**
30 Sept 2017	563	213	16,425	300	140	10,813
Qatari Riyal						
30 Sept 2018	**3**	**2**	**34**	**3**	**72**	**1,441**
30 Sept 2017	2	1	17	3	87	1,563

47 Derivative Instruments *(Continued)*

b) Significant unhedged exposures in various foreign currencies as at the year end:

Payables

	Foreign currency		Indian rupees	
	Sept 2018	Sept 2017	**Sept 2018**	Sept 2017
Bangladesh Taka	**11**	97	**9**	78
Sri Lankan Rupee	**189**	83	**81**	36
Qatari Riyal	**2**	5	**37**	91

Receivables and bank balances

	Foreign currency		Indian rupees	
	Sept 2018	Sept 2017	**Sept 2018**	Sept 2017
Qatari Riyal	**34**	42	**680**	754
Sri Lankan Rupee	**90**	106	**39**	45
Bangladesh Taka	**96**	85	**83**	68

The forward contracts have been converted in Indian rupees, at the spot rates, as at 30 September 2018 to facilitate reading purposes only.

The Company has a policy of hedging its foreign currency exposure on a net basis.

c) 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 at the year end.

Year	Commodity	Number of Contracts	Buy / Sell
Sept 2018	**Copper**	**3,739**	**Buy**
	Aluminium	**482**	**Buy**
	Silver	**177**	**Buy**
Sept 2017	Copper	4,257	Buy
	Silver	69	Buy

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

48 Capital management

For the purpose of the Company's capital management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimise returns to the shareholders and makes adjustments to it in light of changes in economic conditions or its business requirements. The Company's objectives are to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company funds its operations through internal accruals. The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders.

(Currency: Indian rupees millions)

49 Financial Instruments

A) Accounting Classifications and Fair Values

i) **Category-wise classification for applicable financial assets:**

Particulars		Notes	Carrying value / Fair value	
			Sept 2018	Sept 2017
I.	**Measured at fair value through Profit or Loss (FVTPL):**			
(a)	Derivative contracts not designated as cash flow hedges	9 & 18	**610**	908
Total I			**610**	908
II.	**Measured at amortised cost:**			
(a)	Investments	6	**550**	550
(b)	Trade Receivables	7 & 14	**37,249**	34,725
(c)	Loans	8 & 17	**8,732**	6,216
(d)	Cash and cash equivalents and other bank balances	15 & 16	**36,457**	40,713
(e)	Other assets (excluding derivative contracts)	9 & 18	**17,292**	9,425
Total II			**100,280**	91,629
III.	**Measured at fair value through Other Comprehensive Income (FVTOCI):**			
(a)	Derivative contracts designated as cash flow hedges	18	**18**	9
Total III			**18**	9
Total (I+II+III)			**100,908**	92,547

ii) **Category-wise classification for applicable financial liabilities:**

Particulars		Notes	Sept 2018	Sept 2017
I.	**Measured at fair value through Profit or Loss (FVTPL):**			
(a)	Derivative contracts not designated as cash flow hedges	23 & 26	**1,265**	539
(b)	Liabilities related to share based payments	23 & 26	**482**	570
Total I			**1,747**	1,109
II.	**Measured at amortised cost:**			
(a)	Trade payables		**30,304**	26,556
(b)	Other liabilities (excluding derivative contracts)	23 & 26	**2,756**	3,247
Total II			**33,060**	29,803
III.	**Measured at fair value through Other Comprehensive Income (FVTOCI):**			
(a)	Derivative contracts designated as cash flow hedges	26	**7**	2
Total III			**7**	2
Total (I+II+III)			**34,814**	30,913

The carrying amounts of financial instruments such as cash and cash equivalents, other bank balances, short term loans, trade receivables, trade payables, current security deposits and other current financial assets and liabilities (except derivative financial instrument those being measured at fair value through other comprehensive income) are considered to be same as their fair values due to their short term nature.

