Ernst & Young Merchant Banking Services LLP
Registered Valuer
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14 May 2024

To

The Audit Committee and **The Board of Directors** **Siemens Limited** Birla Aurora, Level 21, Plot No. 1080, Dr. Annie Besant Road, Worli, Mumbai – 400 030.	**The Board of Directors** **Siemens Energy India Limited** Birla Aurora, Level 21, Plot No. 1080, Dr. Annie Besant Road, Worli, Mumbai – 400 030.

Re: Recommendation of fair equity share entitlement ratio for the proposed demerger of Energy Business of Siemens Limited into Siemens Energy India Limited

Dear Sir / Madam,

We refer to the engagement letter dated 05 April 2024 ("Engagement Agreement"), whereby Ernst & Young Merchant Banking Services LLP ("we" or "EY") was appointed by Siemens Limited ("Siemens India") and Siemens Energy India Limited ("SEIL") for recommendation of fair equity share entitlement ratio for the proposed demerger of the energy business of Siemens India ("Energy Business") into SEIL, a wholly owned subsidiary of Siemens India ("Proposed Demerger" or "Proposed Transaction").

Siemens India and SEIL are hereinafter collectively referred to as "you" or "Clients" or "Companies".

In accordance with our Engagement Agreement, we are pleased to present the following Report ("Report" or "Fair Equity Share Entitlement Ratio Report") in connection with the recommendation of fair equity share entitlement ratio for the Proposed Demerger.

The fair equity share entitlement ratio for this report refers to the share entitlement ratio pursuant to which equity shares of SEIL would be issued and allotted to the equity shareholders of Siemens India pursuant to the Proposed Demerger.

SCOPE AND PURPOSE OF THIS REPORT

Siemens India is a public limited company incorporated under the provisions of the Companies Act, 1956, having Corporate Identity Number L28920MH1957PLC010839 and its registered office at Birla Aurora, Level 21, Plot No. 1080 Dr. Annie Besant Road, Worli, Mumbai – 400 030, Maharashtra, India. Siemens India is a technology company focused on industry, infrastructure, transport as well as transmission and generation of electrical power. From more resource-efficient factories, resilient supply chains, and smarter buildings and grids, to cleaner and more comfortable transportation, Siemens India creates technology with purpose adding real value for customers. By combining the real and the digital worlds, Siemens India empowers its customers to transform their industries and markets, to transform the everyday for people. The equity shares of the Siemens India are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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SEIL was incorporated on 7 February 2024, and we have been informed by the management of the Companies (hereinafter collectively referred to as the "Management") that SEIL was incorporated on the basis that SEIL may be required, if and when the Board of Directors of Siemens India decides, to implement the Proposed Demerger.

We understand that the Companies are contemplating a demerger of Energy Business of Siemens India into SEIL pursuant to a scheme of arrangement under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme of Arrangement" or "Scheme").

As per the Scheme, we understand that the appointed date for the Proposed Demerger is the first day of the month in which the Effective Date occurs or such date as may be approved by the Board of Directors of Siemens India and SEIL ("Appointed Date").

Under the Scheme, the shareholders of Siemens India would be issued and allotted equity shares of SEIL as a consideration for the Proposed Demerger. Further, the existing equity shares of SEIL held by Siemens India itself and jointly with 6 individuals shall stand cancelled following the issuance of shares of SEIL to the shareholders of Siemens India.

In this connection, the Audit Committee of Siemens India and Board of Directors of SEIL have appointed EY, Registered Valuer, to recommend the fair equity share entitlement ratio, for the Proposed Demerger ("Purpose").

This Report is our deliverable in respect of the same. This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

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SOURCES OF INFORMATION / MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT

The following information, as provided by the Management of the Companies, has been used in the issuance of the report:

1) With respect to Siemens India
   - Annual Report for the financial year ended 30 September 2023.
   - Limited reviewed standalone financial statements (including balance sheet and statement of profit and loss without schedules) for the three months period ended 31 December 2023.
   - Unaudited standalone financial statements (including balance sheet and statement of profit and loss without schedules) for the three months period ended 31 March 2024.
   - Details of issued, subscribed and paid-up share capital along with the shareholding pattern as at 31 March 2024.

2) With respect to SEIL
   - Details of issued, subscribed and paid-up share capital as at 31 March 2024.
   - Unaudited financial statements from the date of incorporation i.e. 7 February 2024 till 31 March 2024.

