

Notes to the financial statements for the year ended 30 September 2019 (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 BSE 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 & gas applications, transmission and distribution of electrical energy 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, Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Companies Act.

The financial statements have been prepared and presented under the historical cost convention, except for derivative instruments, defined benefit plans 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 except for the following:

The Company has adopted Ind AS 116 'Leases' with effect from 1 October 2019 using modified retrospective approach. The impact on account of application of Ind AS 116 has been adjusted from retained earnings as at 1 October 2019. The comparative financial information for lease and related items for the corresponding year ended 30 September 2019 included in these financial statements, are based on previously issued financial statements prepared in accordance with Ind AS by the Company. Accordingly, the comparative information for lease and related items for the corresponding year ended 30 September 2019 may not be comparable to the lease and related items for the year ended 30 September 2020.

The financial statements are presented in INR, which is the functional currency and all values are rounded to the nearest million (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 25 November 2020.

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.

Notes to the Financial Statements (*Continued*)
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1.3 *Property, plant and equipment (Continued)*

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 considered:

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

If significant parts of property, plant and equipment have different useful lives, then they are accounted as separate items (major components) of property, plant and equipment.

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. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and loss account.

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 a 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.

1.5 Investment property (Continued)

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	-
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 when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue are stated exclusive of goods and service tax and net of trade and quantity discount.

Revenue from sale of products is recognised on transfer of control of the products to the customers, which is usually on dispatch of goods.

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 "Contract assets" and billing in excess of contract revenue has been reflected under "Contract 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. Revenue from services rendered over a period of time, such as annual maintenance contracts, are recognized on straight line basis over the period of the performance obligation.

Commission income is recognised as and when the terms of the contract are fulfilled alongwith the 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 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.

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2020 (Currency: Indian rupees millions)

1.8 Employee benefits (*Continued*)

(ii) **Defined Benefit Plans and other Long Term Benefits:** The Company's gratuity, pension, medical benefit and retirement gift 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.

In case 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.

1.9 Share-based payments

Share-based payment consists of share awards of the Holding Company 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.

1.10 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

On initial recognition, financial assets are recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value 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

1.10 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 Effective Interest Rate (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, contract assets or any another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows the simplified approach for recognition of impairment loss allowance on trade receivables (net of billing in excess) and contract assets. 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.

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2020 (Currency: Indian rupees millions)

1.10 *Financial instruments (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 Contract assets.

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.

On initial recognition, financial liabilities are recognised at fair value. In case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition or issue of the financial liabilities.

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 amount that approximates the 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.

1.11 *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 / date when fair value was determined.

1.11 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, except that are designated as hedges.

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 directly 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.

1.12 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.

1.13 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.

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2020 (Currency: Indian rupees millions)

1.13 *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 and 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.

1.14 *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.

1.15 *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.

1.16 *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'.

1.17 *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 grants or subsidies relate to revenue, they are 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 grants or subsidies relate to an asset, the same are presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset

1.18 Non-current assets held for sale and discontinued operations

Non-current assets (including disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

Non-current assets classified as held for sale and the assets and liabilities of a disposal group classified as held for sale are presented separately from the other assets and liabilities in the Balance Sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations and is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the Statement of Profit and Loss.

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.

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2020 (Currency: Indian rupees millions)

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 45 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 and 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.

Change in Accounting Policy

Ind AS 116 - Leases

The new standard replaces existing lease recognition standards Ind AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss.

The Company has adopted Ind AS 116 Leases effective 1 October 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised in retained earnings on the date of initial application 1 October 2019. Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings, vehicles and technical equipment's. The Company assesses whether a contract is (or contains) a lease, at inception of a contract. A contract is (or contains), a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset.
- (ii) the Company has substantially all the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

Ind AS 116 - Leases (Continued)

Where the Company is the lessee:

At the date of commencement of the lease, the Company recognises a Right-of-Use asset ("ROU") and a corresponding Lease Liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The Lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and Lease payments have been classified as financing cash flows.

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 recognized immediately in the Statement of Profit and Loss.

Standard issued that are not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020 has notified the following amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after 1 April 2020:

Ind AS 116 – Leases (Practical expedient for rent concession due to COVID-19)

MCA has issued a practical expedient for lessees which allows a lessee not to assess whether rent concessions that occur as a direct consequence of COVID-19 pandemic as lease modifications even if it meets the conditions specified for lease modification. Instead, account for the same as if they were not lease modification. The amendment does not affect lessors.

Though the amendment is applicable for annual periods beginning on or after 1 April 2020, incase the lessee has not yet approved the financial statements for issue before the issuance of the amendment, then the same may be applied for annual periods beginning on or after 1 April 2019. Additional disclosure relating to application of the practical expedient must be made. The Company does not expect this amendment to have any impact on its financial statements.

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as at 30 September 2020
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3 Property, plant and equipment

	Freehold Land	Leasehold Land	Buildings (Refer note i & ii)	Plant and equipment (Refer note ii & iii)	Furniture and fixtures (Refer note ii)	Office equipments (Refer note ii)	Vehicles	Total
Gross carrying value								
At 1 October 2018	560	325	5,580	10,753	301	792	3	18,314
Additions	-	-	180	1,560	19	174	-	1,933
Deductions / adjustments	-	(199)	(3)	(419)	(5)	(25)	(2)	(653)
At 30 September 2019	560	126	5,757	11,894	315	941	1	19,594
Accumulated depreciation / impairment								
At 1 October 2018	-	14	678	4,496	180	506	1	5,875
Charge for the year	-	6	264	1,669	48	139	2	2,128
Deductions / adjustments	-	(11)	(1)	(253)	(5)	(25)	(2)	(297)
At 30 September 2019	-	9	941	5,912	223	620	1	7,706
Net block	560	117	4,816	5,982	92	321	*	11,888
At 30 September 2019								
Gross carrying value								
At 1 October 2019	560	126	5,757	11,894	315	941	1	19,594
Additions	-	-	26	916	13	448	1	1,404
Deductions / adjustments**	(56)	(126)	*	(21)	*	(157)	*	(360)
Transferred to discontinued operations	(31)	-	(464)	(1,584)	(17)	(34)	-	(2,130)
At 30 September 2020	473	-	5,319	11,205	311	1,198	2	18,508
Accumulated depreciation / impairment								
At 1 October 2019	-	9	941	5,912	223	620	1	7,706
Charge for the year	-	-	246	1,320	45	165	*	1,776
Charge for the period - discontinued operations (refer note 53)	-	-	16	177	1	6	*	200
Deductions / adjustments**	-	(9)	*	(13)	*	(94)	*	(116)
Transferred to discontinued operations	-	-	(81)	(724)	(15)	(21)	-	(841)
At 30 September 2020	-	-	1,122	6,672	254	676	1	8,725
Net block	473	-	4,197	4,533	57	522	1	9,783
At 30 September 2020								

* denotes figures less than a million

** includes transfer to Right of Use assets - Freehold Land ₹ 51 and Leasehold Land ₹ 117

Notes:-

i) Buildings includes gross block of ₹ 734 (2019: ₹ 734) representing 365 shares of ₹ 50 each and 11 shares of ₹ 100 each (2019: 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 2019	417	62	20	16
Written Down Value as at 30 September 2019	356	35	2	10
Depreciation charge for the year	65	42	5	26
Gross carrying value as at 30 September 2020	657	66	20	17
Written Down Value as at 30 September 2020	543	31	*	9
Depreciation charge for the year	22	6	*	5

iii) Plant and equipments includes gross block of ₹ 7 (2019: ₹ 7) and Net block of ₹ Nil (2019: ₹ Nil) which represents cost incurred by the Company on certain assets ownership of which vests with the West Bengal State Electricity Board.

* denotes figures less than a million



Notes to the Financial Statements (*Continued*)
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4 Investment Property

	Land and Buildings	Total
Gross carrying value		
At 1 October 2018	1,154	1,154
Additions	-	-
Deductions / adjustments	(1,152)	(1,152)
At 30 September 2019	2	2
Accumulated depreciation		
At 1 October 2018	112	112
Charge for the year	27	27
Deductions / adjustments	(138)	(138)
At 30 September 2019	1	1
Net block		
At 30 September 2019	1	1

	Land and Buildings	Total
Gross carrying value		
At 1 October 2019	2	2
Additions	-	-
Deductions / adjustments	-	-
At 30 September 2020	2	2
Accumulated depreciation		
At 1 October 2019	1	1
Charge for the year	*	*
Deductions / adjustments	-	-
At 30 September 2020	1	1
Net block		
At 30 September 2020	1	1

Notes:

i) Information regarding income and expenditure on investment properties	Sept 2020	Sept 2019
Rental income derived from investment properties	-	151
Direct operating expenses (including repairs and maintenance) generating rental income	(1)	(23)
Profit/(Loss) arising from investment properties before depreciation and indirect expenses	(1)	128
Less: Depreciation	*	(27)
Profit/(Loss) arising from investment properties before indirect expenses	(1)	101

* denotes figures less than a million

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 2020	Sept 2019
Land and building	Stamp duty reckoner rate/ Valuation Report	482	482

The valuation of investment properties is in accordance with the Ready Reckoner rates prescribed 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.

5 Intangible assets

	Intangible assets		
	Technical know-how	Software	Total
Gross carrying value			
At 1 October 2018	66	40	106
Additions	-	-	-
Deductions / adjustments	-	-	-
At 30 September 2019	66	40	106
Accumulated depreciation / impairment			
At 1 October 2018	49	24	73
Charge for the year	12	6	18
Deductions / adjustments	-	-	-
At 30 September 2019	61	30	91
Net block			
At 30 September 2019	5	10	15

	Intangible assets		
	Technical know-how	Software	Total
Gross carrying value			
At 1 October 2019	66	40	106
Additions	-	11	11
Deductions / adjustments	-	(6)	(6)
Transferred to discontinued operations	(23)	(15)	(38)
At 30 September 2020	43	30	73
Accumulated depreciation / impairment			
At 1 October 2019	61	30	91
Charge for the year	4	4	8
Charge for the year - discontinued operations	-	2	2
Deductions / adjustments	-	(6)	(6)
Transferred to discontinued operations	(22)	(7)	(29)
At 30 September 2020	43	23	66
Net block			
At 30 September 2020	*	7	7