49 Financial Instruments *(Continued)*

B) Fair Value Hierarchy

The following table provides fair value measurement hierarchy of financial instruments as referred in note (A) above:

Quantitative disclosures fair value measurement hierarchy as at 30 September 2018:

	Level 1	Level 2	Level 3	Total
Assets at Fair value				
I. Fair values through profit and loss				
(a) Derivative contracts not designated as cash flow hedges	-	610	-	**610**
II. Fair value through Other Comprehensive Income				
(a) Derivative contracts designated as cash flow hedges	-	18	-	**18**
Liabilities at Fair value				
I. Fair values through profit and loss				
(a) Derivative contracts not designated as cash flow hedges	-	1,265	-	**1,265**
(b) Liabilities related to share based payments	-	482	-	**482**
II. Fair value through Other Comprehensive Income				
(a) Derivative contracts designated as cash flow hedges	-	7	-	**7**

Quantitative disclosures fair value measurement hierarchy as at 30 September 2017:

	Level 1	Level 2	Level 3	Total
Assets at Fair value				
I. Fair values through profit and loss				
(a) Derivative contracts not designated as cash flow hedges	-	908	-	**908**
II. Fair value through Other Comprehensive Income				
(a) Derivative contracts designated as cash flow hedges	-	9	-	**9**
Liabilities at Fair value				
I. Fair values through profit and loss				
(a) Derivative contracts not designated as cash flow hedges	-	539	-	**539**
(b) Liabilities related to share based payments	-	570	-	**570**
II. Fair value through Other Comprehensive Income				
(a) Derivative contracts designated as cash flow hedges	-	2	-	**2**

The Company enters into foreign exchange forward contracts, which are valued using valuation techniques that employs the use of market observable inputs.

There have been no transfers between Level 1 and Level 2 during the period.

(Currency: Indian rupees millions)

50 Financial Risk Management

The Company's principal financial liabilities comprise of trade payable, security deposits and other financial liabilities. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and other financial assets that arise from its operations. The Company also enters into hedging transactions to cover foreign exchange exposure risk.

The Company's operating business is exposed to market risk, credit risk and liquidity risk. In order to optimize the allocation of the financial resources across the segments, as well as to achieve its aims, the Company identifies, analyses and manages the associated market risks. The Company seeks to manage and control these risks primarily through its regular operating activities and uses derivative financial instruments when deemed appropriate. All derivative activities for risk management purposes are carried out by teams that have the appropriate skills, experience and supervision. The Company has a Risk Management Committee, which ensures that the Company's financial risk taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and mitigated in accordance with the Company's policies and overall risk appetite.

A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency rate risk and interest rate risk. Financial instrument affected by market risks includes deposits, derivative financial instruments, trade receivables, trade payables and other financials assets.

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes on foreign exchange rate. The Company operates internationally and transacts in several currencies and has foreign currency trade receivables and trade payables. Hence, the Company is exposed to foreign exchange risk. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in major currencies like US Dollar and Euro with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars		Effect on profit before tax		Effect on equity (net of tax)	
		Sept 2018	Sept 2017	**Sept 2018**	Sept 2017
US Dollar	+ 5%	**437**	714	**-**	-
	- 5%	**(437)**	(714)	**-**	-
Euro	+ 5%	**64**	25	*****	*
	- 5%	**(64)**	(25)	*****	*

* denotes figures less than a million

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Consequently, could have unforeseen impact on Company's cost of borrowing or returns thus impacting the profit and loss.

The Company does not have any borrowings. Surplus funds are invested in deposits at fixed interest rates. The tenure of the deposits is managed to match with the liquidity profile of the Company.

B Credit risk

Credit risk is defined as an unexpected loss in financial instruments if the contractual partner is failing to discharge its obligations in full and on time. The Company is exposed to credit risk from its operating and financing activities like trade receivables, deposits with banks, foreign exchange transactions and other financial instruments.

50 Financial Risk Management *(Continued)*

Receivables

The major exposure to credit risk at the reporting date is primarily from receivables comprising of trade and project unbilled receivables (net).

Credit risk on receivables is limited due to the Company's large and diverse customer base which includes public sector enterprises, state owned companies and private corporates. The effective monitoring and controlling of credit risk through credit evaluations and ratings is a core competency of the Company's risk management system.

For receivables, as a practical expedient, the Company computes expected credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The ECL is calculated on rating and default probability percentage arrived from the historic default trend. In order to determine the default probability percentage, a simple average of customer wise specific allowances or actual bad debts incurred in succeeding year (derived rates) (whichever is higher) for the preceding three years is considered as a percentage of gross receivables positions for each grading i.e. rating and division of each customer as at reporting date.

