

INDEPENDENT AUDITOR'S REPORT

To the Members of Siemens Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Siemens Limited (the "Company") which comprise the standalone balance sheet as at 30 September 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 30 September 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Key audit matter 1

See Note 33 and 43 to the standalone financial statements

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition on Construction Contracts	How the matter was addressed in our audit
<p>A significant portion of the Company's business is from construction contracts, where revenue is recognised under the percentage-of-completion method. This is based on the percentage of costs incurred to date compared to the total estimated contract costs.</p> <p>We identified revenue recognition on construction contracts as a key audit matter, since: -</p> <ul style="list-style-type: none"> There is an inherent risk and presumed risk of fraud around the existence and valuation of revenues recognised considering the customized and complex nature of these contracts and significant inputs of IT systems. Application of Ind AS 115 'Revenue from Contracts with customers' is complex and involves a number of significant judgements and estimates. These relate to identifying performance obligations, transaction price, estimating the balance cost-to-complete the contract and determining the percentage of completion of the relevant performance obligation. 	<p>Our procedures included the following: -</p> <ul style="list-style-type: none"> Obtained an understanding of business processes, policies and controls specific to construction contracts. Performed testing of design, implementation and operating effectiveness specific to construction contracts, from its initiation through presentation in the standalone financial statements and tested the operating effectiveness of key controls over these processes. Evaluated the Company's estimates and assumptions. Our audit procedures covered, among others, test of the contracts including terms and conditions, termination rights, penalties for delay and breach of contract as well as liquidated damages. Evaluated revenues recognised for the selected projects, analysed billable revenues and cost of sales to be recognised in the Statement of Profit and Loss to the extent of progress towards completion.

Key audit matter 1 (Continued)

Revenue recognition on Construction Contracts	How the matter was addressed in our audit
<ul style="list-style-type: none"> These contracts may involve onerous obligations which require critical assessment of provision for foreseeable losses to be made by the Company. 	<ul style="list-style-type: none"> Performed inquiries with respect to the development of the budgeted project costs, deviations between planned and actual costs, the estimated costs to complete, and Company's assessments on probabilities related to contract risks. Performed a retrospective analysis of costs incurred with planned costs to identify significant variations and if these are considered in estimating the balance costs to complete the contracts. We involved our Information Technology (IT) specialists to assess the design and operating effectiveness and testing of: <ol style="list-style-type: none"> IT environment in which the business systems operate, including access controls, program change controls, program development controls and IT operation controls over computation of revenue recognised. IT controls for accuracy and completeness of cost and revenue reports generated by the IT system. Access and application controls on allocation of resources and budgeting systems

Key audit matter 2

See Note 33 and 43 to the standalone financial statements

Revenue recognition on Sale of Products	How the matter was addressed in our audit
<p>The Company recognises revenue from the sales of products when control over goods is transferred to the customer based on specific terms and conditions of sale contracts with respective customers.</p> <p>We have identified recognition of revenue on sale of products as a key audit matter as –</p> <ul style="list-style-type: none"> revenue is a key performance indicator; and there is a presumed fraud risk of revenue being overstated through manipulation of the timing of transfer of control due to pressures to achieve performance targets as well as meeting external expectations 	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards. Performed testing of design, implementation and operating effectiveness of the Company's general Information Technology ('IT') controls over revenue recognition and key IT application controls by involving our IT specialists. Performed testing of design, implementation and operating effectiveness of the Company's key manual controls around revenue recognition. Performed substantive testing of recognition of revenue in the correct period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year. Examined the underlying documents such as sales invoices/ contracts and dispatch/ shipping documents for the selected transactions. Assessed manual journals posted in revenue ledger to identify any unusual items.

INDEPENDENT AUDITOR'S REPORT (*Continued*)

To the Members of Siemens Limited

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (Continued)

report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept

on servers physically located in India on a daily basis during 1 October 2022 till 20 June 2023. Further, the Company has kept the backup of books of account and other relevant books and papers on servers physically located in India on a daily basis from 21 June 2023 onwards.

- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 30 September 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 30 September 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. The remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 30 September 2023 on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements.
 - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 42 and 51 to the standalone financial statements.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company..

INDEPENDENT AUDITOR'S REPORT (*Continued*)

To the Members of Siemens Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

- d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 61 (iv) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 61 (v) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 23 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Farhad Bamji

Partner

Membership No: 105234

ICAI UDIN: 23105234BGXEBS2102

Place: Mumbai

Date: 28 November 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Siemens Limited for the year ended 30 September 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years.

In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (₹ in millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Lease hold land	5	iMetrex Technologies Ltd.	No	2012	Title deed is in dispute and matter is now pending with State Industries Promotion Corporation of Tamil Nadu Ltd.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were

appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans to companies and other parties in respect of which the requisite information is as below. The Company has not made any investments in companies, firms, limited liability partnerships or any other parties during the year. The Company has not granted any loans, secured or unsecured, to firms and limited liability partnerships during the year. According to the information and

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Siemens Limited for the year ended 30 September 2023 (Continued)

explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to companies and other parties as below:

(₹ in millions)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	5,504	-
Balance outstanding as at balance sheet date				
Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	7,200	-

*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the loans granted during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has renewed existing loans given to Siemens Financial Services Pvt. Ltd. and Siemens Factoring Pvt. Ltd. amounting to ₹ 1,360 million and ₹ 610 million respectively, on the due date.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts

maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 30 September 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

(₹ in millions)

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	189	2005-06, 2008-09, 2010-11, and 2012-13	CIT (Appeal)
		2,149	2011-19	Tribunal
Customs Act, 1962	Duty	315	1998-99 and 2008-09	High Court
		27	2014-15 and 2022-23	CESTAT
State & Central Sales Tax Acts	Tax, Interest & Penalty	600	1987-90, 1995-2001, 2003-18 and 2019-20	Assistant/Addl' Commissioner
		744	1992-93, 1997-98 and 1999-2020	Dy'Comm/Comm/Joint'/ Spl'Comm
		81	1973-78, 1991-92 and 1997-2018	Tribunal
		1,256	1984-85, 1989-91, 2000-06, 2009-13 and 2016-17	High Court
Central Excise Act 1944 & Service Act	Duty & Penalty	771	1988-2000, 2003-13 and 2016-17	Tribunal
		13	2014-15 to 2016-17	Asst.Comm/Dy Comm/ Comm/Comm(Appeal)
Goods and Services Tax Act, 2017	Tax, Interest & Penalty	28	2017-23	Dy'Comm/Comm/Joint'/ Spl'Comm
		6	2017-18	Asst.Comm/Dy Comm/ Comm/Comm(Appeal)
		2,471	2017-19	High Court
Employees Pension Scheme, 1995	Damages & Interest	158	1996-2003	EPFO

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Siemens Limited for the year ended 30 September 2023 (Continued)

Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company

(CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.

- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi) (d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one

year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Farhad Bamji

Partner

Membership No: 105234

ICAI UDIN: 23105234BGXEBS2102

Place: Mumbai

Date: 28 November 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of Siemens Limited for the year ended 30 September 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Siemens Limited ("the Company") as of 30 September 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 30 September 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls

with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts

Meaning of Internal Financial Controls with Reference to Financial Statements (Continued)

and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to

financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Farhad Bamji

Partner

Membership No: 105234

ICAI UDIN: 23105234BGXEBS2102

Place: Mumbai

Date: 28 November 2023

Balance Sheet

as at 30 September 2023

(Currency: Indian rupees millions)

	Notes	Sept 2023	Sept 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	7,942	8,118
Capital work-in-progress	4	476	493
Right-of-Use assets	44	1,277	1,361
Investment property	5	654	753
Goodwill	55	332	-
Other intangible assets	6	10	7
Financial assets			
- Investments	7	22,201	22,201
- Trade receivables	8	941	1,243
- Loans	9	2,071	3,832
- Other financial assets	10	506	606
Deferred tax assets (net)	11	2,826	2,392
Income tax assets (net)	11(f)	7,635	6,830
Other non-current assets	12	2,624	2,845
		<u>49,495</u>	<u>50,681</u>
Current assets			
Inventories	13	22,611	19,238
Financial assets			
- Trade receivables	14	43,845	35,462
- Cash and cash equivalents	15	9,826	9,024
- Bank balances other than cash and cash equivalents	16	62,353	53,739
- Loans	17	5,213	3,280
- Other financial assets	18	2,115	2,628
Contract assets	19	17,036	17,193
Other current assets	20	2,172	3,688
		<u>165,171</u>	<u>144,252</u>
Assets classified as held for sale	59	371	192
TOTAL		<u><u>215,037</u></u>	<u><u>195,125</u></u>

	Notes	Sept 2023	Sept 2022
EQUITY AND LIABILITIES			
Equity			
Equity share capital	21	712	712
Other equity	22	<u>129,533</u>	<u>115,247</u>
		<u>130,245</u>	<u>115,959</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
- Lease Liabilities	44	868	856
- Trade payables			
Total outstanding dues of creditors other than micro and small enterprises	24	12	27
- Other financial liabilities	25	887	694
Long term provisions	26	<u>3,981</u>	<u>2,918</u>
		<u>5,748</u>	<u>4,495</u>
Current liabilities			
Financial liabilities			
- Lease Liabilities	44	656	740
- Trade payables			
Total outstanding dues of micro and small enterprises	49	2,837	2,680
Total outstanding dues of creditors other than micro and small enterprises	27	37,471	36,050
- Other financial liabilities	28	5,528	7,482
Contract liabilities	29	17,925	15,969
Other current liabilities	30	1,582	1,139
Short term provisions	31	11,164	9,287
Current tax liabilities (net)	32	<u>1,000</u>	<u>1,324</u>
		<u>78,163</u>	<u>74,671</u>
Liabilities classified as held for sale		881	-
TOTAL	59	<u><u>215,037</u></u>	<u><u>195,125</u></u>
Significant accounting policies	1 & 2		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

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

Farhad Bamji

Partner
Membership No: 105234

Shyamak R. Tata

Director and Chairman
of Audit Committee
DIN: 07297729

Ketan Thaker

Company Secretary
ACS No:16250

Mumbai

Date: 28 November 2023

Mumbai

Date: 28 November 2023

Statement of Profit and Loss for the year ended 30 September 2023 (Currency: Indian rupees millions)

	Notes	Sept 2023	Sept 2022
Income			
Revenue from operations	33	179,651	148,315
Other income	34	5,487	3,161
Total income		<u>185,138</u>	<u>151,476</u>
Expenses			
Cost of materials consumed		34,517	28,675
Purchases of Stock-in-Trade		55,673	44,965
Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods		(2,964)	(1,722)
Project bought outs and other direct costs	35	36,271	28,683
Employee benefits expense	36 & 47	18,531	16,582
Finance costs	37	203	333
Depreciation and amortisation expense	3, 4, 5, 6, 44 & 56	2,235	2,096
Other expenses	38 & 56	15,221	15,062
Total expenses		<u>159,687</u>	<u>134,674</u>
Profit before tax		<u>25,451</u>	<u>16,802</u>
Tax expense			
Current tax	11	(6,683)	(4,610)
Deferred tax credit/(expense)	11	345	305
Total tax expense		<u>(6,338)</u>	<u>(4,305)</u>
Profit after tax for the year from continuing operations		<u>19,113</u>	<u>12,497</u>
Discontinued operations			
	56		
Profit before tax from discontinued operations		-	141
Gain from sale of discontinued operations		-	3,559
Tax credit/(expense) on discontinued operations		-	(889)
Profit after tax from discontinued operations		-	<u>2,811</u>
Profit for the year		<u>19,113</u>	<u>15,308</u>

	Notes	Sept 2023	Sept 2022
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or (loss)			
Re-measurement gains/(losses) on defined benefit plans		(1,494)	(30)
Income tax effect		376	8
Items that will be reclassified to profit or (loss)			
Fair value changes on derivative designated as cash flow hedge reserve, net		(198)	109
Income tax effect		50	(28)
Total other comprehensive income/(loss) for the year, (net of tax)		(1,266)	59
Total comprehensive income for the year (Comprising profit and other comprehensive income/(loss) for the year)		17,847	15,367
Basic and diluted earnings per share (in ₹)			
(Equity shares of face value of ₹ 2 each)			
(i) Earnings per share from continuing operations	48	53.67	35.09
(ii) Earnings per share from discontinued operations	48	-	7.89
(iii) Earnings per share from total operations	48	53.67	42.98

Significant accounting policies 1 & 2

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

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

Farhad Bamji

Partner

Membership No: 105234

Shyamak R. Tata

Director and Chairman
of Audit Committee
DIN: 07297729

Ketan Thaker

Company Secretary
ACS No:16250

Mumbai

Date: 28 November 2023

Mumbai

Date: 28 November 2023

Cash Flow Statement

for the year ended 30 September 2023

(Currency: Indian rupees millions)

	Notes	Sept 2023	Sept 2022
<u>Cash flow from operating activities</u>			
Profit before tax from continuing operations		25,451	16,802
Profit before tax from discontinued operations		-	3,700
Adjustments for:			
Finance costs	37 & 56	203	333
Bad debts	38 & 56	106	53
Provision for doubtful debts / advances, net	38	368	573
Depreciation and amortisation expense	3, 4, 5, 6, 44 & 56	2,235	2,096
(Profit) / loss on sale of assets, net	34	(275)	(232)
Profit on sale of Large Drives Applications (LDA) business	56	-	(3,559)
Liabilities written back	33	(124)	(50)
Holdback purchase consideration for investment in subsidiary written back (C&S Electric Ltd.)		(141)	-
Unrealised exchange loss / (gain), net		909	11
Interest income	34	(4,254)	(2,316)
Dividend received from subsidiaries	34	(782)	(264)
Operating profit before working capital changes		23,696	17,147
Working capital adjustments			
(Increase) / decrease in inventories		(3,319)	(3,803)
(Increase) / decrease in trade and other receivables		(6,552)	(7,848)
Increase / (decrease) in trade payables and other liabilities		4,000	8,913
Increase / (decrease) in provisions		1,444	(196)
Net change in working capital		(4,427)	(2,934)
Cash generated from operations		19,269	14,213
Direct taxes paid, net		(7,475)	(4,929)
Net cash generated from operating activities		11,794	9,284
<u>Cash flow from investing activities</u>			
Purchase of property, plant and equipments		(1,788)	(1,256)
Proceeds from sale of property, plant and equipments and assets held for sale		469	247
Proceeds from sale of LDA business	56	-	4,400
Advance received for assets classified as held for sale		881	-
Investment in associate (Sunsole Renewables Pvt. Ltd.)	57	-	(14)
Acquisition of Electric Vehicle division of Mass-Tech Controls Pvt. Ltd.	55	(374)	-
Dividend received from subsidiaries		782	264
Payment of holdback purchase consideration (C&S Electric Ltd.)		(1,785)	-
Interest received		3,978	2,140
Inter corporate deposits given		(5,490)	(9,450)
Refund of inter corporate deposits given		5,360	10,470
Deposits (with original maturity of more than 3 months) with banks matured / (placed)		(8,621)	(6,627)
Net cash generated from / (used) in investing activities		(6,588)	174

	Notes	Sept 2023	Sept 2022
<u>Cash flow from financing activities</u>			
Interest paid		(43)	(239)
Payment of principal of lease liabilities		(672)	(599)
Payment of interest of lease liabilities		(126)	(115)
Dividend paid (including tax thereon)		(3,561)	(2,849)
Repayment from short-term borrowings		-	(25)
Net cash used in financing activities		(4,402)	(3,827)
Net increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		9,024	3,372
Effect of exchange gain / (loss) on cash and cash equivalents		(2)	21
Cash and cash equivalents at the end of the year	15	9,826	9,024
Cash and cash equivalents at the end of the year includes:			
Balances with banks		9,571	9,004
Cheques / drafts on hand		254	19
Cash on hand		1	1
		9,826	9,024

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.