* denotes figures less than a million

Notes to the Financial Statements (*Continued*)
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	Sept 2020	Sept 2019
6 Investments - Non - current		
Investment in subsidiary company (unquoted) (investment valued at cost unless otherwise stated)		
64,898 (2019 : 64,898) Equity Shares of ₹ 10 each fully paid-up in Siemens Rail Automation Pvt. Ltd.	550	550
Aggregate amount of unquoted investments	<u>550</u>	<u>550</u>
7 Trade receivables - Non - current (unsecured)		
Long-term trade receivables		
- considered good	824	673
- considered doubtful	6	13
	<u>830</u>	<u>686</u>
Impairment Allowance	<u>(6)</u>	<u>(13)</u>
	<u>824</u>	<u>673</u>
8 Loans - Non - current (unsecured, considered good)		
Loan to employees	10	18
Loan to related parties (refer note 44 and below)	5,050	1,210
	<u>5,060</u>	<u>1,228</u>
Loans to related parties are given for the purpose of meeting the working capital requirements and for general corporate purposes.		
9 Other financial assets - Non - current		
i) Financial assets at amortised cost		
Security deposits	410	370
Export incentive	-	100
ii) Financial assets at fair value through Profit or Loss		
Derivative contracts	36	55
	<u>446</u>	<u>525</u>
10 Income tax disclosure		
(a) Income tax expense		
Current tax:		
Current Income tax charge from continuing operations	2,668	5,358
Adjustments in respect of prior years - True up	-	(13)
Deferred tax		
In respect of current year origination and reversal of temporary differences	(36)	(368)
In respect of prior years - True up	-	14
Changes in statutory tax rate	-	741
Total tax expense recognised in Statement of Profit and Loss	<u>2,632</u>	<u>5,732</u>
(b) Income Tax on Other Comprehensive Income		
Remeasurements of defined benefit plans	(93)	(168)
Fair value changes on derivative designated as cash flow hedge reserve	38	6
Total tax expense recognised in Other Comprehensive Income	<u>(55)</u>	<u>(162)</u>

10 Income tax disclosure (Continued)

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 30 September 2020 and 30 September 2019

	Sept 2020	Sept 2019
Profit before tax from continuing operations	10,206	16,963
Loss before tax from discontinued operations	(13)	(547)
Other Comprehensive items	(222)	(644)
Total	9,971	15,773
Tax at statutory average income tax rate of % 25.17% (2019 : 29.79%) (A) [Refer note (f)]	2,510	4,698
Tax effect of expenses that are not deductible for tax purposes	63	51
Tax effect of Capital gain & tax paid at lower rate	-	(105)
Tax effect of change in statutory rate	-	741
Total (B)	63	687
At the effective income tax rate of 25.81% (2019 : 34.15%) (A+B)	2,573	5,385
Income tax reported in statement of profit and loss from continuing operations	2,632	5,732
Income tax attributable to discontinued operations	(4)	(185)
Income tax expense of Other Comprehensive Income	(55)	(162)
Total	2,573	5,385

(d) Movement of Deferred tax

	Balance Sheet		Profit & Loss	
	Sept 2020	Sept 2019	Sept 2020	Sept 2019
Deferred tax assets				
Arising on account of temporary differences in :				
Provision for doubtful debts and advances	631	567	64	(179)
Provision for loss allowance	235	273	(38)	(144)
Provisions made disallowed and allowed only on payment basis	1,065	1,099	(34)	(441)
Provision for Inventory allowance	882	624	258	74
Other temporary differences	140	338	(222)	(172)
Less - Deferred tax liability				
Arising on account of temporary differences in :				
Accelerated Depreciation for tax purposes	(516)	(621)	105	487
Deferred tax assets (net)	2,437	2,280	133	(375)
Deferred tax recognised directly in Other Comprehensive income	44	130	(86)	120
Total Deferred tax as shown in Balance sheet and Profit and Loss	2,481	2,410	47	(255)

(d) (i) Breakup of Deferred tax

	Balance Sheet	
	Sept 2020	Sept 2019
Deferred tax assets (net)		
Continuing operations	2,106	2,410
Discontinued operations	375	-
Total Deferred tax as shown in Balance sheet	2,481	2,410

Notes to the Financial Statements (*Continued*)
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10 Income tax disclosure (Continued)

	Sept 2020	Sept 2019
(e) Reconciliation of deferred tax assets, net		
Opening balance	2,410	2,665
Tax income/(expense) during the year recognised in profit or loss from continuing operations	36	(387)
Tax income/(expense) during the year recognised in profit or loss from discontinued operations	97	12
Tax income/(expense) during the year recognised in Other comprehensive income	(86)	120
Tax income/(expense) during the year recognised in Retained Earnings	24	-
Deferred tax assets (net)	2,481	2,410

(f) During the previous year, the Company has opted for lower corporate tax rate available under section 115BAA of the Income-tax Act, 1961 ('the Act') as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for Income-tax at relevant tax rates applicable for the year ended 30 September 2019 which are as below:

- 1 October 2018 to 31 March 2019 : 34.94%
- 1 April 2019 to 30 September 2019 : 25.17%
- Average current tax rate : 29.79%

Further, the Company has also re-measured its deferred tax assets and the relevant impact has been provided through Profit & Loss Account for the year ended 30 September 2019.

	Sept 2020	Sept 2019
11 Income tax assets (net)		
Advance payments of income tax [net of provision for tax ₹ 54,060 (2019: ₹ 50,848) including payments made under protest of ₹ 6,011 (2019: ₹ 4,973)]	6,608	6,623
	6,608	6,623
12 Other non-current assets		
Capital advances	59	175
Balances with statutory / government authorities [includes payments made under protest of ₹ 1,700 (2019: ₹ 1,611)]	2,966	3,076
Prepaid lease	*	90
Others	-	178
	3,025	3,519
13 Inventories (valued at lower of cost and net realisable value)		
Raw materials [includes Goods in Transit ₹ 260 (2019 : ₹ 759)]	3,376	4,316
Work-in-progress	3,594	3,341
Finished goods	1,364	551
Traded goods [includes Goods in Transit ₹ 1,294 (2019 : ₹ 1,500)]	2,730	2,742
	11,064	10,950
14 Trade receivables - Current (unsecured)		
Trade receivables	31,414	37,053
Receivables from related parties (Refer note 44)	1,435	2,759
	32,849	39,812
Of which		
- considered good	31,239	38,089
- considered doubtful	427	637
- which have significant increase in credit risk	33	-
- credit impaired	1,150	1,086
	32,849	39,812
Impairment allowance	(1,610)	(1,723)
	31,239	38,089

* denotes figures less than a million

14. Trade receivables - Current (unsecured) (Continued)

- 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 details of related party receivables, refer note 44.
- iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days of credit period.

	Sept 2020	Sept 2019
15 Cash and cash equivalents (Refer note below)		
<i>Balances with banks</i>		
- On current accounts	1,327	1,865
- Bank deposits with original maturity of less than 3 months	16,503	4,920
Cash on hand	*	1
Cheques / drafts on hand	481	315
	18,311	7,101

* denotes figures less than a million

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.

16 Other bank balances

Bank deposits with remaining maturity of less than 12 months	37,121	41,721
Unpaid dividend account (Refer note below)	85	91
	37,206	41,812

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

17 Loans - Current (unsecured, considered good)

Inter corporate deposits to related parties (Refer note below and note 44)	2,650	7,220
Loan to employees	72	65
	2,722	7,285

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 2020	Sept 2019
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	-	-
- Maximum amount outstanding at any time during the year	-	15
Siemens Rail Automation Pvt. Ltd. has utilised the inter corporate deposit for meeting the working capital requirements. It was repaid by October 2018.		

Notes to the Financial Statements (*Continued*)
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	Sept 2020	Sept 2019
18 Other financial assets - Current		
i) Financial assets at amortised cost		
Security deposits		
- considered good	260	310
- considered doubtful	32	36
	<u>292</u>	<u>346</u>
Impairment allowance	(32)	(36)
	<u>260</u>	<u>310</u>
Interest accrued on inter corporate deposits	60	48
Interest accrued on bank deposits	329	483
Export incentive / Government grant	863	872
Others	617	522
ii) Financial assets at fair value through Profit or Loss		
Derivative contracts	469	638
iii) Financial assets at fair value through Other Comprehensive Income		
Derivative contracts	150	24
	<u>2,748</u>	<u>2,897</u>
19 Contract assets		
- considered good	13,107	13,568
- considered doubtful	190	166
	<u>13,297</u>	<u>13,734</u>
Impairment allowance	(190)	(166)
	<u>13,107</u>	<u>13,568</u>
20 Other current assets		
Advance to suppliers	529	642
Prepaid expenses	53	112
Balances with statutory / government authorities, net	2,049	1,632
Others	178	1
	<u>2,809</u>	<u>2,387</u>

	Sept 2020	Sept 2019
21 Share capital		
Authorised		
1,000,000,000 Equity shares of ₹ 2 each (2019: 1,000,000,000 Equity shares of ₹ 2 each)	2,000	2,000
	<u>2,000</u>	<u>2,000</u>
Issued		
356,983,950 Equity shares of ₹ 2 each (2019: 356,983,950 Equity shares of ₹ 2 each)	714	714
	<u>714</u>	<u>714</u>
Subscribed and fully paid-up		
356,120,255 Equity shares of ₹ 2 each fully paid-up (2019: 356,120,255 Equity shares of ₹ 2 each fully paid-up)	712	712
	<u>712</u>	<u>712</u>

a) Shares held by Ultimate holding company, subsidiary and associates of Ultimate holding company:

Nil (2019: 255,351,805) Equity shares of ₹ 2 each, fully paid-up, are held by the Ultimate Holding Company, Siemens Aktiengesellschaft, Germany;

169,882,943 (2019: Nil) Equity shares of ₹ 2 each, fully paid-up, are held by the Subsidiary of Ultimate Holding Company, Siemens International Holding B.V., Netherlands;

85,468,862 (2019: Nil) Equity shares of ₹ 2 each, fully paid-up, are held by the Associate of Ultimate Holding Company, Siemens Gas and Power Holding B.V., Netherlands;

11,738,108 (2019: 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 Ultimate Holding Company.

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

	2020		2019	
	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	<u>356,120,255</u>	<u>712</u>	<u>356,120,255</u>	<u>712</u>

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

Name of shareholder	2020		2019	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Siemens Aktiengesellschaft, Germany	-	-	255,351,805	71.70%
Siemens International Holding B.V., Netherlands (w.e.f. 23.06.2020)	169,882,943	47.70%	-	-
Siemens Gas and Power Holding B.V., Netherlands (w.e.f. 19.05.2020)	85,468,862	24.00%	-	-
Life Insurance Corporation of India	24,921,663	7.00%	16,778,060	4.71%

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.

Notes to the Financial Statements (*Continued*)
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21 Share capital (*Continued*)

d) 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.