The reconciliation of ECL is as follows:

Particulars	**Sept 2018**	Sept 2017
Balance at the beginning of the year	**2,095**	1,902
Loss allowance based on ECL	**(305)**	193
Balance at the year end	**1,790**	2,095

Other financial assets

Credit risk from cash and cash equivalents, term deposits and derivative financial instruments is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds, temporarily, are made only with approved counter parties and within credit limits assigned to each counterparty. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

C Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company regularly monitors the rolling forecasts and actual cashflows, to ensure it has sufficient funds to meet the operational needs.

The table below summarise the maturity profile of the Company's financial liabilities based on contractually agreed undiscounted cash flows :

Particulars	**Notes**	**Total**	**Payable within 1 year**	**More than 1 year**
As at 30 Sept 2018				
Trade Payables		**30,304**	30,302	2
Derivative contracts	23 & 26	**1,272**	1,221	51
Other financial liabilities	23 & 26	**3,238**	2,831	407
		34,814	**34,354**	**460**
As at 30 Sept 2017				
Trade Payables		26,556	26,515	41
Derivative contracts	23 & 26	541	505	36
Other financial liabilities	23 & 26	3,816	3,475	341
		30,913	**30,495**	**418**

Notes to the Financial Statements *(Continued)*
for the year ended 30 September 2018
(Currency: Indian rupees millions)

51	**Exceptional items**	**Sept 2018**	Sept 2017
	Profit on sale of Windpower business [Note (a)]	-	72
	Profit on sale of Worli property [Note (b)]	-	5,603
	Total	-	5,675

(a) During the previous year, the Company sold its wind power business forming part of Power and Gas segment of the Company for a consideration of ₹ 75 and recorded a profit of ₹ 72 on said transaction. Corresponding tax expense on the said transaction amounts to ₹16.

(b) During the year, vide agreement dated 25 September 2017, the Company sold its Property located at Worli, Mumbai for a consideration of ₹ 6,100 with a profit of ₹ 5,603. The tax impact on the same is ₹ 1,373.

52 The Company is eligible for incentives on export of certain goods and services under the Merchandise Exports from India Scheme and Service Exports from India Scheme respectively, under the Foreign Trade Policy for the period 2015-2020. During the year, the Company has started receiving the licenses under the schemes and consequently recognised an amount of ₹ 1,333 (including an amount of ₹ 852 for earlier years) which is reflected in "Other operating income".

53 The board of directors of the Company, at their meeting held on 21 February 2018, has agreed in-principle, subject to terms and conditions to be determined, to sell.

(i) its Mobility Division and Rail Traction Drives business (included in Process Industries and Drives Division which provides products and services to Mobility Division) as also its wholly owned subsidiary Siemens Rail Automation Private Limited, to Siemens AG, Germany ("SAG") or its subsidiary.

(ii) its Mechanical Drives business (included in Process Industries and Drives Division) to SAG or its subsidiary.

Consequent to such in-principle approval, the Board of Directors have constituted a Committee of Directors to determine the consideration, terms and conditions and such other matters as may be considered expedient with respect to the aforesaid proposed transactions and make recommendations thereon to the Board of Directors for its consideration.

54 The revenue from operations for the year ended 30 September 2017 (up to period ended 30 June 2017) is inclusive of excise duty recovered and corresponding excise duty expense has been disclosed separately. The Government of India introduced Goods and Service Tax ('GST') with effect from 1 July 2017 which partly replaced excise duty and accordingly revenue from operations is disclosed net of GST. Corresponding excise duty expense has been disclosed separately.

55 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 B C & CO LLP
ICAI Firm Registration Number:- 324982E/E300003
Chartered Accountants

per Sudhir Soni
Partner
Membership No: 41870

Mumbai
Date: 18 November 2018

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

Deepak S. Parekh
Chairman
DIN: 00009078

Sunil Mathur
Managing Director and Chief Executive Officer
DIN: 02261944

Christian Rummel
Executive Director and Chief Financial Officer
DIN: 01992982

Yezdi H. Malegam
Director and Chairman of Audit Committee
DIN: 00092017

Ketan Thaker
Company Secretary
ACS No. 16250

Goa
Date: 18 November 2018