The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 - Statement of Cash Flows.

Significant accounting policies

1 & 2

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

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

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Director and Chairman
of Audit Committee
DIN: 07297729

Ketan Thaker

Company Secretary
ACS No:16250

Mumbai

Date: 28 November 2023

Mumbai

Date: 28 November 2023

Statement of Changes in Equity as at 30 September 2023 (Currency: Indian rupees millions)

A Equity share capital

Particulars	Balance at the beginning of the current reporting period	Changes due to prior period errors	Restated balance at the beginning of the current reporting period	Changes during the current year	Balance at the end of the current reporting period
As at 30 September 2023	712	-	712	-	712
As at 30 September 2022	712	-	712	-	712

B Other equity

Current reporting period FY 2023

Particulars	Reserves & Surplus						Other comprehensive income	Total
	Capital reserve	Securities premium	Amalgamation reserve	Capital redemption reserve	General reserve	Retained earnings	Cash flow hedge reserve	
Balance as at 30 September 2022	538	1,567	56	*	31,503	81,489	81	115,247 **
Profit for the year	-	-	-	-	-	19,113	-	19,113
Other comprehensive income (net of tax)#	-	-	-	-	-	(1,118)	(148)	(1,266)
Total comprehensive income for the year	-	-	-	-	-	17,995	(148)	17,847
Dividend paid	-	-	-	-	-	(3,561)	-	(3,561)
Balance as at 30 September 2023	538	1,567	56	*	31,503	95,923	(67)	129,533 **

Previous reporting period FY 2022

Particulars	Reserves & Surplus						Other comprehensive income	Total
	Capital reserve	Securities premium	Amalgamation reserve	Capital redemption reserve	General reserve	Retained earnings	Cash flow hedge reserve	
Balance as at 30 September 2021	538	1,567	56	*	31,503	69,052	(4)	102,725 **
Profit for the year	-	-	-	-	-	15,308	4	15,312
Other comprehensive income (net of tax)#	-	-	-	-	-	(22)	81	59
Total comprehensive income for the year	-	-	-	-	-	15,286	85	15,371
Dividend paid	-	-	-	-	-	(2,849)	-	(2,849)
Balance as at 30 September 2022	538	1,567	56	*	31,503	81,489	81	115,247 **

* denotes figures less than a million

** Transferred to exchange loss / (gains) in Statement of Profit & Loss

The amount in Retained earnings includes Re-measurement gains / (losses) on defined benefit plans.

Significant accounting policies

1 & 2

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

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

Deepak S.Parekh

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Director and Chairman

of Audit Committee

DIN: 07297729

Ketan Thaker

Company Secretary

ACS No:16250

Mumbai

Date: 28 November 2023

Mumbai

Date: 28 November 2023

Notes to the Financial Statements for the year ended 30 September 2023 (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 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.

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

The financial statements were authorised for issue in accordance with a resolution of Board of directors on 28 November 2023.

1.2 Current versus non-current classification

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

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

1.3 Property, plant and equipment

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

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

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

1.3 Property, plant and equipment (*Continued*)

Assets	Estimated useful lives
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 equipments	
- Computers	3 years
- Hardware, mainframes and servers	5 years
- Other office equipments	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.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

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	-
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 is stated exclusive of Goods and services tax and net of trade and quantity discount.

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

When the outcome of a project contract can be estimated reliably, revenue from project contracts are recognised 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 project contract is recognised 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 recognised 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 and finished goods is determined with reference to the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale of related finished goods. Raw materials held for the production of finished goods are not written down below cost except in case where material prices have declined and it is estimated that the cost of the finished product will exceed its net realisable value.

1.8 Leases

The 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:

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

1.8 Leases (*Continued*)

- (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.

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 recognised immediately in the Statement of Profit and Loss.

1.9 Employee benefits

(a) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and short-term compensated absences, etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service.

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

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

(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.

1.9 Employee benefits (Continued)

(ii) Defined Benefit Plans and other Long Term Benefits (Continued)

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 recognised 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 and provident fund trust is expected to be made within next 12 months. Accordingly, the provision for gratuity and provident fund is classified as current.

1.10 Share-based payments

Share-based payment consists of share awards of the Ultimate 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.

1.11 Financial instruments

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

Financial assets

Initial recognition and measurement

On initial recognition, financial assets are recognised at fair value except trade receivables which are recognized at transaction price as they do not contain a significant financing component. 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

(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.

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

1.11 Financial instruments (*Continued*)

(a) Financial assets at amortised cost (*Continued*)

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 and associate 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.

1.11 Financial instruments (Continued)

Impairment of financial assets (Continued)

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

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

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

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

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

1.12 Foreign currency transactions

The Company is exposed to currency fluctuations on foreign currency transactions. Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions.

Exchange differences arising on foreign exchange transactions settled during the year are recognised 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 recognised 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.

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.

1.13 Fair value measurement

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

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

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

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

1.13 Fair value measurement (Continued)

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

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

1.14 Taxation

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

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.

1.15 Earnings per share

Basic earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

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

1.16 Provisions and contingencies

Provisions are recognised 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 recognised 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 recognised in the financial statements.

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

1.17 Cash and Cash equivalents

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

1.18 Government grants and subsidies

Grants and subsidies from the government are recognised 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 recognised 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.

1.19 Non-current assets held for sale and discontinued operations

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met:

- (a) decision has been made to sell,
- (b) the assets are available for immediate sale in its present condition,
- (c) the assets are being actively marketed and
- (d) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell.

Non-current assets held for sale are not depreciated or amortised.

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.

1.20 Business Combinations and Goodwill

Business combinations are accounted using acquisition method. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities assumed at their acquisition date i.e. the date on which control is acquired. Contingent consideration to be transferred is recognised at fair value and included as part of cost of acquisition. Transaction related costs are expensed in the period in which the costs are incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their acquisition date fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements, lease liabilities under Ind AS 116 and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind-AS.

The excess/deficit of the sum of the consideration transferred to the acquired entity over fair value of the net identifiable assets acquired is recognised as goodwill/capital reserve.

Where it is not possible to complete the determination of fair values by the end of the reporting period in which the combination occurs, a provisional assessment of fair values is made and any adjustments required to those provisional values, and the corresponding adjustments to goodwill, are finalised within 12 months of the acquisition date.

Measurement period adjustments are adjustments that arise from additional information during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as the measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognized in profit or loss.

Goodwill is measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is tested for impairment annually on 30 September and measured at cost less any accumulated impairment losses if any.

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 Leases

The Company uses estimates and judgements in identification of leases, identification of non-lease component of lease, lease term assessment considering termination and renewal option and the discounting rate used.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.5 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 recognised 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 2023 (Currency: Indian rupees millions)

2.6 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 47 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.

2.7 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.

2.8 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.

Standard issued that are not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable to the Company for the financial year starting 1 October 2023 as below:

(i) Ind AS 1 – Presentation of Financial Statements

The amendments specify that companies are now required to disclose material accounting policies rather than their significant accounting policies. The Company does not expect the amendment to have any significant impact in its financial statements.

(ii) Ind AS 8 – Accounting policies, Changes in Accounting Estimates and Errors

The amendments specify that definition of "change in accounting estimates" is substituted with the definition of "accounting estimates". Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. The Company does not expect the amendment to have any significant impact in its financial statements.

(iii) Ind AS 12 – Income Taxes

The amendments specify that companies are now required to recognize deferred tax liability for all temporary differences arising from initial recognition of an asset or liability in a transaction that give rise to equal taxable and deductible temporary differences. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the Financial Statements as at 30 September 2023 (Currency: Indian rupees millions)

3 Property, plant and equipment

	Freehold Land	Buildings (Refer note i & ii)	Plant and equipment (Refer note ii)	Furniture and fixtures (Refer note ii)	Office equipments (Refer note ii)	Vehicles	Total
Gross carrying value							
As at 1 October 2021	372	4,484	12,011	310	1,280	1	18,458
Additions	-	3	1,133	11	93	-	1,240
Deductions / adjustments	-	(40)	(208)	(19)	(64)	-	(331)
Transferred due to sale of Large Drives Applications (LDA) business (refer note 56)	-	-	(165)	(1)	(2)	*	(168)
As at 30 September 2022	372	4,447	12,772	301	1,307	*	19,199
Accumulated depreciation							
As at 1 October 2021	-	1,203	7,690	259	836	*	9,988
Charge for the year	-	230	1,123	29	158	*	1,540
Charge for the period - discontinued operations (refer note 56)	-	-	21	*	*	*	21
Deductions / adjustments	-	(39)	(198)	(18)	(61)	*	(316)
Transferred due to sale of Large Drives Applications (LDA) business (refer note 56)	-	-	(150)	(1)	(1)	*	(152)
As at 30 September 2022	-	1,394	8,486	269	932	*	11,081
Net carrying value							
As at 30 September 2022	372	3,053	4,285	32	375	*	8,118

* denotes figures less than a million

Notes to the Financial Statements as at 30 September 2023 (Currency: Indian rupees millions)

3 Property, plant and equipment (Continued)

	Freehold Land	Buildings (Refer note i & ii)	Plant and equipment (Refer note ii)	Furniture and fixtures (Refer note ii)	Office equipments (Refer note ii)	Vehicles	Total
Gross carrying value							
As at 1 October 2022	372	4,447	12,772	301	1,307	*	19,199
Additions	-	57	1,338	80	136	-	1,611
Acquisition of business (refer note 55)	-	*	5	*	*	-	5
Deductions / adjustments	-	*	(531)	(9)	(152)	-	(692)
Transferred to investment property/ assets held for sale	-	(162)	(249)	(70)	(32)	-	(513)
As at 30 September 2023	372	4,342	13,335	302	1,259	*	19,610
Accumulated depreciation							
As at 1 October 2022	-	1,394	8,486	269	932	*	11,081
Charge for the year	-	228	1,102	29	167	*	1,526
Deductions / adjustments	-	*	(529)	(9)	(150)	-	(688)
Transferred to investment property/ assets held for sale	-	(43)	(107)	(69)	(32)	-	(251)
As at 30 September 2023	-	1,579	8,952	220	917	*	11,668
Net carrying value							
As at 30 September 2023	372	2,763	4,383	82	342	*	7,942

Notes:

i) Buildings includes gross block of ₹ 10 (2022: ₹ 10) representing 10 shares of ₹ 50 each and 10 shares of ₹ 100 each (2022: 10 shares of ₹ 50 each and 10 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 2022	227	208	1	60
Written Down Value as at 30 September 2022	143	114	*	10
Depreciation charge for the year	17	21	*	8
Gross carrying value as at 30 September 2023	147	70	20	6
Written Down Value as at 30 September 2023	68	27	8	2
Depreciation charge for the year	15	8	2	1

* denotes figures less than a million

4 Capital work-in-progress

Particulars	Amount
As at 1 October 2021	304
Additions	1,291
Capitalisation	(1,208)
(Impairment) / reversal	106
As at 30 September 2022	493
As at 1 October 2022	493
Additions	1,557
Capitalisation	(1,570)
(Impairment) / reversal	(4)
As at 30 September 2023	476

Capital work in progress (CWIP) Ageing Schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 30 September 2023					
Projects in progress	470	6	-	-	476
Projects temporarily suspended	-	-	-	-	-
Total	470	6	-	-	476
As at 30 September 2022					
Projects in progress	462	22	9	-	493
Projects temporarily suspended	-	-	-	-	-
Total	462	22	9	-	493

There are ₹ Nil (2022: ₹ Nil) projects which are overdue or has exceeded its cost compared to its original plan.