22 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 2020	Sept 2019
23 Dividend distribution made and proposed		
Cash dividend on equity shares declared and paid:		
Final dividend for the year ended 2019: ₹ 7 per share (2018: ₹ 7 per share)	2,493	2,493
Dividend distribution tax on final dividend	512	512
	<u>3,005</u>	<u>3,005</u>
Proposed dividend on equity shares:		
Final cash dividend for the year ended 2020: ₹ 7 per share (2019: ₹ 7 per share)	2,493	2,493
Dividend distribution tax on proposed dividend	-	512
	<u>2,493</u>	<u>3,005</u>
24 Other financial liabilities - Non - current		
i) Financial liabilities at fair value through Profit or Loss		
Derivative contracts	29	84
Liabilities related to share based payments (Refer note 48)	387	238
	<u>416</u>	<u>322</u>

	Sept 2020	Sept 2019
25 Long-term provisions		
a) Provision for employee benefits		
- Pension (Refer note 45)	226	240
- Leave wages	836	808
- Medical benefits (Refer note 45)	1,689	1,072
- Silver jubilee and star awards	400	390
- Retirement gift (Refer note 45)	107	98
- Retention Bonus	-	3
	<u>3,258</u>	<u>2,611</u>
b) Others		
- Other matters (Refer note 40)	12	25
	<u>12</u>	<u>25</u>
	<u>3,270</u>	<u>2,636</u>
26 Other non-current liabilities		
Others	31	135
	<u>31</u>	<u>135</u>
27 Other financial liabilities - Current		
i) Financial liabilities at amortised cost		
Security deposits	101	72
Unclaimed dividend	86	91
Liability for capital goods	58	142
Others	1,813	2,198
ii) Financial liabilities at fair value through Profit or Loss		
Derivative contracts	315	567
Liabilities related to share based payments (Refer note 48)	196	207
iii) Financial liabilities at fair value through Other Comprehensive Income		
Derivative contracts	15	-
	<u>2,584</u>	<u>3,277</u>
28 Contract liabilities		
Advances from customers	8,048	8,232
Billing in excess / Advance billings	5,605	3,478
	<u>13,653</u>	<u>11,710</u>



Notes to the Financial Statements (*Continued*)
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	Sept 2020	Sept 2019
29 Current Tax liabilities		
Provision for tax [net of advance tax ₹ 11,719 (2019: ₹ 12,320)]	130	468
30 Other current liabilities		
Accrued salaries and benefits	426	332
Interest accrued and due	149	159
Other liabilities		
- Withholding and other taxes payable	345	286
- Others	297	336
	<u>1,217</u>	<u>1,113</u>
31 Short-term provisions		
a) Provision for employee benefits		
- Pension (Refer note 45)	33	35
- Leave wages	27	54
- Medical benefits (Refer note 45)	65	62
- Gratuity (Refer note 45)	337	769
- Silver jubilee and star awards	38	47
- Retention Bonus	8	8
- Retirement gift (Refer note 45)	1	2
	<u>509</u>	<u>977</u>
b) Others		
- Warranty (Refer notes 40)	3,434	3,215
- Loss order (Refer note 40)	1,067	1,085
- Liquidated damages (Refer note 40)	743	957
- Other matters (Refer note 40)	2,928	2,866
	<u>8,172</u>	<u>8,123</u>
	<u>8,681</u>	<u>9,100</u>
32 Revenue from operations (gross)		
Revenue from contracts with customers		
Sale of products	48,818	69,718
Revenue from projects	30,022	42,093
Sale of services	16,736	14,487
Commission income	232	189
	<u>95,808</u>	<u>126,487</u>

32 Revenue from operations (gross) (Continued)

	Sept 2020	Sept 2019
Other operating revenue		
Export incentives	761	1,057
Recoveries from group companies	1,504	1,632
Rental income	323	484
Liabilities written back	135	86
Others	163	259
	<u>2,886</u>	<u>3,518</u>
	<u>98,694</u>	<u>130,005</u>

33 Other income

Interest income	2,915	3,375
Profit on sale of assets, net	2	505
Others	182	60
	<u>3,099</u>	<u>3,940</u>

34 Project bought outs and other direct costs

Spares and stores consumed	124	227
Project bought outs	19,320	26,865
Other direct costs	3,310	4,448
	<u>22,754</u>	<u>31,540</u>

35 Employee benefits expense*

Salaries, wages and bonus, net	13,207	13,539
Contribution to provident and other funds	1,241	1,105
Share based payments to employees	371	110
Staff welfare expenses	585	721
	<u>15,404</u>	<u>15,475</u>

* Pursuant to rationalisation of operations in Digital Industries and Portfolio Companies segments of the Company, Employee benefits expense for year ended 30 September 2019 include a charge of ₹ 753 million.

36 Finance costs

Interest - Others	118	112
Interest on lease liabilities	174	-
	<u>292</u>	<u>112</u>

Notes to the Financial Statements (*Continued*)
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	Sept 2020	Sept 2019
37 Other expenses		
Exchange loss / (gains), net *	231	(829)
Travel and conveyance	776	1,450
Software license fees and other information technology related costs	1,790	1,362
Rates and taxes	523	463
Communications	373	350
Packing and forwarding	966	1,644
Power and fuel	380	517
Insurance	378	358
Rent	275	864
Repairs		
- on building	103	219
- on machinery	517	813
- others	248	249
Legal and professional [includes auditors' remuneration (Refer note 39)]	1,417	1,690
Advertising and publicity	148	381
Office supplies, printing and stationery	206	190
Research and development expenditure	62	49
Bank guarantee commission / bank charges	305	274
Commission to directors	12	19
Directors' fees	4	3
Bad debts [net of reversal of provision for doubtful debts of ₹ 194 (2019: ₹ 244)]	148	75
CSR expenditure (Refer note 56)	279	240
Provision for doubtful debts and advances, net	324	384
License fees	555	575
Miscellaneous expenses	160	514
	<u>10,180</u>	<u>11,854</u>

* Includes amount transferred from cash flow hedge reserve to exchange gains amounting to ₹ (17) (2019: (7))

	Sept 2019	Sept 2018
38 Commitments and contingent liabilities		
(a) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<u>973</u>	<u>868</u>
Of the above ₹ 516 pertains to discontinued operations		
For commitments relating to lease arrangements (Refer note 42)		
(b) Contingent liabilities (to the extent not provided for)		
Income tax (excluding interest)	4,821	5,081
Excise, service tax and sales tax liabilities, under dispute	6,563	7,559
Customs liabilities, under dispute	120	120
Claims against the Company not acknowledged as debts	899	365
Of the above ₹ 100 pertains to discontinued operations		
i) 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.		
ii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.		

	Sept 2020	Sept 2019
39 Auditors' remuneration (for audit services exclusive of GST)		
As auditor		
- Audit fees	21	23
- Tax audit fees	6	-
In other capacity		
- Other audit related services	2	12
- Reimbursement of expenses	<u>1</u>	<u>2</u>
	<u>30</u>	<u>37</u>

40 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.

Notes to the Financial Statements (*Continued*)
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40 Disclosure relating to Provisions (*Continued*)

The movements in the above provisions are summarised below:

	Warranty		Liquidated damages		Loss orders		Other matters	
	Sept 2020	Sept 2019	Sept 2020	Sept 2019	Sept 2020	Sept 2019	Sept 2020	Sept 2019
Balance as at 1 October	3,215	2,787	957	1,057	1,085	1,198	2,891	3,098
Provisions :								
- Created	1,415	1,330	446	487	974	1,114	692	890
- Utilised	(279)	(314)	(190)	(279)	(736)	(972)	(222)	(505)
- Reversed	(787)	(588)	(463)	(308)	(104)	(255)	(343)	(592)
- Transferred to discontinued operations	(130)	-	(7)	-	(152)	-	(78)	-
Balance as at 30 September	<u>3,434</u>	<u>3,215</u>	<u>743</u>	<u>957</u>	<u>1,067</u>	<u>1,085</u>	<u>2,940</u>	<u>2,891</u>
- Current	3,434	3,215	743	957	1,067	1,085	2,928	2,866
- Non-current	-	-	-	-	-	-	12	25

41 Disclosure pursuant to Indian Accounting Standard - 115 'Revenue from contracts with customer' :

(i) Out of the total revenue recognised under Ind AS 115 during the period, ₹ 40,563 (2019: ₹ 50,635) is recognised over a period of time and ₹ 55,245 (2019: ₹ 75,852) is recognised at a point in time.

(ii) Reconciliation between revenue recognized and contract price:

	Sept 2020	Sept 2019
Contract Price	95,925	127,039
Less: Reductions towards variable consideration components *	117	552
Revenue	<u>95,808</u>	<u>126,487</u>

* Reduction towards variable consideration components include discounts, liquidated damages, etc.

(iii) Remaining performance obligations: The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows -

Particulars	Unexecuted Order Value	Expected conversion in revenue	
		Up to 1 year	More than 1 year
Transaction price allocated to the remaining performance obligation:			
2020	123,606	84,160	39,446
2019	104,776	68,859	35,917

(iv) Revenue recognised during the year from opening balance of contract liabilities amounts to ₹ 8,952 (2019: ₹ 9,580).

(v) There is no revenue recognised during the year from the performance obligation that is satisfied in previous year (arising out of contract modifications).

(vi) Information regarding geographical disaggregation of revenue has been included in segment information [Refer note 43(ii)].

42 Disclosure pursuant to Ind AS 116 "Leases"

a) The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 October 2019. Right-of-Use assets of ₹ 1,976 and Lease liabilities of ₹ 2,029 have been recognised as on 1 October 2019. Right-of-Use assets includes, reduction in respect of certain Right-of-Use assets where Ind AS 116 has been applied since the lease commencement date and the difference between Right-of-Use assets and Lease liability amounting to ₹ 72 (net of deferred tax asset ₹ 24) has been reduced from retained earnings.

b) **Reconciliation between operating lease commitments disclosed as on 30 September 2019 applying Ind AS 17 and Lease liabilities recognised as per Ind AS 116 as at 1 October 2019 in the financial statements:**

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:

Particulars	Amount
Lease commitments as at 30 September 2019 (Operating lease as per Ind AS 17)	2,602
Less : Discounting impact	(337)
Less : Commitments relating to short term leases	(52)
Less : Commitments relating to leases of low-value assets	(184)
Lease liabilities as on 1 October 2019	2,029

c) The weighted average incremental borrowing rate applied on initial application to lease liabilities is 6.75%.

As Lessee

i) Carrying value of Right of use assets at the end of the reporting period by class:

	On account of transition to Ind AS 116	Addition during the year	Deletion / adjustments during the year	Depreciation for the year	Transferred to discontinued operations	Balance at 30 September 2020
Land & Building	1,701	905	344	603	*	1,659
Vehicles	254	63	19	108	(5)	185
Plant and equipment	21	6	-	11	-	16
Total	1,976	974	363	722	(5)	1,860

ii) Maturity analysis of Lease Liabilities

Maturity analysis – contractual undiscounted cash flows	Sept 2020
Less than one year	864
One to five years	1,470
More than five years	15
Total undiscounted Lease liabilities at 30 September 2020	2,349
Current	864
Non-Current	1,485

iii) Amounts recognised in Profit or Loss

	Sept 2020
Interest expense on lease liabilities	174
Expenses relating to short-term leases	102
Expenses relating to leases of low-value assets	177
Income from sub-lease of properties	150

iv) During the year ended 30 September 2020, total cash outflow in respect of leases amounted to ₹ 714.