5 Investment Property

	Land and Buildings	Total
Gross carrying value		
As at 1 October 2021	1,116	1,116
Additions	-	-
Deductions / adjustments	(11)	(11)
Transferred to assets held for sale	(266)	(266)
As at 30 September 2022	839	839
Accumulated depreciation		
As at 1 October 2021	144	144
Charge for the year	24	24
Deductions / adjustments	(7)	(7)
Transferred to assets held for sale	(75)	(75)
As at 30 September 2022	86	86
Net carrying value		
As at 30 September 2022	753	753

Notes to the Financial Statements (*Continued*) as at 30 September 2023 (Currency: Indian rupees millions)

5 Investment Property (*Continued*)

	Land and Buildings	Total
Gross carrying value		
As at 1 October 2022	839	839
Additions	-	-
Transferred from Property, plant and equipment	4	4
Deductions / adjustments	-	-
Transferred to assets held for sale	(109)	(109)
As at 30 September 2023	734	734
Accumulated depreciation		
As at 1 October 2022	86	86
Charge for the year	18	18
Transferred from Property, plant and equipment	3	3
Deductions / adjustments	-	-
Transferred to assets held for sale	(27)	(27)
As at 30 September 2023	80	80
Net carrying value		
As at 30 September 2023	654	654

Notes:

i) Information regarding income and expenditure on investment properties

	Sept 2023	Sept 2022
Rental income derived from investment properties	12	31
Direct operating expenses (including repairs and maintenance) generating rental income	(2)	(20)
Profit/(loss) arising from investment properties before depreciation and indirect expenses	10	11
Less: Depreciation	(8)	(14)
Profit /(loss) arising from investment properties before indirect expenses	2	(3)
Operating expenses (including depreciation) arising from investment properties not generating rental income	(21)	(51)

ii) Fair value disclosure

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

Particulars	Valuation technique	Fair Value	
		Sept 2023	Sept 2022
Land and building	Stamp duty reckoner rate / Valuation Report	2,004	2,818

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 properties has been determined with the help of Independent valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

For fair value measurement hierarchy, refer note 53B.

6 Other Intangible assets

	Intangible Assets		
	Technical know-how	Software	Total
Gross carrying value			
As at 1 October 2021	43	30	73
Additions	-	4	4
Deductions / adjustments	-	(8)	(8)
As at 30 September 2022	43	26	69
Accumulated depreciation			
As at 1 October 2021	43	26	69
Charge for the year	-	1	1
Deductions / adjustments	-	(8)	(8)
As at 30 September 2022	43	19	62
Net carrying value			
As at 30 September 2022	*	7	7

	Intangible Assets		
	Technical know-how	Software	Total
Gross carrying value			
As at 1 October 2022	43	26	69
Additions	-	4	4
Acquisition of business (refer note 55)	*	-	*
Deductions / adjustments	-	*	*
As at 30 September 2023	43	30	73
Accumulated depreciation			
As at 1 October 2022	43	19	62
Charge for the year	*	1	1
Deductions / adjustments	-	*	*
As at 30 September 2023	43	20	63
Net carrying value			
As at 30 September 2023	*	10	10

* denotes figures less than a million

Notes to the Financial Statements (Continued)

as at 30 September 2023

(Currency: Indian rupees millions)

	Sept 2023	Sept 2022
7 Investments - Non - current		
Investment in Subsidiary Company (unquoted) (investment valued at cost unless otherwise stated)		
64,898 (2022 : 64,898) Equity Shares of ₹ 10 each fully paid-up in Siemens Rail Automation Pvt. Ltd.	550	550
43,924,114 (2022: 43,924,114) Equity Shares of ₹ 10 each fully paid-up in C&S Electric Ltd.	21,637	21,637
Investment in Associate (unquoted) (investment valued at cost unless otherwise stated)		
176,300 (2022: 176,300) Equity Shares of ₹ 10 each fully paid up in Sunsole Renewables Pvt. Ltd. (refer note 57)	14	14
Aggregate amount of unquoted investments	<u>22,201</u>	<u>22,201</u>
8 Trade receivables - Non - current (unsecured)		
Long-term trade receivables (considered good)	958	1,251
Impairment allowance	(17)	(8)
	<u>941</u>	<u>1,243</u>

Trade receivables ageing schedule

As at 30 September 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables (considered good)	958	-	-	-	-	-	958

As at 30 September 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables (considered good)	1,251	-	-	-	-	-	1,251

9 Loans - Non - current (considered good)		
Loan to employees - unsecured	1	2
Loan to related parties - secured (refer note 46 and below)	2,070	3,830
	<u>2,071</u>	<u>3,832</u>

Loans to related parties are given for the purpose of meeting the working capital requirements and for general corporate purposes.

The above loans to related parties are provided to fellow subsidiaries.

	Sept 2023	Sept 2022
10 Other financial assets - Non - current		
i) Financial assets at amortised cost		
Security deposits	424	336
ii) Financial assets at fair value through Profit or Loss		
Derivative contracts	82	270
	<u>506</u>	<u>606</u>
11 Income tax disclosure		
(a) Income tax expense		
Current tax:		
Current Income tax charge from continuing operations	6,615	4,556
Current Income tax charge from discontinued operations	-	848
Adjustments in respect of prior years	68	54
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(345)	(327)
Deferred Income Tax on discontinued operations	-	(7)
Deferred tax assets not recoverable	-	70
Total tax expense recognised in Statement of Profit and Loss	<u>6,338</u>	<u>5,194</u>
(b) Income Tax on Other Comprehensive Income		
Remeasurements of defined benefit plans	(376)	(8)
Fair value changes on derivative designated as cash flow hedge reserve	(50)	28
Total tax expense recognised in Other Comprehensive Income	<u>(426)</u>	<u>20</u>
(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 30 September 2023 and 30 September 2022		
Profit before tax from continuing operations	25,451	16,802
Profit before tax from discontinued operations	-	3,700
Other Comprehensive items	(1,692)	79
Total	<u>23,759</u>	<u>20,581</u>
Tax at statutory average income tax rate of 25.17% (2022 : 25.17%) (A)	5,980	5,180
Tax effect of expenses that are not deductible for tax purposes	81	-
Tax effect of dividend paid claimed as deduction	(197)	2
Tax effect of Capital gain & tax paid at lower rate	47	(91)
Adjustments in respect of prior years	1	53
Deferred tax assets not recoverable	-	70
Total (B)	<u>(68)</u>	<u>34</u>
At the effective income tax rate of 24.88% (2022: 25.33%) (A+B)	<u>5,912</u>	<u>5,214</u>
Income tax reported in Statement of Profit and Loss from continuing operations	6,338	4,305
Income tax attributable to discontinued operations	-	889
Income tax expense of Other Comprehensive Income	(426)	20
Total	<u>5,912</u>	<u>5,214</u>

Notes to the Financial Statements (*Continued*) as at 30 September 2023 (Currency: Indian rupees millions)

11 Income tax disclosure (*Continued*)

(d) Movement of Deferred tax

	Balance Sheet		Profit & Loss	
	Sept 2023	Sept 2022	Sept 2023	Sept 2022
Deferred tax assets				
Arising on account of temporary differences in :				
Provision for doubtful debts and advances	531	481	50	(26)
Provision for loss allowance	406	288	118	88
Provisions made disallowed and allowed only on payment basis	394	517	(123)	(394)
Provision for inventory allowance	885	749	136	112
Other temporary differences	680	606	74	419
Less - Deferred tax liability				
Arising on account of temporary differences in :				
Accelerated Depreciation for tax purposes	(266)	(357)	90	64
Deferred tax assets (net)	2,630	2,284	345	263
Deferred tax recognised directly in Other Comprehensive Income	196	108	89	70
Total Deferred tax as shown in Balance sheet and Profit and Loss	2,826	2,392	434	333

(e) Reconciliation of deferred tax assets, net

	Sept 2023	Sept 2022
Opening balance	2,392	2,059
Tax income/(expense) during the year recognised in Profit or Loss from continuing operations	345	305
Tax income/(expense) during the year recognised in Profit or Loss from discontinued operations	-	(42)
Tax income/(expense) during the year recognised in Other Comprehensive Income	89	70
Deferred tax assets (net)	2,826	2,392

(f) Income tax assets (net)

Advance payments of income tax [net of provision for tax ₹ 63,269 (2022: ₹ 60,122) including payments made under protest of ₹ 6,570 (2022: ₹ 6,564)]	7,635	6,830
	<u>7,635</u>	<u>6,830</u>

12 Other non-current assets

Capital advances	105	127
Balances with statutory / government authorities [includes payments made under protest of ₹ 1,432 (2022: ₹ 1,480)]	2,519	2,718
	<u>2,624</u>	<u>2,845</u>

	Sept 2023	Sept 2022
13 Inventories (valued at lower of cost and net realisable value)		
Raw materials [includes Goods in Transit ₹ 614 (2022 : ₹ 712)]	7,002	6,594
Work-in-progress	6,572	4,726
Finished goods	3,668	3,250
Traded goods [includes Goods in Transit ₹ 1,015 (2022 : ₹ 1,079)]	5,369	4,668
	<u>22,611</u>	<u>19,238</u>

Amount of write down of inventories to net realisable value and other provisions recognised in the Statement of Profit and Loss as an expense is ₹ 547 (2022 : ₹ 353)

14 Trade receivables - Current (unsecured)		
Trade receivables	40,727	32,226
Receivables from related parties (refer note 46)	4,817	4,791
	<u>45,544</u>	<u>37,017</u>
Of which		
- considered good	44,549	36,381
- which have significant increase in credit risk	134	39
- credit impaired	861	597
	<u>45,544</u>	<u>37,017</u>
Impairment allowance	(1,699)	(1,555)
	<u>43,845</u>	<u>35,462</u>

Trade receivables ageing schedule

As at 30 September 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables (considered good)	39,781	2,664	977	759	161	185	44,527
Undisputed Trade Receivables (which have significant increase in credit risk)	11	104	2	10	7	*	134
Undisputed Trade Receivables (credit impaired)	262	71	41	134	51	122	681
Disputed Trade Receivables (considered good)	-	-	-	-	-	22	22
Disputed Trade Receivables (credit impaired)	-	-	-	-	-	180	180
Total	<u>40,054</u>	<u>2,839</u>	<u>1,020</u>	<u>903</u>	<u>219</u>	<u>509</u>	<u>45,544</u>

* denotes figures less than a million

Notes to the Financial Statements (*Continued*) as at 30 September 2023 (Currency: Indian rupees millions)

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

As at 30 September 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables (considered good)	31,560	1,919	1,405	1,021	134	233	36,272
Undisputed Trade Receivables (which have significant increase in credit risk)	11	20	*	3	1	4	39
Undisputed Trade Receivables (credit impaired)	128	29	27	71	79	170	504
Disputed Trade Receivables (considered good)	-	-	-	-	-	109	109
Disputed Trade Receivables (credit impaired)	-	-	-	-	-	93	93
Total	31,699	1,968	1,432	1,095	214	609	37,017

* denotes figures less than a million

- 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 credit risk disclosures, refer note 54B.
- iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days of credit period.

	Sept 2023	Sept 2022
15 Cash and cash equivalents		
Balances with banks		
- On current accounts	1,367	1,384
- Bank deposits with original maturity of less than 3 months	8,204	7,620
Cheques / drafts on hand	254	19
Cash on hand	1	1
	<u>9,826</u>	<u>9,024</u>
16 Bank balances other than cash and cash equivalents		
Bank deposits with original maturity of less than 12 months	62,279	53,658
Unpaid dividend account (refer note below)	74	81
	<u>62,353</u>	<u>53,739</u>

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

	Sept 2023	Sept 2022
17 Loans - Current (considered good)		
Inter corporate deposits to related parties - secured (refer note 46 and below)	5,120	3,230
Loan to employees - unsecured	93	50
	<u>5,213</u>	<u>3,280</u>
<p>Inter corporate deposit to related parties are given for the purpose of meeting the working capital requirements. The above inter corporate deposits to related parties are given to fellow subsidiaries.</p>		
18 Other financial assets - Current		
i) Financial assets at amortised cost		
Security deposits		
- considered good	194	306
- considered doubtful	24	30
	<u>218</u>	<u>336</u>
Impairment allowance	<u>(24)</u>	<u>(30)</u>
	194	306
Interest accrued on inter corporate deposits	56	45
Interest accrued on bank deposits	736	470
Export incentive / Government grant	128	239
Others	490	657
ii) Financial assets at fair value through Profit or Loss		
Derivative contracts	420	497
iii) Financial assets at fair value through Other Comprehensive Income		
Derivative contracts	91	414
	<u>2,115</u>	<u>2,628</u>
19 Contract assets		
- considered good	17,300	17,389
Impairment allowance	(264)	(196)
	<u>17,036</u>	<u>17,193</u>
20 Other current assets		
Advance to suppliers	1,454	1,440
Prepaid expenses	101	111
Balances with statutory / government authorities, net	435	1,936
Others	182	201
	<u>2,172</u>	<u>3,688</u>

Notes to the Financial Statements (Continued)

as at 30 September 2023

(Currency: Indian rupees millions)

21	Share capital	Sept 2023	Sept 2022
	Authorised		
	1,000,000,000 Equity shares of ₹ 2 each (2022: 1,000,000,000 Equity shares of ₹ 2 each)	<u>2,000</u>	<u>2,000</u>
		<u>2,000</u>	<u>2,000</u>
	Issued		
	356,983,950 Equity shares of ₹ 2 each (2022: 356,983,950 Equity shares of ₹ 2 each)	<u>714</u>	<u>714</u>
	Subscribed and fully paid-up		
	356,120,255 Equity shares of ₹ 2 each fully paid-up (2022: 356,120,255 Equity shares of ₹ 2 each fully paid-up)	<u>712</u>	<u>712</u>
		<u>712</u>	<u>712</u>

a) Shares held by Subsidiary and Associates of Ultimate Holding Company:

169,882,943 (2022: 169,882,943) Equity shares of ₹ 2 each, fully paid-up, are held by Siemens International Holding B.V., Subsidiary of Ultimate Holding Company.

85,468,862 (2022: 85,468,862) Equity shares of ₹ 2 each, fully paid-up, are held by Siemens Energy Holding B.V. (formerly known as Siemens Gas and Power Holding B.V.), Associate of Ultimate Holding Company.