* denotes figures less than a million

Notes to the Financial Statements *(Continued)*
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43 (i) Information about business segments

	Revenue						Results	
	External revenue		Inter segmental revenue		Total		2020	2019
	2020	2019	2020	2019	2020	2019		
Energy	40,371	51,592	158	144	40,529	51,736	4,014	6,949
Smart Infrastructure	26,163	35,141	1,472	2,246	27,635	37,387	1,013	3,545
Mobility	8,440	11,192	3	11	8,443	11,203	953	1,126
Digital Industries	18,913	26,298	502	576	19,415	26,874	1,156	1,648
Portfolio Companies *	3,842	4,591	1	4	3,843	4,595	200	(373)
Others	965	1,191	1	-	966	1,191	63	240
Eliminations	-	-	(2,137)	(2,981)	(2,137)	(2,981)	-	-
Continuing operations	98,694	130,005	-	-	98,694	130,005	7,399	13,135
Discontinued operations (refer note 53)	6,713	6,833			6,713	6,833	(12)	(551)
Interest expenses							292	112
Interest income							2,915	3,375
Other Income							184	565
Profit before tax from continuing operation							10,206	16,963
Loss before tax from discontinued operation (refer note 53)							(13)	(547)
Income tax							(2,668)	(5,345)
Deferred tax							36	(387)
Profit after tax from continuing operation							7,574	11,231
Loss after tax from discontinued operation (refer note 53)							(9)	(362)
Total	105,407	136,838	-	-	105,407	136,838	7,565	10,869

* Portfolio Companies segment relates to Large Drive Applications.

43 (i) Information about business segments (Continued)

	Assets		Liabilities		Capital Expenditure		Non-cash expenditure			
	2020	2019	2020	2019	2020	2019	Depreciation & amortisation / Impairment (Refer note 3, 4, 5 and 42)		Others	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Energy	36,272	38,630	26,966	25,943	327	356	925	651	314	(460)
Smart Infrastructure	18,683	18,941	13,148	14,582	531	1,066	839	731	293	(264)
Mobility	8,827	7,553	5,746	6,326	42	130	165	113	78	100
Digital Industries	7,075	7,924	6,594	5,583	88	51	274	249	296	30
Portfolio Companies *	2,325	8,110	1,841	4,457	4	20	75	112	62	(48)
Others	2,225	1,239	1,151	916	321	71	226	123	5	(1)
	<u>75,407</u>	<u>82,397</u>	<u>55,446</u>	<u>57,807</u>	<u>1,313</u>	<u>1,694</u>	<u>2,504</u>	<u>1,979</u>	<u>1,048</u>	<u>(643)</u>
Unallocated corporate items	75,324	69,707	4,483	3,861	244	192	-	-	-	-
Discontinued operation (refer note 53)	5,925	-	1,987	-	398	295	205	194	295	(107)
Total	<u><u>156,656</u></u>	<u><u>152,104</u></u>	<u><u>61,916</u></u>	<u><u>61,668</u></u>	<u><u>1,955</u></u>	<u><u>2,181</u></u>	<u><u>2,709</u></u>	<u><u>2,173</u></u>	<u><u>1,343</u></u>	<u><u>(750)</u></u>

43 (ii) Information about geographical areas

	Revenue based on location of customers		Non-Current assets	
	2020	2019	2020	2019
Within India	75,640	106,669	22,164	22,629
Outside India	23,054	23,336	-	-
Total	<u><u>98,694</u></u>	<u><u>130,005</u></u>	<u><u>22,164</u></u>	<u><u>22,629</u></u>

* Portfolio Companies segment relates to Large Drive Applications.

Notes to the Financial Statements (*Continued*)
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43 (iii) 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, and fair value gains and losses on financial assets 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.

(iv) Segment information :

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

- **Energy** : - Provides fully integrated products, solutions and services across the energy value chain of oil and gas production, power generation and transmission for various customers such as utilities, independent power producers and engineering, procurement and construction (EPC) companies.
- **Smart Infrastructure** : - Supplier of products, systems, solutions and services for transmission and distribution of electrical energy for power utilities, industrial companies and infrastructure segments . Portfolio covers systems for low & medium voltage distribution, solutions for smart grids and energy automation, low voltage power supply systems. Provides intelligent and connected infrastructure for grids and buildings.
- **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 Industries** : - Contains portfolio of leading edge automation, drives and software technologies covering the complete life cycle from product design and production execution to services for discrete and process Industries.
- **Portfolio Companies** : - Supplier of products, process solutions & services across life cycles for Wind and industry sectors.
- **Others** : - Services provided to other group companies and lease rentals have been classified as "Others".

Geographical Segments : The business is organised in two geographical segments 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.

44 Related party transactions

44.1 Parties where control exists

Siemens AG, Germany	Ultimate Holding Company
Siemens International Holding B.V., Netherlands	Subsidiary of Ultimate Holding Company (w.e.f. 23.06.2020)

Parties with significant influence

Siemens Gas and Power Holding B.V., Netherlands	Associate of Ultimate Holding Company (w.e.f. 28.09.2020)
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44.2 Subsidiary

Siemens Rail Automation Pvt. Ltd., India	Subsidiary
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44.3 Other related parties where transactions have taken place during the year:

Fellow Subsidiaries	Name	Country
	Siemens Spa	Algeria
	Siemens Energy S.A. (upto 27.09.2020)	Angola
	Siemens S.A. (upto 27.09.2020)	Argentina
	Siemens Ltd.	Australia
	J.R.B. Engineering Pty Ltd	Australia
	Siemens Energy Pty. Ltd. (upto 27.09.2020)	Australia
	Flender Pty. Ltd.	Australia
	Siemens Mobility Pty Ltd	Australia
	Siemens Aktiengesellschaft Österreich	Austria
	Siemens Mobility Austria GmbH, Plant Rail Systems	Austria
	Siemens Energy Austria GmbH (upto 27.09.2020)	Austria
	Siemens Energy Austria GmbH, Transformers (upto 27.09.2020)	Austria
	ETM professional control GmbH	Austria
	Siemens Metals Technologies Vermögensverwaltungs GmbH	Austria
	Trench Austria GmbH (upto 27.09.2020)	Austria
	Siemens W.L.L.	Bahrain
	Siemens Bangladesh Ltd.	Bangladesh
	Siemens Healthcare Ltd.	Bangladesh
	Siemens S.A./N.V.	Belgium
	Flender S.R.L.	Belgium
	Siemens Healthcare NV	Belgium
	Siemens Energy S.A./N.V. (upto 27.09.2020)	Belgium
	Siemens Mobility S.A. / N.V	Belgium
	Siemens Ltda. (upto 27.09.2020)	Brazil
	Siemens Infraestrutura e Indústria Ltda.	Brazil
	Siemens Pte Ltd, Brunei Branch	Brunei Darussalam
	Siemens EOOD	Bulgaria
	Siemens Canada Ltd. - Process Instruments Business Unit	Canada

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

Fellow Subsidiaries	Name	Country
	Siemens Canada Ltd.	Canada
	Siemens Canada Ltd. - RuggedCom	Canada
	Flender Corporation Canada Branch	Canada
	Siemens Energy Canada Ltd. (upto 27.09.2020)	Canada
	Siemens Energy Canada Ltd. - Dist Gen (PRW) (upto 27.09.2020)	Canada
	Trench Ltd. (upto 27.09.2020)	Canada
	Siemens S.A.	Chile
	Flender SpA	Chile
	Siemens Medium Voltage Switching Technologies (Wuxi) Ltd.	China
	Siemens International Trading Ltd., Shanghai	China
	Beijing Siemens Cerberus Electronics Ltd.	China
	Siemens High Voltage Switchgear Co., Ltd., Shanghai (upto 27.09.2020)	China
	Siemens Circuit Protection Systems Ltd., Shanghai	China
	Siemens Electrical Apparatus Ltd., Suzhou	China
	Siemens Switchgear Ltd., Shanghai	China
	Siemens Ltd., China	China
	Siemens Electrical Drives Ltd.	China
	Siemens High Voltage Circuit Breaker Co., Ltd., Hangzhou (upto 27.09.2020)	China
	Siemens Factory Automation Engineering Ltd.	China
	Siemens Shanghai Medical Equipment Ltd.	China
	Siemens Numerical Control Ltd., Nanjing	China
	Siemens Industrial Automation Products Ltd., Chengdu	China
	Siemens Healthineers Diagnostics (Shanghai) Co., Ltd.	China
	Siemens Energy Co., Ltd. (upto 27.09.2020)	China
	Siemens Electrical Drives (Shanghai) Ltd.	China
	Trench High Voltage Products Ltd., Shenyang (upto 27.09.2020)	China
	Siemens Wiring Accessories Shandong Ltd.	China
	Siemens Power Automation Ltd.	China
	Siemens Transformer (Guangzhou) Co., Ltd. (upto 27.09.2020)	China
	Flender Ltd., China	China
	Siemens Shenzhen Magnetic Resonance Ltd.	China
	Siemens Surge Arresters Ltd. (upto 27.09.2020)	China
	Siemens Standard Motors Ltd.	China
	Siemens S.A.	Colombia
	Siemens S.A.	Costa Rica
	Koncar-Energetski Transformatori, d.o.o. (upto 27.09.2020)	Croatia

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

Fellow Subsidiaries	Name	Country
	Siemens Energy d.o.o. (upto 27.09.2020)	Croatia
	Siemens Electric Machines s.r.o.	Czech Republic
	Siemens, s.r.o.	Czech Republic
	OEZ s.r.o., dARE of 593h Letohrad	Czech Republic
	OEZ s.r.o.	Czech Republic
	Siemens Energy, s.r.o., odstepny zavod Industrial Turbomachinery (upto 27.09.2020)	Czech Republic
	Siemens A/S	Denmark
	Siemens Energy S.R.L. (upto 27.09.2020)	Dominican Republic
	Siemens S.A.	Ecuador
	Siemens Technologies S.A.E.	Egypt
	Siemens S.A.	El Salvador
	Siemens Osakeyhtiö	Finland
	Siemens SAS	France
	Siemens SAS, Division production Process Automation, Usine de Haguenau	France
	Dresser-Rand SAS (upto 27.09.2020)	France
	Trench France SAS (upto 27.09.2020)	France
	Siemens Energy S.A.S. (upto 27.09.2020)	France
	Siemens Mobility SAS	France
	Flender-Graffenstaden SAS	France
	Siemens Industry Software SAS	France
	SYKATEC Systeme, Komponenten, Anwendungstechnologie GmbH	Germany
	Weiss Spindeltechnologie GmbH	Germany
	Siemens Beteiligungen Inland GmbH	Germany
	Siemens Financial Services GmbH	Germany
	HSP Hochspannungsgeräte GmbH (upto 27.09.2020)	Germany
	Siemens Compressor Systems GmbH (upto 27.09.2020)	Germany
	Flender Industriegetriebe GmbH	Germany
	Siemens Traction Gears GmbH	Germany
	Siemens Mobility GmbH	Germany
	Siemens Mobility GmbH, dARE	Germany
	KACO new energy GmbH	Germany
	Siemens Healthcare Diagnostics Holding GmbH	Germany
	Siemens Gas and Power GmbH & Co. KG (upto 27.09.2020)	Germany
	SGP KG dARE 7 (upto 27.09.2020)	Germany
	SGP KG dARE 8 (upto 27.09.2020)	Germany