11,738,108 (2022: 11,738,108) Equity shares of ₹ 2 each, fully paid-up, are held by Siemens Metals Technologies Vermögensverwaltungs GmbH, Subsidiary of Ultimate Holding Company.

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

Particulars	2023		2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	356,120,255	712	356,120,255	712
Shares issued / subscribed during the year	-	-	-	-
Shares outstanding at the end of the year	356,120,255	712	356,120,255	712

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

Name of shareholder	2023		2022	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Siemens International Holding B.V.	169,882,943	47.70%	169,882,943	47.70%
Siemens Energy Holding B.V. (formerly known as Siemens Gas and Power Holding B.V.)	85,468,862	24.00%	85,468,862	24.00%

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.

21 Share capital (Continued)

d) Details of shares held by promoters:

Promoter Name	No. of shares at the beginning of the year	No. of shares at the end of the year	% of Total Shares	% of change during the year
Siemens International Holding B.V.	169,882,943	169,882,943	47.70	-
Siemens Energy Holding B.V. (formerly known as Siemens Gas and Power Holding B.V.)	85,468,862	85,468,862	24.00	-
Siemens Metals Technologies Vermögensverwaltungs GmbH	11,738,108	11,738,108	3.30	-

e) Terms / rights attached to equity shares

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

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

22 Other equity

Nature and purpose of reserve

- Capital reserve was created on account of merger of group companies in earlier years.
- Amalgamation reserve pertains to amalgamation of Siemens VDO Automotive Ltd. in 2006.
- Capital redemption reserve pertains to entity accounted as business combination under common control.
- Securities premium account represents the surplus of proceeds received over the face value of shares, at the time of issue of shares.
- General reserve was 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.
- Cash flow hedge reserve represents mark-to-market valuation of effective hedges as required by Ind AS 109.
- 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.

23 Dividend distribution made and proposed	Sept 2023	Sept 2022
Cash dividend on equity shares declared and paid:		
Final dividend for the year ended 2022: ₹ 10 per share (2021: ₹ 8 per share)	3,561	2,849
	<u>3,561</u>	<u>2,849</u>
Proposed dividend on equity shares:		
Final cash dividend for the year ended 2023: ₹ 10 per share (2022: ₹ 10 per share)	3,561	3,561
	<u>3,561</u>	<u>3,561</u>
24 Trade payables - Non - current		
Total outstanding dues of creditors other than micro enterprises and small enterprises	12	27
	<u>12</u>	<u>27</u>

Notes to the Financial Statements (*Continued*)

as at 30 September 2023

(Currency: Indian rupees millions)

24 Trade payables - Non-Current (*Continued*)

Trade payable ageing schedule

As at September 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - other than micro enterprises and small enterprises	12	-	-	-	-	12

As at September 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - other than micro enterprises and small enterprises	27	-	-	-	-	27

25 Other financial liabilities - Non - current

Sept 2023 Sept 2022

i) Financial liabilities at fair value through Profit or Loss

Derivative contracts	211	208
Liabilities related to share based payments (refer note 50)	676	486
	<u>887</u>	<u>694</u>

26 Long-term provisions

a) Provision for employee benefits

- Pension (refer note 47)	190	223
- Leave wages	728	847
- Medical benefits (refer note 47)	2,570	1,405
- Silver jubilee and star awards	360	329
- Retirement gift (refer note 47)	105	89
- Retention Bonus	2	-
	<u>3,955</u>	<u>2,893</u>

b) Others

- Other matters (refer note 42)	26	25
	<u>3,981</u>	<u>2,918</u>

27 Trade payable - Current

Total outstanding dues of micro enterprises and small enterprises (refer note 49)	2,837	2,680
Total outstanding dues of creditors other than micro enterprises and small enterprises	37,471	36,050
	<u>40,308</u>	<u>38,730</u>

27 Trade payable - Current (Continued)

Trade payable ageing schedule

As at September 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - micro enterprises and small enterprises	-	2,454	246	68	27	42	2,837
(ii) Undisputed dues - other than micro enterprises and small enterprises	15,618	15,566	5,777	351	113	46	37,471
Total	15,618	18,020	6,023	419	140	88	40,308

As at September 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - micro enterprises and small enterprises	-	2,212	301	49	31	87	2,680
(ii) Undisputed dues - other than micro enterprises and small enterprises	15,184	12,143	8,484	173	22	44	36,050
Total	15,184	14,355	8,785	222	53	131	38,730

Sept 2023 Sept 2022

28 Other financial liabilities - Current

i) Financial liabilities at amortised cost

Security deposits	160	200
Holdback consideration (refer note 55)	5	2,000
Unclaimed dividend	74	81
Liability for capital goods	34	216
Others (employee related liabilities and others)	4,127	3,392

ii) Financial liabilities at fair value through Profit or Loss

Derivative contracts	500	1,086
Liabilities related to share based payments (refer note 50)	412	234

iii) Financial liabilities at fair value through Other Comprehensive Income

Derivative contracts	216	273
	<u>5,528</u>	<u>7,482</u>

29 Contract liabilities

Advances from customers	11,623	10,101
Billing in excess / advance billings	6,302	5,868
	<u>17,925</u>	<u>15,969</u>

Notes to the Financial Statements (*Continued*) as at 30 September 2023 (Currency: Indian rupees millions)

	Sept 2023	Sept 2022
30 Other current liabilities		
Accrued salaries and benefits	298	222
Interest accrued and due	139	105
Other liabilities		
- Withholding taxes and other statutory dues	371	300
- Others	774	512
	<u>1,582</u>	<u>1,139</u>
31 Short-term provisions		
a) Provision for employee benefits		
- Pension (refer note 47)	31	35
- Leave wages	55	86
- Medical benefits (refer note 47)	76	57
- Gratuity (refer note 47)	283	109
- Silver jubilee and star awards	37	26
- Retention Bonus	2	4
- Retirement gift (refer note 47)	5	4
- Provident Fund (refer note 47)	321	54
	<u>810</u>	<u>375</u>
b) Others		
- Warranty (refer note 42)	5,052	4,374
- Loss order (refer note 42)	1,614	1,142
- Liquidated damages (refer note 42)	1,107	1,080
- Other matters (refer note 42)	2,581	2,316
	<u>10,354</u>	<u>8,912</u>
	<u>11,164</u>	<u>9,287</u>
32 Current Tax liabilities		
Provision for tax [net of advance tax ₹ 17,543 (2022: ₹ 14,094)]	<u>1,000</u>	<u>1,324</u>

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

	Sept 2023	Sept 2022
33 Revenue from operations (gross)		
<i>Revenue from contracts with customers</i>		
Sale of products	99,915	80,843
Revenue from projects	55,032	45,250
Sale of services	21,998	19,711
Commission income	62	77
	<u>177,007</u>	<u>145,881</u>
<i>Other operating revenue</i>		
Export incentives	466	370
Recoveries from group companies	1,400	1,232
Rental income	310	342
Liabilities written back	124	50
Others	344	440
	<u>2,644</u>	<u>2,434</u>
	<u>179,651</u>	<u>148,315</u>
34 Other income		
Interest income	4,254	2,316
Profit on sale of assets, net	275	232
Dividend from subsidiaries	782	264
Others	176	349
	<u>5,487</u>	<u>3,161</u>
35 Project bought outs and other direct costs		
Spares and stores consumed	326	327
Project bought outs	28,483	23,173
Other direct costs	7,462	5,183
	<u>36,271</u>	<u>28,683</u>
36 Employee benefits expense		
Salaries, wages and bonus, net	15,635	14,549
Contribution to provident and other funds	1,294	1,221
Share based payments to employees (refer note 50)	635	91
Staff welfare expenses	967	721
	<u>18,531</u>	<u>16,582</u>
37 Finance costs		
Interest - Others	77	218
Interest on lease liabilities	126	115
	<u>203</u>	<u>333</u>

Notes to the Financial Statements (Continued)

for the year ended 30 September 2023

(Currency: Indian rupees millions)

	Sept 2023	Sept 2022
38 Other expenses		
Exchange loss / (gains), net **	(207)	1,307
Travel and conveyance	1,514	1,082
Software license fees and other information technology related costs	2,595	1,854
Rates and taxes	329	352
Communications	273	266
Packing and forwarding	2,120	1,982
Power and fuel	451	394
Insurance	489	448
Rent	384	250
Repairs		
- on building	857	1,192
- on machinery	361	339
- others	210	196
Legal and professional [includes auditor's remuneration (refer note 41)]	1,596	1,328
Advertising and publicity	524	126
Research and development expenditure	503	172
Guarantee commission / bank charges	372	279
Donation	*	3
Commission to directors	13	11
Directors' fees	5	3
Bad debts [net of reversal of provision for doubtful debts of ₹ 172 (2022: ₹ 99)]	106	53
CSR expenditure (refer note 39)	283	279
Provision for doubtful debts and advances, net	368	573
License fees	1,503	1,185
Commodity derivatives (gains) / loss	(308)	771
Miscellaneous expenses	880	617
	<u>15,221</u>	<u>15,062</u>

**Includes amount transferred from cash flow hedge reserve to exchange (gain) / loss amounting to ₹ 81 (2022: ₹ (4))

39 Corporate Social Responsibility (CSR)

(i) Gross amount required to be spent during the year	283	272
(ii) Amount of expenditure incurred	284	279
(iii) (Shortfall) / excess at the end of the year	*	7
(iv) Total of previous years (shortfall) / excess	-	-
(v) Reason for shortfall	NA	NA
(vi) Amount of CSR expenditure incurred towards related parties	2	-
(vii) The Company does not have any open contractual obligation for which provision is required.		
(viii) Nature of CSR activities include programmes that are designed to create sustainable value to society by focusing on strengthening the skilling ecosystem, upgrading the public healthcare infrastructure, promotion of innovations that sustain the environment and enhance living conditions.		

* denotes figures less than a million

40 Commitments and contingent liabilities

	Sept 2023	Sept 2022
(a) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<u>1,183</u>	<u>605</u>
(b) Contingent liabilities (to the extent not provided for)		
Income tax (excluding interest)	5,612	6,678
Goods and service tax (GST), excise, service tax and sales tax liabilities, under dispute	6,193	6,673
Customs liabilities, under dispute	120	120
Claims against the Company not acknowledged as debts	<u>867</u>	<u>873</u>

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.

41 Auditors' remuneration (for audit services exclusive of GST)

	Sept 2023	Sept 2022
As auditor		
- Audit fees	26	27
- Tax audit fees	6	6
In other capacity		
- Other audit related services	4	4
- Reimbursement of expenses	1	1
	<u>37</u>	<u>38</u>

42 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 (other than income tax), duties and other levies, the outflow of which would depend on the cessation of the respective events.

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

42 Disclosure relating to Provisions (*Continued*)

The movements in the above provisions are summarised below:

	Warranty		Liquidated damages		Loss orders		Other matters	
	Sept 2023	Sept 2022	Sept 2023	Sept 2022	Sept 2023	Sept 2022	Sept 2023	Sept 2022
Balance as at 1 October	4,374	4,328	1,080	1,164	1,142	1,080	2,341	2,596
Provisions :								
- Created	1,818	1,345	792	607	1,533	1,361	966	529
- Utilised	(409)	(263)	(380)	(241)	(877)	(1,152)	(365)	(225)
- Reversed	(731)	(956)	(385)	(421)	(184)	(145)	(335)	(556)
- Transferred due to sale of LDA (refer note 56)	-	(80)	-	(29)	-	(2)	-	(3)
Balance as at 30 September	5,052	4,374	1,107	1,080	1,614	1,142	2,607	2,341
- Current	5,052	4,374	1,107	1,080	1,614	1,142	2,581	2,316
- Non-current	-	-	-	-	-	-	26	25

43 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, ₹ 69,578 (2022: ₹ 58,652) is recognised over a period of time and ₹107,429 (2022: ₹ 87,229) is recognised at a point in time.

(ii) Reconciliation between revenue recognised and contract price:

	Sept 2023	Sept 2022
Contract Price	178,065	146,427
Less: Reductions towards variable consideration components *	1,058	546
Revenue	177,007	145,881

* 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:			
2023	455,227	129,359	325,868
2022	171,830	93,919	77,911

(iv) Revenue recognised during the year from opening balance of contract liabilities amounts to ₹ 11,620 (2022: ₹ 9,005).

(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 45(ii))

44 Disclosure pursuant to Indian Accounting Standard - 116 "Leases"

As Lessee

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

	Balance at 1 October 2022	Addition / adjustments during the year	Deletion / adjustments during the year	Depreciation for the year	Transferred to assets held for sale	Balance at 30 September 2023
Land & Building	1,078	520	116	536	27	919
Vehicles	233	230	25	116	-	322
Plant and equipment	50	19	*	33	-	36
Total	1,361	769	141	685	27	1,277

* denotes figures less than a million

Note:

Land and Building includes gross block of ₹ 5 where the lease deed is in the name of iMetrex Technologies Ltd. as lease transfer is pending due to litigation case since 2012.

ii) Maturity analysis of Lease Liabilities:	Sept 2023	Sept 2022
Maturity analysis – contractual undiscounted cash flows		
Less than one year	754	662
One to five years	978	1,136
More than five years	-	-
Total undiscounted Lease liabilities at 30 September	1,732	1,798
Current	754	662
Non - Current	978	1,136
iii) Amounts recognised in Profit or Loss		
Interest expense on lease liabilities	126	115
Expenses relating to short-term leases	89	109
Expenses relating to leases of low-value assets	274	158
Income from sub-lease of properties	139	139
iv) During the year ended 30 September 2023, total cash outflow in respect of leases amounted to ₹ 798 (2022: ₹ 713).		