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

Fellow Subsidiaries	Name	Country
	SGP KG dARE 9 (upto 27.09.2020)	Germany
	SGP KG, Werk Mülheim (upto 27.09.2020)	Germany
	SGP KG, Werk Görlitz (upto 27.09.2020)	Germany
	SGP KG, Werk Erfurt (upto 27.09.2020)	Germany
	SGP KG, Werk Duisburg (upto 27.09.2020)	Germany
	SGP KG, Werk Berlin (upto 27.09.2020)	Germany
	SGP KG, Werk Nürnberg (upto 27.09.2020)	Germany
	Flender GmbH, BL Wind Energy Generation	Germany
	Trench Germany GmbH (upto 27.09.2020)	Germany
	Siemens Bank GmbH	Germany
	Siemens Industry Software GmbH	Germany
	Next47 GmbH	Germany
	evosoft GmbH	Germany
	Siemens Healthcare GmbH	Germany
	Flender GmbH	Germany
	NEO New Oncology GmbH	Germany
	Siemens Oil & Gas Equipment Ltd. (upto 27.09.2020)	Ghana
	Siemens A.E., Electrotechnical Projects and Products	Greece
	Eviop-Tempo A.E. Electrical Equipment Manufacturers	Greece
	Siemens S.A.	Guatemala
	Siemens Ltd.	Hong Kong
	Siemens Energy Ltd. (upto 27.09.2020)	Hong Kong
	Siemens Zrt.	Hungary
	Siemens Energy Kft., Generation Plant Budapest (upto 27.09.2020)	Hungary
	Siemens Technology and Services Pvt. Ltd.	India
	Mentor Graphics (Sales and Services) Pvt. Ltd.	India
	Mentor Graphics (India) Pvt. Ltd.	India
	Siemens Industry Software Computational Dynamics India Pvt. Ltd.	India
	PETNET Radiopharmaceutical Solutions Pvt. Ltd.	India
	Siemens Healthcare Pvt. Ltd.	India
	Siemens Gamesa Renewable Energy Engineering Centre Pvt. Ltd.	India
	Bytemark Technology Solutions India Pvt. Ltd.	India
	Siemens Financial Services Pvt. Ltd.	India
	Fast Track Diagnostics Asia Pvt. Ltd.	India
	Dresser-Rand India Pvt. Ltd. (upto 27.09.2020)	India
	Siemens Logistics India Pvt. Ltd.	India
	Siemens Healthineers India LLP	India

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

Fellow Subsidiaries	Name	Country
	Siemens Factoring Pvt. Ltd.	India
	Siemens Industry Software (India) Pvt. Ltd.	India
	P.T. Siemens Indonesia	Indonesia
	PT Siemens Mobility Indonesia	Indonesia
	Siemens Sherkate Sahami (Khas) (upto 27.09.2020)	Iran
	Mentor Graphics (Ireland) Ltd.	Ireland
	Siemens Israel Ltd. (upto 27.09.2020)	Israel
	Siemens Ltd.	Israel
	Siemens S.p.A.	Italy
	Flender Italia S.r.l.	Italy
	Siemens Transformers S.r.l. (upto 27.09.2020)	Italy
	Siemens Energy S.r.l. (upto 27.09.2020)	Italy
	Trench Italia S.r.l. (upto 27.09.2020)	Italy
	Siemens Energy SARL (upto 27.09.2020)	Ivory Coast
	Siemens K.K.	Japan
	Siemens TOO	Kazakhstan
	Siemens Ltd. Seoul	Korea
	Siemens Energy Ltd. (upto 27.09.2020)	Korea
	Siemens Electrical & Electronic Services K.S.C.C.	Kuwait
	Siemens Industrial Business Co. For Electrical, Electronic and Mechanical Contracting WLL	Kuwait
	Siemens Malaysia Sdn. Bhd.	Malaysia
	Siemens Energy Sdn. Bhd. (upto 27.09.2020)	Malaysia
	Siemens Servicios S.A. de C.V.	Mexico
	Siemens, S.A. de C.V.	Mexico
	Siemens Energy, S. de R.L. de C.V. (upto 27.09.2020)	Mexico
	Siemens S.A.	Morocco
	Siemens Nederland N.V.	Netherlands
	Siemens Industry Software B.V.	Netherlands
	Siemens Energy B.V. - dependent ARE 456b (upto 27.09.2020)	Netherlands
	Flender B.V.	Netherlands
	Siemens Energy B.V. (upto 27.09.2020)	Netherlands
	Siemens (N.Z.) Ltd.	New Zealand
	Siemens Energy Ltd. (upto 27.09.2020)	Nigeria
	Siemens Energy AS (upto 27.09.2020)	Norway
	Siemens AS	Norway
	Siemens Energy L.L.C. (upto 27.09.2020)	Oman

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

Fellow Subsidiaries	Name	Country
	Siemens Pakistan Engineering Co. Ltd.	Pakistan
	Siemens Energy S.A.C. (upto 27.09.2020)	Peru
	Siemens S.A.C.	Peru
	Siemens, Inc.	Philippines
	Siemens Power Operations, Inc. (upto 27.09.2020)	Philippines
	Siemens Sp. z o.o.	Poland
	Siemens Energy Sp. z o.o. (upto 27.09.2020)	Poland
	Siemens S.A.	Portugal
	Siemens Energy Unipessoal Lda. (upto 27.09.2020)	Portugal
	Siemens Mobility, Unipessoal Lda	Portugal
	Siemens Energy W.L.L	Qatar
	Siemens W.L.L.	Qatar
	Siemens S.R.L.	Romania
	SIMEA S.R.L., Plan SEIT Sibiu	Romania
	SIEMENS ENERGY S.R.L. (upto 27.09.2020)	Romania
	OOO Siemens	Russia
	Siemens Gas and Power LLC (upto 27.09.2020)	Russia
	OOO Siemens Gas Turbine Technologies (upto 27.09.2020)	Russia
	ISCOSA Industries and Maintenance Ltd. (upto 27.09.2020)	Saudi Arabia
	Siemens Ltd.	Saudi Arabia
	Arabia Electric Ltd. (Equipment)	Saudi Arabia
	Siemens d.o.o. Beograd	Serbia
	Siemens Energy d.o.o. Beograd (upto 27.09.2020)	Serbia
	Siemens Pte. Ltd.	Singapore
	Siemens Healthcare Pte. Ltd.	Singapore
	Siemens Energy Pte. Ltd. (upto 27.09.2020)	Singapore
	Siemens Mobility Pte. Ltd.	Singapore
	Flender Pte. Ltd.	Singapore
	Siemens s.r.o.	Slovakia
	Siemens Energy, s.r.o. (upto 27.09.2020)	Slovakia
	Siemens Mobility, s.r.o.	Slovakia
	Siemens d.o.o.	Slovenia
	Siemens Proprietary Ltd.	South Africa
	Siemens Energy (Pty) Ltd (upto 27.09.2020)	South Africa
	Flender (Pty) Ltd	South Africa
	Siemens Mobility (Pty) Ltd	South Africa
	Siemens S.A.	Spain

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

Fellow Subsidiaries	Name	Country
	Flender Iberica SL	Spain
	Siemens Energy S.A. (upto 27.09.2020)	Spain
	Siemens Rail Automation S.A.U.	Spain
	Siemens Mobility, S.L.U.	Spain
	Siemens AB	Sweden
	Siemens Energy AB (upto 27.09.2020)	Sweden
	Siemens Energy AB dARE of 429f (upto 27.09.2020)	Sweden
	Siemens Schweiz AG, Smart Infrastructure, Global Headquarters	Switzerland
	Siemens Schweiz AG	Switzerland
	Dresser Rand Sales Company GmbH (upto 27.09.2020)	Switzerland
	Siemens Ltd.	Taiwan
	Siemens Energy Ltd. (upto 27.09.2020)	Thailand
	Siemens Ltd.	Thailand
	Siemens Mobility Ltd.	Thailand
	Siemens Sanayi ve Ticaret Anonim Sirketi	Turkey
	Siemens Finansal Kiralama A.S.	Turkey
	Siemens Enerji Sanayi ve Ticaret Anonim Sirketi (upto 27.09.2020)	Turkey
	Flender Mekanik Güç Aktarma Sistemleri Sanayi ve Ticaret Anonim Sirketi	Turkey
	Siemens Ukraine	Ukraine
	Siemens LLC	UAE
	Siemens Industrial LLC	UAE
	Siemens plc	UK
	Siemens HC Ltd. MR Magnet Technology	UK
	Siemens Industrial Turbomachinery Ltd. (upto 27.09.2020)	UK
	I DT Factory Congleton	UK
	Flender Ltd.	UK
	Siemens Mobility Ltd.	UK
	Siemens Energy Ltd. (upto 27.09.2020)	UK
	Industrial Turbine Company (UK) Ltd. (upto 27.09.2020)	UK
	Electrium Sales Ltd.	UK
	Siemens Energy, Inc. (upto 27.09.2020)	USA
	Siemens Demag Delaval Turbomachinery, Inc. (upto 27.09.2020)	USA
	Siemens Corporation	USA
	Siemens Industry, Inc.	USA
	Siemens Healthcare Diagnostics Inc.	USA
	Siemens Mobility, Inc	USA
	Mentor Graphics Corporation	USA

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

Fellow Subsidiaries	Name	Country
	Dresser-Rand Company (upto 27.09.2020)	USA
	Siemens Energy Inc. (US) - Solutions (E1P) (upto 27.09.2020)	USA
	Siemens Energy Inc. (US) - Transmission (E1P) (upto 27.09.2020)	USA
	Siemens Industry Software Inc.	USA
	Siemens Energy, Inc. (US) - Fossil Products (OPP) (upto 27.09.2020)	USA
	Siemens Energy, Inc. (US) - Oil& Gas (PT2) (upto 27.09.2020)	USA
	Siemens Medical Solutions USA, Inc.	USA
	Siemens Energy, Inc. (US) - Dist Gen (PS1) (upto 27.09.2020)	USA
	Flender Corporation	USA
	eMeter Corporation	USA
	Enlighted, Inc.	USA
	Siemens Gas and Power Ltd. Company	Vietnam
	Siemens Ltd.	Vietnam
44.4 Subsidiaries / associate of parties who has significant influence (Fellow Associate) (w.e.f 28.09.2020)	Name	Country
	Siemens Energy Austria GmbH, Transformers	Austria
	Trench Austria GmbH	Austria
	Siemens Ltda.	Brazil
	Trench Ltd.	Canada
	Siemens Energy Co., Ltd.	China
	Siemens High Voltage Switchgear Co., Ltd., Shanghai	China
	Trench High Voltage Products Ltd., Shenyang	China
	Siemens Transformer (Guangzhou) Co., Ltd.	China
	Siemens Surge Arresters Ltd.	China
	Koncar-Energetski Transformatori, d.o.o.	Croatia
	Siemens Energy, s.r.o., odstepny zavod Industrial Turbomachinery	Czech Republic
	Siemens Technologies S.A.E.	Egypt
	Siemens Energy S.A.S.	France
	SGP KG dARE 8	Germany
	Siemens Gas and Power GmbH & Co. KG	Germany
	SGP KG dARE 9	Germany
	SGP KG, Werk Mülheim	Germany
	SGP KG, Werk Berlin	Germany
	SGP KG, Werk Duisburg	Germany
	SGP KG, Werk Erfurt	Germany
	HSP Hochspannungsgeräte GmbH	Germany
	Siemens Compressor Systems GmbH	Germany
	SGP KG, Werk Görlitz	Germany
	SGP KG, Werk Nürnberg	Germany
	Trench Germany GmbH	Germany