Notes to the Financial Statements (Continued)

for the year ended 30 September 2023

(Currency: Indian rupees millions)

45 (i) Information about business segments

	Revenue						Results	
	External revenue		Inter segmental revenue		Total			
	2023	2022	2023	2022	2023	2022	2023	2022
Energy	60,365	53,531	438	179	60,803	53,710	6,873	5,648
Smart Infrastructure	54,538	45,563	2,089	2,229	56,627	47,792	6,587	3,918
Mobility	19,832	12,919	-	-	19,832	12,919	533	727
Digital Industries	43,744	35,262	1,032	793	44,776	36,055	6,132	3,600
Others	1,172	1,040	-	-	1,172	1,040	42	81
Eliminations	-	-	(3,559)	(3,201)	(3,559)	(3,201)	-	-
Continuing operations	179,651	148,315	-	-	179,651	148,315	20,167	13,974
Discontinued operations (refer note 56)	-	4,243	-	-	-	4,243	-	149
Total	179,651	152,558	-	-	179,651	152,558	20,167	14,123
Finance costs							203	333
Interest income							4,254	2,316
Other Income							1,233	845
Profit before tax from continuing operation							25,451	16,802
Profit before tax from discontinued operation (refer note 56)							-	141
Gain from Sale of discontinued operations (refer note 56)							-	3,559
Income tax							(6,683)	(5,499)
Deferred tax credit/(expense)							345	305
Profit after tax from continuing operation							19,113	12,497
Profit after tax from discontinued operation (refer note 56)							-	2,811
Total							19,113	15,308

	Assets		Liabilities		Capital Expenditure		Non cash expenditure			
							Depreciation & amortisation / Impairment (refer note 3,4,5,6,44 & 56)		Others	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Energy	43,797	42,957	36,459	33,841	509	423	704	656	241	782
Smart Infrastructure	48,159	45,605	19,515	20,627	587	613	747	751	253	182
Mobility	15,068	11,685	10,316	8,201	200	100	165	129	309	(16)
Digital Industries	13,617	10,072	9,873	8,520	77	129	288	276	76	212
Others	1,839	2,480	1,290	1,688	101	80	331	284	*	4
	122,480	112,799	77,453	72,877	1,474	1,345	2,235	2,096	879	1,164
Unallocable corporate items	92,186	82,134	6,458	6,289	85	50	-	-	-	-
Assets/Liabilities classified as held for sale	371	192	881	-	-	-	-	-	-	-
Discontinued Operation (refer note 56)	-	-	-	-	-	-	-	23	-	12
Total	215,037	195,125	84,792	79,166	1,559	1,395	2,235	2,119	879	1,176

* denotes amounts less than a million

45 (ii) Information about geographical areas

	Revenue based on location of customers		Non current assets	
	2023	2022	2023	2022
Within India	151,982	121,946	20,951	20,407
Outside India	27,669	26,369	-	-
Total	179,651	148,315	20,951	20,407

45 (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 and Chief Financial Officer are the CODM of the Company.
- Inter-segment prices are normally negotiated amongst the segments with reference to the market price. 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.
- Other income and finance costs are not allocated to individual segments as the underlying instruments are managed on a group basis.
- Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to individual segments as they are also managed on a group basis.
- Capital expenditure consists of additions of property, plant and equipment, intangible assets and capital work in progress including assets acquired from the acquisition of businesses.
- Profits / losses on inter-segment transactions are eliminated at the Company level.

(iv) Segment information :

Business Segments: The business of the Company is divided into four 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.
- **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 assets and liabilities which are not allocated to any business segment.

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

46 Related party transactions

46.1 Parties where control exists

Siemens AG, Germany	Ultimate Holding Company
Siemens International Holding B.V., Netherlands	Subsidiary of Ultimate Holding Company

Parties with significant influence

Siemens Energy Holding B.V., Netherlands	Associate of Ultimate Holding Company
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46.2 Subsidiary

Siemens Rail Automation Pvt. Ltd., India	Subsidiary
C&S Electric Ltd., India	Subsidiary

46.3 Associate

Sunsole Renewables Pvt. Ltd.	Associate (w.e.f. 28.02.2022)
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46.4 Other related parties where transactions have taken place during the year

Fellow Subsidiaries	Name	Country
	Siemens Spa	Algeria
	Siemens S.A.	Argentina
	Siemens Ltd.	Australia
	Siemens Mobility Pty Ltd	Australia
	ETM professional control GmbH	Austria
	Siemens Aktiengesellschaft Österreich	Austria
	Siemens Metals Technologies Vermögensverwaltungs GmbH	Austria
	Siemens Mobility Austria GmbH	Austria
	Siemens Mobility Austria GmbH, Plant Rail Systems	Austria
	Siemens W.L.L.	Bahrain
	Siemens Healthcare Ltd.	Bangladesh
	Siemens Industrial Ltd.	Bangladesh
	Siemens S.A./N.V.	Belgium
	Siemens Infraestrutura e Indústria Ltda.	Brazil
	Siemens EOOD	Bulgaria
	Siemens Canada Ltd.	Canada
	Siemens Canada Ltd. - Process Instruments Business Unit	Canada
	Siemens Canada Ltd. - RuggedCom	Canada
	Beijing Siemens Cerberus Electronics Ltd.	China
	Siemens Circuit Protection Systems Ltd., Shanghai	China
	Siemens Electrical Apparatus Ltd., Suzhou	China
	Siemens Electrical Drives (Shanghai) Ltd.	China
	Siemens Electrical Drives Ltd.	China
	Siemens Factory Automation Engineering Ltd.	China

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

Fellow Subsidiaries	Name	Country
	Siemens Finance and Leasing Ltd.	China
	Siemens Industrial Automation Products Ltd., Chengdu	China
	Siemens International Trading Ltd., Shanghai	China
	Siemens Large Drives Equipment (Tianjin) Ltd.	China
	Siemens Ltd., China	China
	Siemens Medium Voltage Switching Technologies (Wuxi) Ltd.	China
	Siemens Mobility Electrification Equipment (Shanghai) Co., Ltd.	China
	Siemens Numerical Control Ltd., Nanjing	China
	Siemens Power Automation Ltd.	China
	Siemens Sensors & Communication Ltd.	China
	Siemens Shanghai Medical Equipment Ltd.	China
	Siemens Switchgear Ltd., Shanghai	China
	Siemens S.A.S.	Colombia
	Siemens d.d.	Croatia
	OEZ s.r.o.	Czech Republic
	Siemens, s.r.o.	Czech Republic
	Siemens A/S	Denmark
	Siemens Industrial LLC	Egypt
	Siemens Osakeyhtiö	Finland
	Siemens Industry Software SAS	France
	Siemens SAS	France
	Siemens SAS, Division production Process Automation, Usine de Haguenau	France
	Innomotics GmbH	Germany
	KACO new energy GmbH	Germany
	NEO New Oncology GmbH	Germany
	Siemens Bank GmbH	Germany
	Siemens Digital Logistics GmbH	Germany
	Siemens Healthcare GmbH	Germany
	Siemens Healthineers AG	Germany
	Siemens Mobility GmbH	Germany
	Siemens Project Ventures GmbH	Germany
	Siemens Mobility GmbH	Germany
	Siemens Project Ventures GmbH	Germany
	Siemens Traction Gears GmbH	Germany

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

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

Fellow Subsidiaries	Name	Country
	SYKATEC Systeme, Komponenten, Anwendungstechnologie GmbH	Germany
	Siemens A.E., Electrotechnical Projects and Products	Greece
	Siemens Mobility Rail And Road Transportation Solutions Single-Member Societe Anonyme	Greece
	Siemens S.A.	Guatemala
	Siemens Ltd.	Hong Kong
	Siemens Mobility Ltd.	Hong Kong
	Brightly Software India Pvt. Ltd.	India
	Bytemark Technology Solutions India Pvt. Ltd.	India
	Enlighted Energy Systems Pvt. Ltd.	India
	PETNET Radiopharmaceutical Solutions Pvt. Ltd.	India
	Siemens EDA (India) Pvt. Ltd.	India
	Siemens EDA (Sales & Services) Pvt. Ltd.	India
	Siemens Factoring Pvt. Ltd.	India
	Siemens Financial Services Pvt. Ltd.	India
	Siemens Healthcare Pvt. Ltd.	India
	Siemens Healthineers India LLP	India
	Siemens Industry Software (India) Pvt. Ltd.	India
	Siemens Large Drives India Pvt. Ltd.	India
	Siemens Logistics India Pvt. Ltd.	India
	Siemens Technology and Services Pvt. Ltd.	India
	Varian Medical Systems International (India) Pvt. Ltd.	India
	P.T. Siemens Indonesia	Indonesia
	PT Siemens Mobility Indonesia	Indonesia
	Siemens Ltd.	Israel
	Siemens S.p.A.	Italy
	Siemens K.K.	Japan
	Siemens TOO	Kazakhstan
	Siemens Ltd. Seoul	South Korea
	Siemens Industrial Business Co. For Electrical, Electronic and Mechanical Contracting WLL	Kuwait
	Siemens Malaysia Sdn. Bhd.	Malaysia
	Siemens Mobility Sdn. Bhd.	Malaysia
	Siemens, S.A. de C.V.	Mexico
	Siemens Nederland N.V.	Netherlands
	Siemens (N.Z.) Ltd.	New Zealand
	Siemens Industrial LLC	Oman
	Innomotics S.A.C.	Peru
	Siemens S.A.C.	Peru
	Siemens, Inc.	Philippines

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

Fellow Subsidiaries	Name	Country
	Siemens Sp. z o.o.	Poland
	Siemens S.A.	Portugal
	Siemens W.L.L.	Qatar
	Siemens S.R.L.	Romania
	SIMEA S.R.L., Plant SEIT Sibiu	Romania
	Arabia Electric Ltd. (Equipment)	Saudi Arabia
	Siemens Ltd.	Saudi Arabia
	Siemens Mobility Pte. Ltd.	Singapore
	Siemens Pte. Ltd.	Singapore
	Siemens Mobility, s.r.o.	Slovakia
	Siemens Mobility (Pty) Ltd	South Africa
	Siemens Proprietary Ltd.	South Africa
	Siemens Mobility, S.L.U.	Spain
	Siemens Rail Automation S.A.U.	Spain
	Siemens S.A.	Spain
	Siemens AB	Sweden
	Siemens Mobility AG	Switzerland
	Siemens Schweiz AG	Switzerland
	Siemens Schweiz AG, Smart Infrastructure, Global Headquarters	Switzerland
	Siemens Ltd.	Taiwan
	Siemens Ltd.	Thailand
	Siemens Mobility Ltd.	Thailand
	Siemens Finansal Kiralama A.S.	Turkey
	Siemens Sanayi ve Ticaret A.S. Kartal R&D Center	Turkey
	Siemens Sanayi ve Ticaret Anonim Sirketi	Turkey
	Siemens Ukraine	Ukraine
	Siemens Industrial LLC	UAE
	Siemens Large Drives LLC	UAE
	Siemens Middle East Ltd.	UAE
	Siemens DI MC GMC MF-CON	UK
	Electrium Sales Ltd.	UK
	Siemens Industry Software Ltd.	UK
	Siemens Mobility Ltd.	UK
	Siemens plc	UK
	Siemens Process Systems Engineering Ltd.	UK
	Building Robotics Inc.	USA
	eMeter Corporation	USA
	Siemens Corporation	USA
	Siemens Healthcare Diagnostics Inc.	USA
	Siemens Industry, Inc.	USA
	Siemens Mobility, Inc	USA
	Siemens Ltd.	Vietnam

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

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

Subsidiaries/associate of parties who has significant influence (Fellow Associate)	Name	Country
	Siemens Energy S.A.	Argentina
	Siemens Energy Pty. Ltd.	Australia
	Siemens Energy Austria GmbH	Austria
	Trench Austria GmbH	Austria
	Siemens Energy Bangladesh Ltd.	Bangladesh
	Siemens Energy S.A./N.V.	Belgium
	Siemens Energy Brasil Ltda.	Brazil
	Siemens Energy EOOD	Bulgaria
	Siemens Energy Canada Ltd.	Canada
	Trench Ltd.	Canada
	Siemens Energy Spa	Chile
	Siemens Energy Automation (Nanjing) Co., Ltd.	China
	Siemens Energy Co., Ltd.	China
	Siemens Energy High Voltage Circuit Breaker Co., Ltd. Hangzhou	China
	Siemens Energy Surge Arresters Ltd.	China
	Siemens Energy Transformer (Guangzhou) Co., Ltd.	China
	Siemens High Voltage Switchgear Co., Ltd., Shanghai	China
	Trench High Voltage Products Ltd., Shenyang	China
	Siemens Energy S.A.S.	Colombia
	Siemens Energy SARL	Cote d'Ivoire
	Koncar-Energetski Transformatori d.o.o.	Croatia
	Siemens Energy d.o.o.	Croatia
	Siemens Energy, s.r.o.	Czech Republic
	Siemens Energy S.A.E.	Egypt
	Dresser-Rand SAS	France
	Siemens Energy S.A.S.	France
	Trench France SAS	France
	HSP Hochspannungsgeraete GmbH	Germany
	Siemens Energy Compressors GmbH	Germany
	Siemens Energy Global GmbH & Co. KG	Germany
	Trench Germany GmbH	Germany
	Siemens Energy Ltd.	Hong Kong
	Siemens Energy Kft.	Hungary
	Pune IT City Metro Rail Ltd.	India
	Siemens Energy Industrial Turbomachinery India Pvt. Ltd.	India
	Siemens Gamesa Renewable Energy Engineering Centre Pvt. Ltd.	India
	Siemens Gamesa Renewable Power Pvt. Ltd.	India
	Siemens Energy Ltd.	Ireland
	Siemens Energy Ltd.	Israel

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

Subsidiaries/associate of parties who has significant influence (Fellow Associate)	Name	Country
	Siemens Energy SRL	Italy
	Siemens Energy Transformers S.r.l.	Italy
	Trench Italia S.R.L.	Italy
	Siemens Energy K.K.	Japan
	Siemens Energy Ltd.	South Korea
	Siemens Electrical & Electronic Services K.S.C.C.	Kuwait
	Siemens Energy Sdn. Bhd.	Malaysia
	Siemens Energy, S. De R. L. De C.V.	Mexico
	Siemens Energy B.V.	Netherlands
	Siemens Energy Ltd.	Nigeria
	Siemens Energy AS	Norway
	Siemens Energy L.L.C.	Oman
	Siemens Energy S.A.C.	Peru
	Siemens Energy, Inc.	Philippines
	Siemens Energy Sp. z o.o.	Poland
	Siemens Energy Unipessoal Lda.	Portugal
	Siemens Energy W.L.L	Qatar
	Siemens Energy S.R.L.	Romania
	Gas and Power Limited Liability Company	Russian Federation
	Siemens Energy Ltd.	Saudi Arabia
	Siemens Energy d.o.o. Beograd	Serbia
	Siemens Energy Pte. Ltd.	Singapore
	Siemens Energy (Pty) Ltd	South Africa
	Siemens Energy S.A.	Spain
	Siemens Energy AB	Sweden
	Siemens Energy Ltd.	Thailand
	Siemens Energy Ltd.	Trinidad and Tobago
	Siemens Enerji Sanayi Ve Ticaret Anonim Sirketi	Turkey
	Siemens Energy LLC	Ukraine
	Dresser-Rand Field Operations Middle East LLC	UAE
	Siemens Energy LLC	UAE
	Industrial Turbine Company (UK) Ltd.	UK
	Siemens Energy Industrial Turbomachinery Ltd.	UK
	Siemens Energy Ltd.	UK
	SEI - Dresser-Rand Company dARE	USA
	Siemens Energy Demag Delaval Turbomachinery, Inc.	USA
	Siemens Energy, Inc.	USA
	Siemens Energy Limited Company	Vietnam

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

46.5 Key Managerial personnel

<i>Whole - Time Directors</i>	Mr. Sunil Mathur Dr. Daniel Spindler
<i>Company Secretary</i>	Mr. Ketan Thaker
<i>Non Executive Directors</i>	Mr. Johannes Apitzsch (upto 31.12.2022) Mr. Tim Holt Mr. Matthias Rebellius Mr. Willem Rudolf Basson (upto 30.04.2023) Mr. Deepak S. Parekh (w.e.f. 30.01.2023) Dr. Juergen Wagner (w.e.f. 01.05.2023)
<i>Independent Directors</i>	Mr. Mehernosh B. Kapadia (upto 01.05.2023) Ms. Anjali Bansal (upto 31.03.2022) Ms. Sindhu Gangadharan Mr. Shyamak R. Tata (w.e.f. 30.01.2023) Mr. Anami Roy (w.e.f. 01.05.2023) Mr. Deepak S. Parekh (upto 29.01.2023)
<i>Managing board of SAG</i>	Dr. Roland Busch Mr. Cedrik Neike Mr. Matthias Rebellius Mr. Ralf P.Thomas Ms. Judith Wiese
49.6 Others	
<i>Close family member of KMP</i>	Ms. Sandra Marques Alves
<i>Employees' Benefit Plans where there is a significant influence</i>	Siemens India Limited Indian Staff Provident Fund Siemens India Limited Gratuity Fund The Siemens Limited Superannuation Scheme

46.7 Related party transactions

Description	2023						2022					
	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associate	Key managerial personnel	Others	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associate	Key managerial personnel	Others
Revenue (net of taxes)												
- Siemens AG	5,816	-	-	-	-	-	5,641	-	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	24	-	-	-	-	-	28	-	-	-	-
- C&S Electric Ltd.	-	127	-	-	-	-	-	67	-	-	-	-
- Siemens Mobility Austria GmbH	-	-	1,095	-	-	-	-	-	-	-	-	-
- Siemens Large Drives India Pvt. Ltd.	-	-	943	-	-	-	-	-	67	-	-	-
- Siemens W.L.L.	-	-	755	-	-	-	-	-	168	-	-	-
- Siemens Mobility GmbH	-	-	747	-	-	-	-	-	433	-	-	-
- Siemens Power Automation Ltd.	-	-	294	-	-	-	-	-	442	-	-	-
- Siemens Energy Global GmbH & Co. KG	-	-	-	4,550	-	-	-	-	-	4,330	-	-
- Others	-	-	3,683	7,180	-	-	-	-	2,678	6,687	-	-
Commission income												
- Industrial Turbine Company (UK) Ltd.	-	-	-	36	-	-	-	-	-	32	-	-
- Siemens Energy AB	-	-	-	14	-	-	-	-	-	23	-	-
- Siemens Energy Ltd.	-	-	-	9	-	-	-	-	-	-	-	-
- Siemens Energy Industrial Turbomachinery India Pvt. Ltd.	-	-	-	8	-	-	-	-	-	-	-	-
- Others	-	-	-	*	-	-	-	-	-	22	-	-
Recoveries from group companies												
- Siemens AG	724	-	-	-	-	-	590	-	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	35	-	-	-	-	-	29	-	-	-	-
- C&S Electric Ltd.	-	7	-	-	-	-	-	25	-	-	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	283	-	-	-	-	-	267	-	-	-
- Siemens Industry Software (India) Pvt. Ltd.	-	-	57	-	-	-	-	-	79	-	-	-
- Siemens Energy Global GmbH & Co. KG	-	-	-	47	-	-	-	-	-	68	-	-
- Siemens Energy Pte. Ltd.	-	-	-	31	-	-	-	-	-	-	-	-
- Siemens Energy Industrial Turbomachinery India Pvt. Ltd.	-	-	-	17	-	-	-	-	-	14	-	-
- Siemens Energy, Inc.	-	-	-	1	-	-	-	-	-	23	-	-
- Others	-	-	197	1	-	-	-	-	205	3	-	-
Reimbursement of expenses received												
- Siemens AG	302	-	-	-	-	-	362	-	-	-	-	-

* denotes figures less than a million

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

46.7 Related party transactions (*Continued*)

Description	2023						2022					
	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associate	Key managerial personnel	Others	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associate	Key managerial personnel	Others
Reimbursement of expenses received (<i>Continued</i>)												
- Siemens Rail Automation Pvt. Ltd.	-	5	-	-	-	-	-	3	-	-	-	-
- C&S Electric Ltd.	-	*	-	-	-	-	-	1	-	-	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	25	-	-	-	-	-	54	-	-	-
- Siemens Pte. Ltd.	-	-	19	-	-	-	-	-	88	-	-	-
- Siemens Mobility GmbH	-	-	18	-	-	-	-	-	9	-	-	-
- Siemens Schweiz AG, Smart Infrastructure, Global Headquarters	-	-	9	-	-	-	-	-	1	-	-	-
- Siemens Energy Ltd.	-	-	-	166	-	-	-	-	-	102	-	-
- Siemens Energy Global GmbH & Co. KG	-	-	-	101	-	-	-	-	-	96	-	-
- Siemens Energy Ltd.	-	-	-	46	-	-	-	-	-	33	-	-
- Siemens Energy S.A.S.	-	-	-	5	-	-	-	-	-	37	-	-
- Others	-	-	17	93	-	-	-	-	39	91	-	-
Purchase of goods and services												
- Siemens AG	34,646	-	-	-	-	-	27,083	-	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	277	-	-	-	-	-	178	-	-	-	-
- C&S Electric Ltd.	-	724	-	-	-	-	-	416	-	-	-	-
- Siemens Mobility GmbH	-	-	2,898	-	-	-	-	-	2,024	-	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	1,347	-	-	-	-	-	1,134	-	-	-
- Siemens Electrical Apparatus Ltd., Suzhou	-	-	1,313	-	-	-	-	-	789	-	-	-
- Siemens Schweiz AG, Smart Infrastructure, Global Headquarters	-	-	1,215	-	-	-	-	-	920	-	-	-
- Siemens Medium Voltage Switching Technologies (Wuxi) Ltd.	-	-	750	-	-	-	-	-	974	-	-	-
- Siemens Energy Global GmbH & Co. KG	-	-	-	2,554	-	-	-	-	-	4,185	-	-
- Siemens Energy Industrial Turbomachinery India Pvt. Ltd.	-	-	-	993	-	-	-	-	-	1,437	-	-
- Siemens Energy AB	-	-	-	763	-	-	-	-	-	154	-	-
- Others	-	-	3,500	1,211	-	-	-	-	2,754	2,439	-	-
Rent income												
- Siemens Financial Services Pvt. Ltd.	-	-	80	-	-	-	-	-	80	-	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	56	-	-	-	-	-	55	-	-	-
- Siemens Large Drives India Pvt. Ltd.	-	-	22	-	-	-	-	-	16	-	-	-
- Siemens Logistics India Pvt. Ltd.	-	-	20	-	-	-	-	-	25	-	-	-

* denotes figures less than a million

46.7 Related party transactions (Continued)

Description	2023						2022					
	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associate	Key managerial personnel	Others	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associate	Key managerial personnel	Others
Rent income (Continued)												
- Siemens Energy Industrial Turbomachinery India Pvt. Ltd.	-	-	-	86	-	-	-	-	-	86	-	-
- Others	-	-	5	-	-	-	-	-	8	-	-	-
Interest income												
- Siemens Financial Services Pvt. Ltd.	-	-	471	-	-	-	-	-	429	-	-	-
- Siemens Factoring Pvt. Ltd.	-	-	84	-	-	-	-	-	39	-	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	-	-	-	-	-	-	*	-	-	-
Guarantee Commission Charges												
- Siemens AG	178	-	-	-	-	-	81	-	-	-	-	-
- Others	-	-	*	-	-	-	-	-	*	-	-	-
License Fees												
- Siemens AG	960	-	-	-	-	-	818	-	-	-	-	-
- Innomatics GmbH	-	-	35	-	-	-	-	-	-	-	-	-
- Siemens Mobility GmbH	-	-	25	-	-	-	-	-	10	-	-	-
- Siemens Schweiz AG, Smart Infrastructure, Global Headquarters	-	-	14	-	-	-	-	-	13	-	-	-
- Siemens Energy Global GmbH & Co. KG	-	-	-	565	-	-	-	-	-	297	-	-
- Others	-	-	-	4	-	-	-	-	*	6	-	-
Dividend paid (on payment basis)												
- Siemens International Holding B.V., Netherlands	-	-	1,699	-	-	-	-	-	1,359	-	-	-
- Siemens Energy Holding B.V., Netherlands	-	-	-	855	-	-	-	-	-	684	-	-
- Siemens Metals Technologies Vermögensverwaltungs GmbH	-	-	117	-	-	-	-	-	94	-	-	-
Dividend received (on receipt basis)												
- Siemens Rail Automation Pvt. Ltd.	-	650	-	-	-	-	-	264	-	-	-	-
- C&S Electric Ltd.	-	132	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment / capital work in progress												
- Siemens AG	44	-	-	-	-	-	9	-	-	-	-	-
- Siemens Mobility Austria GmbH, Plant Rail Systems	-	-	41	-	-	-	-	-	-	-	-	-
- Beijing Siemens Cerberus Electronics Ltd.	-	-	21	-	-	-	-	-	9	-	-	-
- Siemens Mobility GmbH	-	-	12	-	-	-	-	-	*	-	-	-
- Siemens Sanayi ve Ticaret Anonim Sirketi	-	-	-	-	-	-	-	-	2	-	-	-

* denotes figures less than a million

Notes to the Financial Statements (Continued)

for the year ended 30 September 2023

(Currency: Indian rupees millions)

46.7 Related party transactions (Continued)

Description	2023						2022					
	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associate	Key managerial personnel	Others	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associate	Key managerial personnel	Others
Purchase of property, plant and equipment / capital work in progress (Continued)												
- Siemens SAS	-	-	*	-	-	-	-	-	3	-	-	-
- Trench Germany GmbH	-	-	-	3	-	-	-	-	-	-	-	-
- Siemens Energy Global GmbH & Co. KG	-	-	-	-	-	-	-	-	-	7	-	-
- Others	-	-	1	-	-	-	-	-	3	-	-	-
Sale of property, plant and equipment												
- Siemens Technology and Services Pvt. Ltd.	-	-	*	-	-	-	-	-	2	-	-	-
Sale of Business												
- Siemens Large Drives India Pvt. Ltd.	-	-	-	-	-	-	-	-	4,400	-	-	-
Investment in Associate												
- Sunsole Renewables Pvt. Ltd. #	-	-	-	-	-	-	-	-	-	-	-	14
Remuneration **												
- Mr. Sunil Mathur												
Short term employee benefits	-	-	-	-	201	-	-	-	-	-	157	-
Post-employment benefits	-	-	-	-	10	-	-	-	-	-	6	-
Share based payments (refer note 50)	-	-	-	-	110	-	-	-	-	-	16	-
- Dr. Daniel Spindler												
Short term employee benefits	-	-	-	-	76	-	-	-	-	-	57	-
Share based payments (refer note 50)	-	-	-	-	41	-	-	-	-	-	11	-
- Mr. Ketan Thaker												
Short term employee benefits	-	-	-	-	11	-	-	-	-	-	10	-
Post-employment benefits	-	-	-	-	*	-	-	-	-	-	*	-
Share based payments (refer note 50)	-	-	-	-	6	-	-	-	-	-	*	-
- Others	-	-	-	-	-	4	-	-	-	-	-	4
Payment to Trusts												
- Siemens India Limited Indian Staff Provident Fund	-	-	-	-	-	564	-	-	-	-	-	475
- Siemens India Limited Gratuity Fund	-	-	-	-	-	271	-	-	-	-	-	260
- The Siemens Limited Superannuation Scheme	-	-	-	-	-	209	-	-	-	-	-	203
Sitting fees to Independent Directors/Non-executive Directors												
Directors	-	-	-	-	5	-	-	-	-	-	3	-
Commission to Independent Directors/Non-executive Directors												
Directors	-	-	-	-	13	-	-	-	-	-	11	-

* 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.