44.4 Subsidiaries / associate of parties who has significant influence (Fellow Associate) (w.e.f 28.09.2020)	Name	Country
	Siemens Oil & Gas Equipment Ltd.	Ghana
	Siemens Energy Ltd.	Hong Kong
	Siemens Energy Kft., Generation Plant Budapest	Hungary
	Dresser-Rand India Pvt. Ltd.	India
	Siemens Israel Ltd.	Israel
	Siemens Energy S.r.l.	Italy
	Siemens Transformers S.r.l.	Italy
	Trench Italia S.r.l.	Italy
	Siemens Energy Ltd.	Korea
	Siemens Electrical & Electronic Services K.S.C.C.	Kuwait
	Siemens Energy Sdn. Bhd.	Malaysia
	Siemens Energy B.V.	Netherlands
	Siemens Energy B.V. - dependent ARE 456b	Netherlands
	Siemens Energy Ltd.	Nigeria
	Siemens Energy AS	Norway
	Siemens Energy L.L.C.	Oman
	Siemens Energy Sp. z o.o.	Poland
	Siemens Energy W.L.L	Qatar
	Siemens Gas and Power LLC	Russia
	Siemens Energy d.o.o. Beograd	Serbia
	Siemens Energy, s.r.o.	Slovakia
	Siemens Energy S.A.	Spain
	Siemens Energy AB	Sweden
	Siemens Energy Ltd.	Thailand
	Siemens Enerji Sanayi ve Ticaret Anonim Sirketi	Turkey
	Siemens LLC	UAE
	Siemens Energy Ltd.	UK
	Siemens Industrial Turbomachinery Ltd.	UK
	Industrial Turbine Company (UK) Ltd.	UK
	Siemens Energy, Inc.	USA
	Siemens Energy, Inc. (US) - Dist Gen (PS1)	USA
	Siemens Demag Delaval Turbomachinery, Inc.	USA
	Dresser-Rand Company	USA
	Siemens Energy, Inc. (US) - Oil& Gas (PT2)	USA
	Siemens Energy Inc. (US) - Transmission (E1P)	USA
	Siemens Energy, Inc. (US) - Fossil Products (OPP)	USA
	Siemens Gas and Power Ltd. Company	Vietnam

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44.5 Key Managerial personnel	Name
<i>Whole-Time Directors</i>	Mr. Sunil Mathur Dr. Daniel Spindler Mr. Christian Rummel (upto 31.08.2019)
<i>Company Secretary</i>	Mr. Ketan Thaker
<i>Non-Executive Directors</i>	Mr. Josef Kaeser Mr. Cedrik Neike Mr. Johannes Apitzsch Ms. Mariel von Schumann Mr. Tim Holt (w.e.f. 01.06.2020)
<i>Independent Directors</i>	Mr. Deepak Parekh Mr. Yezdi Malegam Mr. Darius Shroff (upto 29.01.2020) Mr. Keki Dadiseth (upto 29.01.2020) Mr. Mehernosh Kapadia Ms. Anjali Bansal
<i>Managing board of SAG</i>	Mr. Josef Kaeser Dr. Roland Busch Mr. Klaus Helmrich Mr. Cedrik Neike Mr. Michael Sen (upto 31.03.2020) Ms. Lisa Davis (upto 29.02.2020) Ms. Janina Kugel (upto 31.01.2020) Mr. Ralf P. Thomas
<i>Others</i>	Ms. Sandra Marques Alves (Domestic partner of KMP) Siemens India Ltd Indian Staff Provident Fund Siemens India Ltd Gratuity Fund Indian School of business (Common director upto 29.01.2020) Breach Candy Hosp. Trust (Common directors) Omnicom India Marketing Advisory Services Pvt. Ltd. (Common director upto 29.01.2020) Bharatiya Reserve Bank Note Mudran Pvt. Ltd. (Common director) Delhivery Pvt. Ltd. (Common director)

44.6 Related party transactions

Description	2020						2019				
	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associates	Key managerial personnel	Others	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others
Revenue (net of taxes)											
- Siemens AG	3,373	-	-	-	-	-	6,215	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	28	-	-	-	-	-	29	-	-	-
- Siemens Gas and Power GmbH & Co. KG	-	-	1,635	-	-	-	-	-	-	-	-
- Others	-	-	9,902	52	-	3	-	-	7,626	-	3
Commission income											
- Siemens AG	33	-	-	-	-	-	67	-	-	-	-
- Siemens Industrial Turbomachinery Ltd.	-	-	113	-	-	-	-	-	35	-	-
- Industrial Turbine Company (UK) Limited	-	-	52	-	-	-	-	-	20	-	-
- Trench High Voltage Products Ltd., Shenyang	-	-	10	-	-	-	-	-	15	-	-
- Siemens Energy AB	-	-	-	-	-	-	-	-	15	-	-
- Others	-	-	23	-	-	-	-	-	37	-	-
Recoveries from group companies											
- Siemens AG	713	-	-	-	-	-	1,022	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	12	-	-	-	-	-	11	-	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	216	-	-	-	-	-	206	-	-
- SGP KG, Werk Duisburg	-	-	126	-	-	-	-	-	-	-	-
- Siemens Gas and Power GmbH & Co. KG	-	-	82	-	-	-	-	-	-	-	-
- Siemens Healthcare Pvt. Ltd.	-	-	48	-	-	-	-	-	74	-	-
- Others	-	-	304	-	-	-	-	-	319	-	-
Reimbursement of expenses received											
- Siemens AG	523	-	-	-	-	-	685	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	6	-	-	-	-	-	-	-	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	109	-	-	-	-	-	8	-	-
- Siemens Gas and Power GmbH & Co. KG	-	-	69	-	-	-	-	-	-	-	-
- Siemens Pte. Ltd.	-	-	56	-	-	-	-	-	1	-	-
- Siemens Energy, Inc. (US) - Oil& Gas (PT2)	-	-	56	-	-	-	-	-	*	-	-

* denotes figures less than a million

Notes to the Financial Statements *(Continued)*
for the year ended 30 September 2020
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44.6 Related party transactions *(Continued)*

Description	2020						2019				
	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associates	Key managerial personnel	Others	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others
Reimbursement of expenses received											
- Siemens Energy, Inc.	-	-	28	-	-	-	-	-	28	-	-
- Siemens Mobility GmbH	-	-	21	-	-	-	-	-	32	-	-
- Siemens Energy Limited	-	-	3	-	-	-	-	-	18	-	-
- Others	-	-	239	-	-	-	-	-	91	-	-
Purchase of goods and services											
- Siemens AG	16,948	-	-	-	-	-	26,170	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	118	-	-	-	-	-	57	-	-	-
- Flender GmbH	-	-	1,994	-	-	-	-	-	1,859	-	-
- Siemens High Voltage Switchgear Co., Ltd., Shanghai	-	-	95	-	-	-	-	-	1,549	-	-
- Others	-	-	11,548	172	-	*	-	-	11,055	-	-
Rent income											
- Siemens Rail Automation Pvt. Ltd.	-	*	-	-	-	-	-	*	-	-	-
- Siemens Healthcare Pvt. Ltd.	-	-	106	-	-	-	-	-	138	-	-
- Siemens Financial Services Pvt. Ltd.	-	-	83	-	-	-	-	-	81	-	-
- Dresser-Rand India Pvt. Ltd.	-	-	48	-	-	-	-	-	21	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	40	-	-	-	-	-	68	-	-
- Others	-	-	28	-	-	-	-	-	31	-	-
Interest income											
- Siemens Financial Services Pvt. Ltd.	-	-	557	-	-	-	-	-	616	-	-
- Siemens Rail Automation Pvt. Ltd.	-	-	-	-	-	-	-	*	-	-	-
- Others	-	-	62	-	-	-	-	-	51	-	-
Bank guarantee charges											
- Siemens AG	114	-	-	-	-	-	102	-	-	-	-
- Others	-	-	3	-	-	-	-	-	1	-	-
Dividend paid (on payment basis)											
- Siemens AG	1,787	-	-	-	-	-	1,787	-	-	-	-
- Siemens Metals Technologies Vermögensverwaltungs GmbH	-	-	82	-	-	-	-	-	82	-	-

* denotes figures less than a million

44.6 Related party transactions (Continued)

Description	2020						2019				
	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associates	Key managerial personnel	Others	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others
Purchase of fixed assets / investment property / capital work in progress											
- Siemens AG	40	-	-	-	-	-	64	-	-	-	-
- Flender GmbH	-	-	33	-	-	-	-	-	18	-	-
- Siemens Mobility GmbH	-	-	5	-	-	-	-	-	5	-	-
- Flender Ltd., China	-	-	-	-	-	-	-	-	88	-	-
- Others	-	-	8	-	-	-	-	-	13	-	-
Sale of fixed assets / investment property											
- Dresser-Rand India Pvt. Ltd.	-	-	63	-	-	-	-	-	-	-	-
- Siemens Healthcare Pvt. Ltd.	-	-	-	-	-	-	-	-	*	-	-
KMP Remuneration **											
- Mr. Sunil Mathur											
Short term employee benefits	-	-	-	-	158	-	-	-	-	126	-
Post-employment benefits	-	-	-	-	6	-	-	-	-	6	-
Share based payments	-	-	-	-	77	-	-	-	-	3	-
- Dr. Daniel Spindler											
Short term employee benefits	-	-	-	-	52	-	-	-	-	3	-
Share based payments	-	-	-	-	4	-	-	-	-	-	-
- Mr. Christian Rummel											
Short term employee benefits	-	-	-	-	-	-	-	-	-	56	-
Share based payments	-	-	-	-	-	-	-	-	-	3	-
- Mr. Ketan Thaker											
Short term employee benefits	-	-	-	-	7	-	-	-	-	6	-
Post-employment benefits	-	-	-	-	*	-	-	-	-	*	-
Share based payments	-	-	-	-	2	-	-	-	-	*	-
- Others	-	-	-	-	3	-	-	-	-	-	-
Payment to Trusts											
- Siemens India Ltd Indian Staff Provident Fund	-	-	-	-	-	458	-	-	-	-	421
- Siemens India Ltd Gratuity fund	-	-	-	-	-	403	-	-	-	-	379
Sitting fees to Independent /Non-executive Directors											
	-	-	-	-	4	-	-	-	-	3	-

* 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. Remuneration in the form of stock awards are included only upon vesting.