Others include Investment in Sunsole Renewables Pvt. Ltd. (Associate)

46.7 Related party transactions (Continued)

Description	2023						2022					
	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associate	Key managerial personnel	Others	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associate	Key managerial personnel	Others
Loans / Inter corporate deposits given												
- Siemens Financial Services Pvt. Ltd..	-	-	4,630	-	-	-	-	-	7,030	-	-	-
- Siemens Factoring Pvt. Ltd.	-	-	860	-	-	-	-	-	2,150	-	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	-	-	-	-	-	-	270	-	-	-
Repayment of Loans / Inter corporate deposits given												
- Siemens Financial Services Pvt. Ltd..	-	-	4,120	-	-	-	-	-	8,440	-	-	-
- Siemens Factoring Pvt. Ltd.	-	-	1,240	-	-	-	-	-	1,760	-	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	-	-	-	-	-	-	270	-	-	-
Factoring of trade receivables ***												
- Siemens Financial Services Pvt. Ltd.	-	-	280	-	-	-	-	-	257	-	-	-
Outstanding Balances												
Trade and other receivables												
- Siemens AG	540	-	-	-	-	-	569	-	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	5	-	-	-	-	-	*	-	-	-	-
- C&S Electric Ltd.	-	5	-	-	-	-	-	27	-	-	-	-
- Siemens Industrial Ltd.	-	-	159	-	-	-	-	-	69	-	-	-
- Siemens Mobility GmbH	-	-	105	-	-	-	-	-	88	-	-	-
- Siemens Mobility Austria GmbH	-	-	88	-	-	-	-	-	-	-	-	-
- Siemens Large Drives India Pvt. Ltd.	-	-	-	-	-	-	-	-	234	-	-	-
- Siemens Technology and Services Pvt. Ltd.	-	-	62	-	-	-	-	-	67	-	-	-
- Siemens Energy Global GmbH & Co. KG	-	-	-	1,111	-	-	-	-	-	1,048	-	-
- Siemens Energy S.R.L.	-	-	-	478	-	-	-	-	-	128	-	-
- Siemens Energy Sdn. Bhd.	-	-	-	350	-	-	-	-	-	318	-	-
- Others	-	-	479	1,460	-	-	-	-	253	1,990	-	-
Trade Payables and other liabilities												
- Siemens AG	5,940	-	-	-	-	-	5,924	-	-	-	-	-
- Siemens Rail Automation Pvt. Ltd.	-	50	-	-	-	-	-	71	-	-	-	-
- C&S Electric Ltd.	-	96	-	-	-	-	-	171	-	-	-	-
- Siemens Mobility GmbH	-	-	647	-	-	-	-	-	502	-	-	-
- Siemens Schweiz AG, Smart Infrastructure, Global Headquarters	-	-	315	-	-	-	-	-	237	-	-	-
- Siemens Electrical Apparatus Ltd., Suzhou	-	-	336	-	-	-	-	-	176	-	-	-

* denotes figures less than a million

*** The Company has entered into factoring arrangement for certain trade receivables on a non recourse basis.

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

46.7 Related party transactions (*Continued*)

Description	2023						2022					
	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associate	Key managerial personnel	Others	Ultimate Holding Company	Subsidiary	Fellow Subsidiaries	Fellow Associate	Key managerial personnel	Others
Trade Payables and other liabilities (<i>Continued</i>)												
- Siemens Energy Global GmbH & Co. KG	-	-	-	1,055	-	-	-	-	-	1,296	-	-
- Siemens Energy Industrial Turbomachinery India Pvt. Ltd.	-	-	-	297	-	-	-	-	-	459	-	-
- Siemens Energy, Inc.	-	-	-	259	-	-	-	-	-	297	-	-
- Siemens Energy Industrial Turbomachinery Ltd.	-	-	-	87	-	-	-	-	-	322	-	-
- Others	-	-	1,137	333	-	-	-	-	1,361	563	-	-
Loans / Inter corporate deposits to related parties												
- Siemens Financial Services Pvt. Ltd.	-	-	6,500	-	-	-	-	-	5,990	-	-	-
- Siemens Factoring Pvt. Ltd.	-	-	690	-	-	-	-	-	1,070	-	-	-
Interest receivable on inter corporate deposits												
- Siemens Financial Services Pvt. Ltd.	-	-	56	-	-	-	-	-	48	-	-	-
- Siemens Factoring Pvt. Ltd.	-	-	6	-	-	-	-	-	2	-	-	-
Remuneration payable **												
- Mr. Sunil Mathur	-	-	-	-	73	-	-	-	-	-	75	-
- Dr. Daniel Spindler	-	-	-	-	35	-	-	-	-	-	25	-
- Mr. Ketan Thaker	-	-	-	-	2	-	-	-	-	-	2	-

** 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.

The above transactions are including discontinued operations

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

(i) Defined Contribution Plans

Amount of ₹ 209 (2022: ₹ 196) is recognised as an expense and included in "Employee benefits expense" (refer note 36) in the Statement of Profit and Loss. The said amount is excluding of amounts recognised under discontinued operation.

(ii) Defined Benefit Plans

a) Amounts for the current period are as follows :

	Gratuity		Pension		Medical		Retirement Gift	
	Sept 2023	Sept 2022	Sept 2023	Sept 2022	Sept 2023	Sept 2022	Sept 2023	Sept 2022
I Change in defined benefit obligation								
Liability at the beginning of the year	3,154	3,040	258	281	1,462	1,736	93	87
Expenses recognised in Profit and Loss Account								
- Interest cost	232	203	18	18	109	118	7	6
- Current service cost	271	259	-	-	63	69	8	7
Recognised in Other Comprehensive Income								
Divestiture (credit) / cost	1	(120)	-	-	-	(40)	-	(4)
Remeasurement (gains) / losses								
Actuarial (gain) / loss arising from								
i Change in demographic assumptions	(1)	-	-	-	-	-	-	-
ii Change in financial assumptions	123	80	4	(9)	532	36	4	3
iii Experience variance	64	(83)	(25)	2	548	(396)	3	(1)
Benefits paid								
Disbursements from Plan Assets	(222)	(225)	-	-	-	-	-	-
Disbursements directly paid by the employer	-	-	(34)	(34)	(68)	(61)	(5)	(5)
Liability at the end of the year	3,622	3,154	221	258	2,646	1,462	110	93
II Fair value of plan assets								
Fair value of plan assets at the beginning of the year	3,045	3,250	-	-	-	-	-	-
Expenses recognised in Profit and Loss Account								
- Return on plan assets	234	226	-	-	-	-	-	-
Remeasurement gains / (losses)								
- Actuarial gain / (loss) on plan assets	11	(347)	-	-	-	-	-	-
Contributions	271	261	-	-	-	-	-	-
Benefits paid	(222)	(224)	-	-	-	-	-	-
Divestiture (credit) / cost	-	(121)	-	-	-	-	-	-
Fair value of plan assets at the end of the year	3,339	3,045	-	-	-	-	-	-
III Actual return on plan assets								
Return on plan assets	234	226	-	-	-	-	-	-
Actuarial gain / (loss) on plan assets	11	(347)	-	-	-	-	-	-
Actual return on plan assets	245	(121)	-	-	-	-	-	-

Notes to the Financial Statements (Continued)

for the year ended 30 September 2023

(Currency: Indian rupees millions)

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

	Gratuity		Pension		Medical		Retirement Gift	
	Sept 2023	Sept 2022	Sept 2023	Sept 2022	Sept 2023	Sept 2022	Sept 2023	Sept 2022
IV Amount recognised in the balance sheet								
Defined benefit obligation at the end of the year	3,622	3,154	221	258	2,646	1,462	110	93
Fair value of plan assets at the end of the year	3,339	3,045	-	-	-	-	-	-
(Surplus) / Deficit	283	109	221	258	2,646	1,462	110	93
Effect Of Asset Ceiling	-	-	-	-	-	-	-	-
Current portion of the above	283	109	31	35	76	57	5	4
Non Current portion of the above	-	-	190	223	2,570	1,405	105	89
V.a Expenses recognised in the Statement of Profit and Loss								
Net Interest Expense	(2)	(24)	18	18	109	118	7	6
Current service cost	271	259	-	-	63	69	8	7
Expense recognised in Statement of Profit and Loss	269	235	18	18	172	187	15	13
V.b Included in other comprehensive income								
Return on plan assets excluding net interest	(11)	347	-	-	-	-	-	-
Net actuarial (gain) / loss recognised	186	(4)	(21)	(8)	1,080	(361)	7	1
Actuarial (gain) / loss recognised in OCI	175	343	(21)	(8)	1,080	(361)	7	1
VI Actuarial Assumptions								
Discount Rate	7.20%	7.61%	7.20%	7.61%	7.20%	7.61%	7.20%	7.61%
Attrition rate:								
up to 30 years	10.00%	9.00%	-	-	10.00%	9.00%	10.00%	9.00%
31-50 years	6.00%	6.00%	-	-	6.00%	6.00%	6.00%	6.00%
above 50 years	4.00%	4.00%	-	-	4.00%	4.00%	4.00%	4.00%
Salary Escalation / Pension increase rate / Medical cost increase rate	9.00%	9.00%	5.00%	5.00%	7.00%	6.00%	9.00%	9.00%
VII Sensitivity								
Change in Liability for 0.5% decrease in discount rate	160	140	6	7	257	123	6	5
Change in Liability for 0.5% increase in discount rate	(149)	(130)	(5)	(6)	(224)	(108)	(5)	(4)
Change in Liability for 0.5% decrease in salary/ medical inflation rate/pension increase rate	(147)	(129)	(5)	(6)	(205)	(93)	(5)	(4)
Change in Liability for 0.5% increase in salary/ medical inflation rate/pension increase rate	156	138	5	6	233	105	6	5

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

	Gratuity		Pension		Medical		Retirement Gift	
	Sept 2023	Sept 2022	Sept 2023	Sept 2022	Sept 2023	Sept 2022	Sept 2023	Sept 2022
VIII Maturity Profile of Defined Benefit Obligation (Undiscounted amount)								
Year 1	288	238	32	36	79	59	5	4
Year 2	282	244	31	13	84	62	5	4
Year 3	297	282	30	36	88	65	5	5
Year 4	356	294	28	35	95	68	8	5
Year 5	391	356	26	33	102	72	8	8
Years 6 to 10	2,593	2,341	104	139	674	451	74	65
IX Weighted Average Duration of Defined Benefit Obligation								
Duration (Years)	8.50	9.00	5.20	7.00	19.00	17.00	10.30	9.00

- 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 2022-23 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 ₹ 313 (2022: ₹ 238) to gratuity fund in 2023-24.
- 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 ₹ 564 (2022: ₹ 461) towards Provident fund during the year ended 30 September 2023. 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 a shortfall as at 30 September.

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

	As at 30 September	
	2023	2022
Present value of benefit obligation at year end	16,583	15,506
Fair value of plan assets at year end	16,262	15,452
Shortfall / (Surplus)*	321	54
Effect due to Asset Ceiling	-	-

*The amount recognised in other comprehensive income is ₹ 253 (2022: ₹ 54).

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

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

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

	As at 30 September	
	2023	2022
Government of India securities (GOI) bond yield	7.20%	7.61%
Remaining term of maturity (in years)	8.00	9.00
Expected guaranteed interest rate	8.15%	8.10%

(iii) General descriptions of significant defined plans

I Gratuity Plan

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's Scheme whichever is more beneficial. Under the act, employee who has completed five years of service is entitled to the benefit. The level of benefits provided depends on the members length of service and salary at retirement age.

II Medical

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

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 or after their long association with the Company.

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

Particulars (Unquoted)	Gratuity				Provident Fund			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Equity Instruments	59	1.78%	48	1.57%	338	2.08%	175	1.13%
Debt Instruments	3,280	98.22%	2,997	98.43%	15,924	97.92%	15,277	98.87%
Total Plan Assets	3,339	100.00%	3,045	100.00%	16,262	100.00%	15,452	100.00%

48 Earnings per share

	Sept 2023	Sept 2022
Weighted average number of equity shares outstanding during the year	356,120,255	356,120,255
Profit after tax from continuing operations	19,113	12,497
Basic and diluted earnings per share from continuing operations	53.67	35.09

48 Earnings per share (Continued)

	Sept 2023	Sept 2022
Profit after tax from discontinued operations	-	2,811
Basic and diluted earnings per share from discontinued operations	-	7.89
Total Profit for the year	19,113	15,308
Basic and diluted earnings per share from total operations	53.67	42.98

49 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 MSMED Act is as under:

	Sept 2023	Sept 2022
Principal amount payable to suppliers under MSMED Act	2,837	2,680
Interest accrued and due to suppliers under Section 16 of MSMED Act, 2006, unpaid.#	6	*
Payment made to suppliers (other than interest) beyond the appointed day during the year	3,925	4,336
Interest due and payable towards suppliers under MSMED Act towards payments already made	133	104
Interest accrued and remaining unpaid at the end of the accounting year	139	105

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

50 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 Senior management and other eligible employees. The vesting period is upto 4 years. SSA includes two schemes, under Special Allocation Stock Awards, the shares of are awarded to reward the performance of the employee. Under Performance Oriented Siemens Stock Awards these awards will be vested on the achievement of the performance criteria of Ultimate Holding Company.

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 2023	Sept 2022
Other current financial liabilities	412	234
Other non-current financial liabilities	676	486
Total carrying amount of the liabilities	1,088	720

Effect of Share-based payment transaction on the profit & loss, shown under the head Employee benefit expense is ₹ 635 (2022: ₹ 91)

51 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.