Notes to the Financial Statements (*Continued*)
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44.6 Related party transactions (*Continued*)

Description	2020						2019				
	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associates	Key managerial personnel	Others	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others
Commission to Independent / Non-executive Directors	-	-	-	-	19	-	-	-	-	19	-
Loans / Inter Corporate Deposits given											
- Siemens Rail Automation Pvt. Ltd.	-	-	-	-	-	-	-	15	-	-	-
- Siemens Financial Services Pvt. Ltd.	-	-	5,740	-	-	-	-	-	5,970	-	-
- Siemens Industry Software (India) Pvt. Ltd.	-	-	1,125	-	-	-	-	-	414	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	437	-	-	-	-	-	2,258	-	-
- Others	-	-	450	-	-	-	-	-	770	-	-
Repayment of Loans / Inter corporate deposits given											
- Siemens Rail Automation Pvt. Ltd.	-	-	-	-	-	-	-	15	-	-	-
- Siemens Financial Services Pvt. Ltd.	-	-	6,650	-	-	-	-	-	6,500	-	-
- Siemens Industry Software (India) Pvt. Ltd.	-	-	1,125	-	-	-	-	-	414	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	437	-	-	-	-	-	2,258	-	-
- Others	-	-	270	-	-	-	-	-	475	-	-
Factoring of trade receivables ***											
- Siemens Financial Services Pvt. Ltd.	-	-	28	-	-	-	-	-	209	-	-
- Siemens Factoring Pvt. Ltd.	-	-	-	-	-	-	-	-	192	-	-
Outstanding Balances											
Receivables											
- Siemens AG	467	-	-	-	-	-	1,236	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	10	-	-	-	-	-	3	-	-	-
- Siemens W.L.L.	-	-	121	-	-	-	-	-	93	-	-
- Flender Corporation	-	-	78	-	-	-	-	-	3	-	-
- Flender GmbH	-	-	77	-	-	-	-	-	44	-	-
- Siemens Proprietary Limited	-	-	11	-	-	-	-	-	268	-	-
- Siemens S.A., Colombia	-	-	*	-	-	-	-	-	159	-	-
- Others	-	-	399	273	-	-	-	-	953	-	-

* 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 ₹ 28 (2019: ₹ 394) have been adjusted.

44.6 Related party transactions (Continued)

Description	2020						2019				
	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associates	Key managerial personnel	Others	Holding Company	Subsidiary	Fellow Subsidiaries	Key managerial personnel	Others
Payables											
- Siemens AG	4,981	-	-	-	-	-	5,481	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	23	-	-	-	-	-	29	-	-	-
- Flender GmbH	-	-	457	-	-	-	-	-	-	-	-
- Siemens Mobility GmbH	-	-	357	-	-	-	-	-	-	-	-
- Siemens Electrical Drives (Shanghai) Ltd.	-	-	224	-	-	-	-	-	-	-	-
- Siemens Energy, Inc. (US) - Dist Gen (PS1)	-	-	-	-	-	-	-	-	1,167	-	-
- Siemens High Voltage Switchgear Co., Ltd., Shanghai	-	-	-	-	-	-	-	-	887	-	-
- Others	-	-	1,166	3,499	-	-	-	-	2,889	-	-
Loans / Inter corporate deposits to related parties											
- Siemens Financial Services Pvt. Ltd.	-	-	6,700	-	-	-	-	-	7,610	-	-
- Siemens Factoring Pvt. Ltd.	-	-	1,000	-	-	-	-	-	820	-	-
Interest receivable on Inter corporate deposits											
- Siemens Financial Services Pvt. Ltd.	-	-	57	-	-	-	-	-	50	-	-
- Siemens Factoring Pvt. Ltd.	-	-	8	-	-	-	-	-	4	-	-
Remuneration payable **											
- Mr. Sunil Mathur	-	-	-	-	87	-	-	-	-	64	-
- Dr. Daniel Spindler	-	-	-	-	21	-	-	-	-	*	-
- Mr. Christian Rummel	-	-	-	-	-	-	-	-	-	24	-
- Mr. Ketan Thaker	-	-	-	-	*	-	-	-	-	1	-

* 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. Remuneration in the form of stock awards are included only upon vesting.

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

Notes to the Financial Statements (*Continued*)
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45 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' :

(i) Defined Contribution Plans

Amount of ₹ 190 (2019: ₹ 176) is recognised as an expense and included in "Employee benefits expense" (Refer note 35) in the Statement of Profit and Loss.

(ii) Defined Benefit Plans

a) Amounts for the current period are as follows :

	Gratuity		Pension		Medical		Retirement Gift	
	Sept 2020	Sept 2019	Sept 2020	Sept 2019	Sept 2020	Sept 2019	Sept 2020	Sept 2019
I Change in defined benefit obligation								
Liability at the beginning of the year	2,707	2,268	275	152	1,134	921	100	-
Expenses recognised in Profit and Loss Account								
- Interest cost	191	181	22	11	80	76	7	-
- Current service cost	250	203	-	-	59	38	9	100
- Past service cost	-	-	-	-	-	-	-	-
Recognised in Other Comprehensive Income								
Remeasurement (gains) / losses								
Actuarial (gain) / loss arising from								
i Change in demographic assumptions	-	-	-	-	-	-	-	-
ii Change in financial assumptions	(60)	332	7	18	492	181	(2)	-
iii Experience variance	7	9	(9)	131	96	(20)	2	-
Disbursements from Plan Assets	(57)	(286)	-	-	-	-	-	-
Disbursements directly paid by the employer	(85)	-	(36)	(37)	(68)	(62)	(3)	-
Less : Transferred to discontinued operation	(131)	-	-	-	(39)	-	(5)	-
Liability at the end of the year	<u>2,822</u>	<u>2,707</u>	<u>259</u>	<u>275</u>	<u>1,754</u>	<u>1,134</u>	<u>108</u>	<u>100</u>

II Fair value of plan assets								
Fair value of plan assets at the beginning of the year	1,938	1,712	-	-	-	-	-	-
Expenses recognised in Profit and Loss Account	-	-	-	-	-	-	-	-
- Return on plan assets	153	150	-	-	-	-	-	-
Remeasurement gains / (losses)								
- Actuarial gain / (loss) on plan assets	163	(16)	-	-	-	-	-	-
Contributions	403	378	-	-	-	-	-	-
Benefits paid	(57)	(286)	-	-	-	-	-	-
Less : Transferred to discontinued operation	(115)	-	-	-	-	-	-	-
Fair value of plan assets at the end of the year	<u>2,485</u>	<u>1,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

(ii) Defined Benefit Plans (Continued)

	Gratuity		Pension		Medical		Retirement Gift	
	Sept 2020	Sept 2019	Sept 2020	Sept 2019	Sept 2020	Sept 2019	Sept 2020	Sept 2019
III Actual return on plan assets								
Return on plan assets	153	150	-	-	-	-	-	-
Actuarial gain / (loss) on plan assets	163	(16)	-	-	-	-	-	-
Less : Transferred to discontinued operation	(14)	-	-	-	-	-	-	-
Actual return on plan assets	<u>302</u>	<u>134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

IV Amount recognised in the Balance Sheet								
Defined benefit obligation at the end of the year	2,822	2,707	259	275	1,754	1,134	108	100
Fair value of plan assets at the end of the year	2,485	1,938	-	-	-	-	-	-
(Surplus) / Deficit	337	769	259	275	1,754	1,134	108	100
Effect Of Asset Ceiling	-	-	-	-	-	-	-	-
Current portion of the above	337	769	33	35	65	62	1	2
Non Current portion of the above	-	-	226	240	1,689	1,072	107	98

V.a Expenses recognised in the Statement of Profit and Loss								
Net Interest Expense	38	31	22	11	80	76	7	-
Current service cost	250	203	-	-	59	38	9	100
Less : Transferred to discontinued operation	(12)	-	-	-	(4)	-	(1)	-
Expense recognised in Statement of Profit and Loss	<u>276</u>	<u>234</u>	<u>22</u>	<u>11</u>	<u>135</u>	<u>114</u>	<u>15</u>	<u>100</u>

V.b Included in Other Comprehensive Income								
Return on plan assets excluding net interest	(163)	16	-	-	-	-	-	-
Net actuarial (gain) / loss recognised	(52)	341	(2)	149	588	161	*	-
Actuarial (gain) / loss recognised in OCI	<u>(215)</u>	<u>357</u>	<u>(2)</u>	<u>149</u>	<u>588</u>	<u>161</u>	<u>*</u>	<u>-</u>

* denotes figure less than a million

Notes to the Financial Statements (*Continued*)
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45 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' : (*Continued*)

(ii) Defined Benefit Plans (*Continued*)

	Gratuity		Pension		Medical		Retirement Gift	
	Sept 2020	Sept 2019	Sept 2020	Sept 2019	Sept 2020	Sept 2019	Sept 2020	Sept 2019
VI Actuarial Assumptions								
Discount Rate	6.72%	7.23%	6.72%	7.23%	6.72%	7.23%	6.72%	7.23%
Attrition rate:								
up to 30 years	15.00%	15.00%	-	-	15.00%	15.00%	15.00%	15.00%
31-50 years	3.00%	3.00%	-	-	3.00%	3.00%	3.00%	3.00%
above 50 years	2.00%	2.00%	-	-	2.00%	2.00%	2.00%	2.00%
Salary Escalation / Pension increase rate / Medical cost increase rate	0% for current year 8% for future year	8.00%	5.00%	5.00%	5.00%	3.50%	0% for current year 8% for future year	8.00%

VII Sensitivity								
Change in Liability for 0.5% decrease in discount rate	159	150	7	8	161	87	7	6
Change in Liability for 0.5% increase in discount rate	(146)	(138)	(7)	(7)	(141)	(77)	(6)	(6)
Change in Liability for 0.5% decrease in salary/ medical inflation rate	(133)	(138)	(7)	(7)	(124)	(64)	(6)	(6)
Change in Liability for 0.5% increase in salary/ medical inflation rate	158	148	7	7	141	72	7	6

VIII Maturity Profile of Defined Benefit Obligation (Undiscounted amount)								
Year 1	156	120	34	36	70	64	5	2
Year 2	144	182	33	35	72	66	4	6
Year 3	201	169	32	34	75	69	6	5
Year 4	184	235	31	33	79	71	5	7
Year 5	213	218	29	31	82	73	6	6
Years 6 to 10	1,585	1,581	118	128	497	420	53	51

IX Weighted Average Duration of Defined Benefit Obligation								
Duration (Years)	10.49	11.20	5.80	5.80	14.20	15.10	13.10	13.30

45 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 2019-20 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 ₹ 399 (2019: ₹ 120) to gratuity fund in 2020-21.

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 ₹ 562 (2019: ₹ 530) towards provident fund during the year ended 30 September 2020. The said amount is excluding of amounts recognised by discontinued operation. 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 2020.

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

	Sept 2020	Sept 2019
Present value of benefit obligation at year end	14,372	11,852
Fair value of plan assets at year end	14,376	12,121
Shortfall / (Surplus)	(4)	(269)
Effect due to Asset Ceiling	4	269

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

	Sept 2020	Sept 2019
Government of India securities (GOI) bond yield	6.72%	7.23%
Remaining term of maturity (in years)	10.49	13.63
Expected guaranteed interest rate	8.00%	8.60%

(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.

Notes to the Financial Statements (*Continued*)
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45 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' : (*Continued*)

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

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.

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 Retirement Gift

Retirement gift is paid, as a token of appreciation to the permanent employees who are separating on their retirement from the Company.

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

Particulars (Unquoted)	2020		2019	
	Amount	%	Amount	%
Equity Instruments	59	2.38%	31	1.55%
Debt Instruments	2,426	97.62%	1,907	98.45%
Total Plan Assets	2,485	100.00%	1,938	100.00%

46 Earnings per share:

	Sept 2020	Sept 2019
Weighted average number of equity shares outstanding during the year	356,120,255	356,120,255
Profit after tax from continuing operations	7,574	11,231
Basic and diluted earnings per share from continuing operations	21.27	31.54
Profit after tax from discontinued operations	(9)	(362)
Basic and diluted earnings per share from discontinued operations	(0.03)	(1.02)
Total Profit for the year	7,565	10,869
Basic and diluted earnings per share from total operations	21.24	30.52

47 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 2020	Sept 2019
Principal amount due to suppliers under MSMED Act.	1,393	2,116
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006 on the above amount, unpaid.#	*	3
Payment made to suppliers (other than interest) beyond the appointed day during the year.	4,203	9,596
Interest due and payable towards suppliers under MSMED Act towards payments already made.	148	156
Interest accrued and remaining unpaid at the end of the accounting year.	149	159

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.

* denotes figures less than a million

48 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 Ultimate Holding Company's share awards, i.e. SMP and SSA. Under SMP the employee may invest a specified part of their compensation in the Ultimate 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 Ultimate 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 Ultimate Holding Company in case of Performance Oriented Siemens Stock Awards.

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 Ultimate Holding Company's share.

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

	Sept 2020	Sept 2019
Other current financial liabilities	196	207
Other non-current financial liabilities	<u>387</u>	<u>238</u>
Total carrying amount of the liabilities	<u>583</u>	<u>445</u>

Effect of Share-based payment transaction on the Profit & Loss, shown under the head Employee benefit expense is ₹ 371 (2019: ₹ 110)

49 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 2020	257	68	5,002	429	247	18,212
30 Sept 2019	342	113	8,036	442	294	20,864
Euro						
30 Sept 2020	587	183	15,851	401	173	14,923
30 Sept 2019	657	199	15,385	338	151	11,690
Qatari Riyal						
30 Sept 2020	3	1	10	6	37	753
30 Sept 2019	2	1	17	2	30	584

Notes to the Financial Statements (*Continued*)
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49 Derivative Instruments (*Continued*)

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

Payables

	Foreign currency		Indian rupees	
	Sept 2020	Sept 2019	Sept 2020	Sept 2019
Bangladesh Taka	126	71	110	59
Sri Lankan Rupee	447	335	178	130

Receivables and bank balances

	Foreign currency		Indian rupees	
	Sept 2020	Sept 2019	Sept 2020	Sept 2019
Bangladesh Taka	144	152	126	128
Sri Lankan Rupee	409	365	163	142
Qatari Riyal	4	15	89	293
Nepalese Rupee	18	-	12	-

The forward contracts have been converted in Indian rupees, at the spot rates, as at 30 September 2020 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 2020	Copper	1,365	Buy
	Aluminium	194	Buy
	Silver	74	Buy
Sept 2019	Copper	1,376	Buy
	Aluminium	1,561	Buy
	Silver	152	Buy

Note: Each contract of copper is of 2,500 kg, Aluminium is of 5000 kg (2019: 1000 kg) and silver is of 30 kg.

50 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.

51 Financial Instruments

A) Accounting Classifications and Fair Values

i) Category-wise classification for applicable financial assets:

Particulars	Notes	Carrying value / Fair value	
		Sept 2020	Sept 2019
I. Measured at fair value through Profit or Loss (FVTPL):			
(a) Derivative contracts not designated as cash flow hedges	9 & 18	505	693
Total I		<u>505</u>	<u>693</u>
II. Measured at amortised cost:			
(a) Trade Receivables	7 & 14	32,063	38,762
(b) Loans	8 & 17	7,782	8,513
(c) Cash and cash equivalents and other bank balances	15 & 16	55,517	48,913
(d) Other assets (excluding derivative contracts)	9 & 18	2,539	2,705
Total II		<u>97,901</u>	<u>98,893</u>
III. Measured at fair value through Other Comprehensive Income (FVTOCI):			
(a) Derivative contracts designated as cash flow hedges	18	150	24
Total III		<u>150</u>	<u>24</u>
Total (I+II+III)		<u>98,556</u>	<u>99,610</u>

ii) Category-wise classification for applicable financial liabilities:

Particulars	Notes	Sept 2020	Sept 2019
I. Measured at fair value through Profit or Loss (FVTPL):			
(a) Derivative contracts not designated as cash flow hedges	24 & 27	344	651
(b) Liabilities related to share based payments	24 & 27	584	445
(c) Lease liabilities		2,057	-
Total I		<u>2,985</u>	<u>1,096</u>
II. Measured at amortised cost:			
(a) Trade payables		27,890	32,907
(b) Other liabilities (excluding derivative contracts)	24 & 27	2,058	2,503
Total II		<u>29,948</u>	<u>35,410</u>
III. Measured at fair value through Other Comprehensive Income (FVTOCI):			
(a) Derivative contracts designated as cash flow hedges	27	15	-
Total III		<u>15</u>	<u>-</u>
Total (I+II+III)		<u>32,948</u>	<u>36,506</u>

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.

Notes to the Financial Statements (*Continued*)
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51 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 2020:

	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	-	505	-	505
ii) Fair value through Other Comprehensive Income				
(a) Derivative contracts designated as cash flow hedges	-	150	-	150
Liabilities at Fair value				
i) Fair values through profit and loss				
(a) Derivative contracts not designated as cash flow hedges	-	344	-	344
(b) Liabilities related to share based payments	-	584	-	584
ii) Fair value through Other Comprehensive Income				
(a) Derivative contracts designated as cash flow hedges	-	15	-	15

Quantitative disclosures fair value measurement hierarchy as at 30 September 2019:

	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	-	693	-	693
ii) Fair value through Other Comprehensive Income				
(a) Derivative contracts designated as cash flow hedges	-	24	-	24
Liabilities at Fair value				
i) Fair values through profit and loss				
(a) Derivative contracts not designated as cash flow hedges	-	651	-	651
(b) Liabilities related to share based payments	-	445	-	445

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

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

52 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 2020	Sept 2019	Sept 2020	Sept 2019
US Dollar	+ 5%	507	599	-	-
	- 5%	(507)	(599)	-	-
Euro	+ 5%	188	31	-	-
	- 5%	(188)	(31)	-	-

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.

Notes to the Financial Statements (*Continued*)
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52 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 2020	Sept 2019
Balance at the beginning of the year	1,903	1,790
Loss allowance based on ECL	(97)	113
Balance at the year end	1,806	1,903

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 2020				
Trade Payables		27,890	27,733	157
Derivative contracts	24 & 27	359	330	29
Other financial liabilities	24 & 27	2,641	2,254	387
		30,890	30,317	573
Lease Liability	42	2,349	864	1,485
		33,239	31,181	2,058
As at 30 Sept 2019				
Trade Payables		32,907	32,890	17
Derivative contracts	24 & 27	651	567	84
Other financial liabilities	24 & 27	2,948	2,710	238
		36,506	36,167	339

53 Discontinued operations

The Board of Directors at its meeting held on 26 August 2020, approved the sale and transfer of the Company's Mechanical Drives (MD) business (included in Portfolio Companies Segment of the Company) to Flender Drives Pvt. Ltd., a subsidiary of Flender GmbH, which in turn is a subsidiary of Siemens AG, Germany as a going concern on a slump sale basis, with effect from 1 January 2021, for a consideration of ₹ 4,400 million, subject to adjustment for the change in net current assets and capital expenditure, subsequent to 30 June 2020 upto the date of actual transfer of the MD business. This is subject to receipt of requisite statutory and regulatory approvals, as applicable and fulfilment of conditions precedent as agreed between the parties.

Accordingly, the operations of MD have been reclassified as discontinued operations for the year ended 30 September 2019 and comparative information in the Statement of Profit and loss account is represented as if the operation had been discontinued from the start of the comparative period.

Revenue, expenses and net cash flows relating to discontinued operations is as follows:

	Sept 2020	Sept 2019
Income		
Revenue from operations	6,713	6,833
Other Income	2	7
Total income	<u>6,715</u>	<u>6,840</u>
Expenses		
Raw materials consumed	3,859	4,362
Purchase of traded goods	268	635
Decrease / (increase) in inventories of finished goods, work-in-progress and traded goods	601	456
Project bought outs and other direct costs	204	216
Employee benefits expense (refer note 55)	609	561
Finance costs	4	1
Depreciation and amortisation expense (refer note 55)	205	194
Other expenses (refer note 55)	978	962
Total expenses	<u>6,728</u>	<u>7,387</u>
Loss before tax	<u>(13)</u>	<u>(547)</u>
Tax credit / (expense)	4	185
Loss after tax	<u>(9)</u>	<u>(362)</u>
Net cash used in operating activities	(68)	(1,211)
Net cash used in investing activities	(148)	(88)
Net cash used in financing activities	(1)	(1)

Assets and liabilities of discontinued operations

	Sept 2020
Assets	
Property, plant and equipment	1,289
Capital work-in-progress	127
Right-of-Use assets	5
Intangible assets	9
Non - current Financial assets	5
Other non - current assets	182
Inventories	1,705
Current Financial assets	2,269
Other current assets	334
	<u>5,925</u>

Notes to the Financial Statements (*Continued*)
for the year ended 30 September 2020
(Currency: Indian rupees millions)

Assets and liabilities of discontinued operations (<i>Continued</i>)	Sept 2020
Liabilities	
Non - current Financial liabilities	8
Long term provisions	51
Current Financial liabilities	1,265
Contract liabilities	176
Other current liabilities	46
Short term provisions	441
	1,987

54 The Company has entered into definitive agreements for the acquisition of 99.22% (approximately) of the paid-up equity share capital of C&S Electric Limited from its promoters for an estimated value of ₹ 21,200 subject to adjustments and receipt of requisite regulatory approvals and fulfilment of conditions precedent as agreed between the parties.

55 The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information upto the date of approval of these financial statements and expects to recover the carrying amounts of its investments, intangible assets, trade receivable, project work-in-progress and inventories. The Company will continue to monitor the future economic conditions and update its assessment. The expenses incurred during shutdown and partial shutdown in respect of factories and project sites for continuing operations and discontinued operations were as under:

	Continuing operations	Discontinued operations
i) Employee benefits expense	1,689	153
ii) Depreciation and amortization expense	609	81
iii) Other expenses	549	101
	2,847	335

56 Detailed disclosures pertaining to expenditure on Corporate Social Responsibilities activities are provided in Director's Report.

As per our report of even date

For B S R & Co. LLP

Chartered Accountants
ICAI Firm Registration Number:- 101248W/W-100022

Farhad Bamji

Partner
Membership No: 105234

Mumbai
Date: 25 November 2020

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

Daniel Spindler
Executive Director
and Chief Financial
Officer
DIN: 08533833

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

Ketan Thaker
Company Secretary
ACS No. 16250

Mumbai / Jamnagar
Date: 25 November 2020