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

51 Derivative Instruments (*Continued*)

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 2023	148	94	7,796	209	178	14,791
30 Sept 2022	185	92	7,487	252	195	15,884
Euro						
30 Sept 2023	292	339	29,844	302	205	18,112
30 Sept 2022	381	323	25,739	276	161	12,861
Qatari Riyal						
30 Sept 2023	3	*	7	1	4	85
30 Sept 2022	3	2	35	1	4	83
Japanese Yen						
30 Sept 2023	14	257	143	-	-	-
30 Sept 2022	12	138	78	-	-	-
Pound Sterling						
30 Sept 2023	17	4	357	4	1	149
30 Sept 2022	18	8	730	3	5	453
Swiss Franc						
30 Sept 2023	4	1	78	-	-	-
30 Sept 2022	7	1	98	-	-	-
Swedish Krona						
30 Sept 2023	10	30	230	3	12	88
30 Sept 2022	8	11	80	6	16	114
Chinese Yuan						
30 Sept 2023	29	65	735	-	-	-
30 Sept 2022	38	130	1,490	1	*	4

* denotes figures less than a million

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

Payables

	Foreign currency		Indian rupees	
	Sept 2023	Sept 2022	Sept 2023	Sept 2022
Bangladesh Taka	208	169	157	136
Sri Lankan Rupee	329	378	84	84
Singapore Dollar	1	2	50	85

Receivables and bank balances

	Foreign currency		Indian rupees	
	Sept 2023	Sept 2022	Sept 2023	Sept 2022
Bangladesh Taka	406	281	314	235
Sri Lankan Rupee	242	511	57	124
Nepalese Rupee	69	48	43	30
Euro	1	1	46	44
United States Dollar	1	1	83	99

51 Derivative Instruments (Continued)

The forward contracts have been converted in Indian rupees, at the spot rates, as at 30 September 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 2023	Copper	2,040	Buy
	Aluminium	315	Buy
	Silver	82	Buy
Sept 2022	Copper	1,980	Buy
	Aluminium	403	Buy
	Silver	92	Buy

Note: Each contract of copper is of 2,500 kg, aluminium is of 5,000 kg and silver is of 30 kg.

52 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.

53 Financial instruments

A) Accounting classifications and Fair values

i) Category-wise classification for applicable financial assets:

Particulars	Notes	Carrying value / Fair value	
		Sept 2023	Sept 2022
I. Measured at fair value through Profit or Loss (FVTPL):			
(a) Derivative contracts not designated as cash flow hedges	10 & 18	502	767
Total I		502	767
II. Measured at amortised cost:			
(a) Trade Receivables	8 & 14	44,786	36,705
(b) Loans	9 & 17	7,284	7,112
(c) Cash and cash equivalents and other bank balances	15 & 16	72,179	62,763
(d) Other assets (excluding derivative contracts)	10 & 18	2,028	2,053
Total II		126,277	108,632
III. Measured at fair value through Other Comprehensive Income (FVTOCI):			
(a) Derivative contracts designated as cash flow hedges	18	91	414
Total III		91	414
Total (I+II+III)		126,870	109,814

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

53 Financial instruments (*Continued*)

ii) Category-wise classification for applicable financial liabilities:

Particulars	Notes	Carrying value / Fair value	
		Sept 2023	Sept 2022
I. Measured at fair value through Profit or Loss (FVTPL):			
(a) Derivative contracts not designated as cash flow hedges	25 & 28	711	1,294
(b) Liabilities related to share based payments	25 & 28	1,088	720
(c) Lease liabilities		1,524	1,595
Total I		3,323	3,609
II. Measured at amortised cost:			
(a) Trade payables	24, 27 & 49	40,320	38,757
(b) Other liabilities (excluding derivative contracts)	28	4,400	5,889
Total II		44,720	44,646
III. Measured at fair value through Other Comprehensive Income (FVTOCI):			
(a) Derivative contracts designated as cash flow hedges	28	216	273
Total III		216	273
Total (I+II+III)		48,259	48,528

The carrying amounts of financial instruments such as cash and cash equivalents, other bank balances, 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.

B) Fair Value Hierarchy

The following table provides fair value measurement hierarchy of financial instruments and others:

Quantitative disclosures fair value measurement hierarchy as at 30 September 2023:

	Level 1	Level 2	Level 3	Total
Assets at Fair value:				
i) Investment property	-	2,004	-	2,004
ii) Fair values through Profit and Loss				
(a) Derivative contracts not designated as cash flow hedges	-	502	-	502
iii) Fair value through Other Comprehensive Income				
(a) Derivative contracts designated as cash flow hedges	-	91	-	91
Liabilities at Fair value:				
i) Fair values through Profit and Loss				
(a) Derivative contracts not designated as cash flow hedges	-	711	-	711
(b) Liabilities related to share based payments	-	1,088	-	1,088
ii) Fair value through Other Comprehensive Income				
(a) Derivative contracts designated as cash flow hedges	-	216	-	216

53 Financial instruments (Continued)

Quantitative disclosures fair value measurement hierarchy as at 30 September 2022:

	Level 1	Level 2	Level 3	Total
Assets at Fair value:				
i) Investment property	-	2,818	-	2,818
ii) Fair values through Profit and Loss				
(a) Derivative contracts not designated as cash flow hedges	-	767	-	767
iii) Fair value through Other Comprehensive Income				
(a) Derivative contracts designated as cash flow hedges	-	414	-	414
Liabilities at Fair value:				
i) Fair values through Profit and Loss				
(a) Derivative contracts not designated as cash flow hedges	-	1,294	-	1,294
(b) Liabilities related to share based payments	-	720	-	720
ii) Fair value through Other Comprehensive Income				
(a) Derivative contracts designated as cash flow hedges	-	273	-	273

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

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

54 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.

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

54 Financial Risk Management (*Continued*)

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 (Cash flow hedge)	
	Sept 2023	Sept 2022	Sept 2023	Sept 2022
US Dollar + 5%	264	275	*	2
- 5%	(264)	(275)	*	(2)
Euro + 5%	470	554	4	9
- 5%	(470)	(554)	(4)	(9)

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.

* denotes figures less than a million

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.

Trade receivables and Contract assets

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:

	Sept 2023	Sept 2022
Balance at the beginning of the year	1,759	1,445
Loss allowance based on ECL	221	314
Balance at the year end	<u>1,980</u>	<u>1,759</u>

54 Financial Risk Management (Continued)

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 2023				
Trade Payables	24, 27 & 49	40,320	40,308	12
Derivative contracts	25 & 28	927	716	211
Other financial liabilities	25 & 28	5,488	4,812	676
		46,735	45,836	899
Lease Liabilities	44	1,732	754	978
		48,467	46,590	1,877
As at 30 Sept 2022				
Trade Payables	24, 27 & 49	38,757	38,730	27
Derivative contracts	25 & 28	1,567	1,359	208
Other financial liabilities	25 & 28	6,609	6,123	486
		46,933	46,212	721
Lease Liabilities	44	1,798	662	1,136
		48,731	46,874	1,857

55 Business Combination

Summary of acquisition

On 1 July 2023, the Company acquired Electric Vehicle division of Mass-Tech Controls Pvt. Ltd. for a cash consideration of ₹ 380 million, subject to adjustments mutually agreed between the parties to the transaction. From the aforesaid consideration, ₹ 5 million is currently retained as a holdback for a period of 1 year from the date of acquisition.

The fair value of assets and liabilities acquired have been determined provisionally in accordance with IND AS 103 'Business Combinations'. The purchase price has been provisionally allocated to the assets acquired and liabilities assumed based on the estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired has been allocated to goodwill. The Company believes that the information provides a reasonable basis for estimating the fair values of assets and liabilities acquired, but the potential for measurement period adjustments exists based on a continuing review of matters related to the acquisition. The purchase price allocation is expected to be completed within one year.

The acquisition addresses fast-growing demand for EV charging infrastructure in India, expand local market presence & enable creation of export hub and scale up the Company's range of e-mobility solutions, complementing Siemens global portfolio. Provisional goodwill is primarily attributable to technologies and overall synergies from future expected economic benefits, including enhanced revenue growth from expanded capabilities.

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

55 Business Combination (*Continued*)

During the year ended 30 September 2023 the Company has recognised acquisition related cost of ₹ 8 lacs included in Legal and Professional Fees.

From the acquisition date, the results of operations of Mass-Tech Controls Pvt. Ltd. is included in the financial statements for the year ended 30 September 2023 as part of the Company's Smart Infrastructure Segment and comprises revenue from operations of ₹ 85 million and net loss of ₹ 34 million. If the acquisition had occurred at the beginning of the year, Company's revenue from operations and net loss for the year ended 30 September 2023 would have been ₹ 389 million and ₹ 31 million respectively. The net loss includes one time integration costs.

Details of purchase consideration, the net assets acquired and provisional goodwill are as follows:

Particulars	Sept 2023
Purchase consideration	380
Less: Purchase price adjustments	(1)
Fair Value of Net identifiable assets acquired:	
Property plant and equipment	5
Other intangible assets	*
Inventories	53
Other assets and liabilities (net)	(11)
Provisional goodwill	332

* denotes figures less than a million

56 Discontinued operations

During the previous year, on 1 July 2022, the Company divested its Large Drives Applications (LDA) business (Portfolio Companies Segment) as a going concern on a slump sale basis to Siemens Large Drives India Pvt. Ltd. (a subsidiary of Siemens Large Drives GmbH, which in turn is a subsidiary of Siemens AG), for a cash consideration of ₹ 4,400 million. The gain on the sale transaction is ₹ 3,559 million for the year ended 30 September 2022. The tax expense on this transaction is ₹ 853 million (including write-off of deferred tax assets of ₹ 49 million) for the year ended 30 September 2022.

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

	Sept 2022
Income	
Revenue from operations	4,243
Total income	4,243
Expenses	
Purchases of stock-in-trade	2,396
Decrease/(increase) in inventories of finished goods, work-in-progress and traded goods	(113)
Project bought outs and other direct costs	956
Employee benefits expense	429
Finance costs	8
Depreciation and amortisation expense	23
Other expenses	403
Total expenses	4,102
Profit before tax	141
Gain from sale of discontinued operations	3,559
Tax credit/(expense)	(889)
Profit after tax	2,811
Net cash generated from operating activities	634
Net cash used in investing activities	(128)
Net cash used in financing activities	(1)

57 During the previous year, the Company had executed a Power Purchase Agreement and entered into a Share Subscription and Shareholders Agreement for the subscription of 26% of the paid-up equity share capital of Sunsole Renewables Pvt. Ltd. (Sunsole). On 28 February 2022, Sunsole had allotted 26% of its paid-up equity share capital to the Company as first tranche allotment for a consideration of ₹ 2.7 million and ₹ 11.4 million as second tranche allotment on 5 August 2022. The Company has accounted for the investment at cost as per IND AS 28 'Investments in Associates and Joint Ventures'.

58 Ratio Analysis

Ratio	Numerator	Denominator	Notes	Sept 23	Sept 22	% of Variance	Remarks
Current Ratio	Current assets	Current liabilities		2.11	1.92	9.96%	
Return on Equity ratio	Profit for the year	Average net worth	i	15.53%	13.96%	11.18%	
Inventory Turnover ratio	Cost of goods sold	Average inventory	ii	5.90	5.73	2.92%	
Trade Receivables Turnover ratio	Revenue from contracts with customers	Average debtors		4.34	4.05	7.15%	
Trade payables Turnover ratio	Net credit purchases	Average creditors	iii	3.50	3.05	14.98%	
Net capital Turnover ratio	Revenue from contracts with customers	Average working capital	iv	2.26	2.25	0.40%	
Net Profit ratio	Profit for the year from continuing operations	Revenue from contracts with customers		10.80%	8.56%	26.20%	Profit for the year is higher due to improvement in operational profit margin.
Return on Capital Employed	Profit before interest and tax from continuing operations	Net worth		19.70%	14.78%	33.29%	Profit for the year is higher due to improvement in operational profit margin.

- i) Net worth comprises of Equity share capital and Other equity
- ii) Cost of goods sold comprises of a) Cost of materials consumed, b) Purchases of Stock-in-Trade, c) Changes in inventories of finished goods, d) work-in-progress and stock-in-trade, e) Project bought outs and other direct costs.
- iii) Net credit purchases comprises of (a) cost of goods sold and (d) Other expenses excluding Bad debts (including provision), Net loss on foreign exchange (including commodity gain/loss) and Corporate Social Responsibility expenditure.
- iv) Working Capital is current assets less current liabilities.

59 Asset held for sale pertains to Land & building and Other assets to be sold from Property, plant and equipment, Investment properties and Right of use assets. These assets are measured at the lower of carrying value and fair value less cost to sell.

60 Relationship with Struck off Companies:

Sr. No.	Name of Company	Nature of transactions	Transactions during the year ended		Balance outstanding as at		Relationship
			Sept 2023	Sept 2022	Sept 2023	Sept 2022	
1	Indo Electricals Ltd.	Supply of product	-	*	-	*	Vendor

*denotes figures less than a million

Notes to the Financial Statements (*Continued*) for the year ended 30 September 2023 (Currency: Indian rupees millions)

61 Other Notes:

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- vii) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013, read with Companies (restriction on number of layers) Rules, 2017.

62 Pursuant to the amendment in the Companies (Accounts) Rules, 2014 effective from 11 August 2022, requires that books of accounts and other relevant books and papers maintained in electronic mode should remain accessible in India at all times and backup must be taken on servers physically located in India. The books of accounts are maintained by the Company in electronic mode and are accessible in India at all times. The Company did not have an established process of maintaining daily back-up of books of accounts on a server physically located in India upto 20 June 2023. Effective 21 June 2023, the Company has kept back-up of books of accounts on servers physically located in India on daily basis and has also taken a back-up of books of accounts and records for the period 1 October 2022 to 20 June 2023 on 21 June 2023.

63 Previous period figures have been regrouped / reclassified wherever necessary, to conform to current period classification.

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

Farhad Bamji

Partner

Membership No: 105234

Mumbai

Date: 28 November 2023

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

Deepak S.Parekh

Chairman

DIN: 00009078

Shyamak R. Tata

Director and Chairman

of Audit Committee

DIN: 07297729

Mumbai

Date: 28 November 2023

Sunil Mathur

Managing Director
and Chief Executive
Officer

DIN: 02261944

Daniel Spindler

Executive Director and
Chief Financial Officer

DIN: 08533833

Ketan Thaker

Company Secretary

ACS No:16250