3) With respect to Energy Business
   - Historical carved-out financial information (including balance sheets and statement of profit and loss upto profit before tax ("PBT") level without schedules) of Energy Business, without allocation of unallocated assets and liabilities for the financial year ended 30 September 2023.
   - Historical carved-out financial information (including revenue, earnings before interest tax depreciation and amortisation ("EBITDA"), PBT, Profit after tax ("PAT"), assets and liabilities without schedules) of Energy Business for the financial year ended 30 September 2023.
   - Historical carved-out financial information (including revenue, EBITDA, and net worth, and without schedules) of Energy Business for the six months period ended 31 March 2024.

4) Draft Scheme for the Demerger of Energy Business of Siemens India into SEIL.

In addition to the above, we have also obtained further explanations and information considered reasonably necessary for our exercise, from the Management of the Companies.

It may be mentioned that the Management of the Companies have been provided opportunity to review factual information in our draft Report as part of our standard practice to make sure that factual inaccuracies/ omissions/ etc. are avoided in our final Report.

We have been informed by the Management of the Companies that there are no unusual/abnormal events in the Companies materially impacting their operating/financial performance after 31 March 2024 till the Report date.

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We have relied on the above while arriving at the fair equity share exchange ratio for the Proposed Demerger.

PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to recommend the equity share allotment ratio:

- Requested and received financial and qualitative information and clarifications regarding past financial performance.
- Considered data available in public domain related to the Companies.
- Held discussions (in person/over call) with the Management of the Companies.
- Analyzed the shareholding pattern of the Companies.
- Arrived at recommendation of the fair equity share entitlement ratio for the Proposed Demerger.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- Provision of fair equity share entitlement ratio recommendation and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- The recommendation contained herein is not intended to represent the fair equity share entitlement ratio at any time other than Record Date as referred to in Scheme.
- This Report, its contents and the results herein are specific to (i) the terms of our engagement; (ii) the date of this Report and (iii) are based on Scheme of the Proposed Demerger. The Management of the Companies has represented that the business activity of Energy Business and Siemens India has been carried out in the normal and ordinary course between 31 March 2024 and the Report date and that no material adverse change has occurred in their respective operations and financial position between 31 March 2024 and the Report date.
- The recommendation(s) rendered in this Report only represent our views(s) based upon information furnished by the Companies (or their representatives) and publicly available information and the said recommendation(s) shall be considered to be in the nature of non-binding advice. In addition, we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Demerger.
- The determination of fair equity share entitlement ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single share entitlement ratio. While we have provided our recommendation of the share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the share entitlement ratio of the equity shares of Siemens India. The final responsibility for the determination of the share entitlement ratio at which the proposed demerger shall take place will be with the Board of

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Directors who should take into account other factors such as their own assessment of the Proposed Demerger and input of other advisors.

- In accordance with the terms of our engagement and in accordance with the customary approach adopted in such exercises, we have not audited, reviewed, or otherwise investigated the financial information provided to us. Accordingly, we do not express any opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements.
- Also, with respect to explanations and information sought from the Clients, we have been given to understand by the Clients that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Clients.
- The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that they will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited financial statements of the Companies.
- We are not advisors with respect to legal, tax and regulatory matters for the Proposed Demerger.
- This Report does not look into the business/ commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This Report is restricted to recommendation of equity share entitlement ratio only. Its suitability and applicability of any other use has not been checked by us.
- No investigation of the Clients' claims to title of assets has been made for the purpose of this report and the Siemens India's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- We owe responsibility to the Clients only which has appointed us under the terms of our agreement and nobody else. We do not accept any liability to any third party in relation to the issuance of this Report. The fee for the Engagement is not contingent upon the results reported.
- This Report is subject to the Laws of India.

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DISCLOSURE OF REGISTERED VALUER INTEREST OR CONFLICT, IF ANY AND OTHER AFFIRMATIVE STATEMENTS

We do not have any financial interest in the Clients, nor do we have any conflict of interest in carrying out this exercise.

Further, the information provided by the Management of the Companies have been appropriately reviewed. Sufficient time and information were provided to us.

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EQUITY SHARE CAPITAL OF THE COMPANIES

Siemens Limited

The authorised share capital of Siemens India as at 31 March 2024 is INR 2 billion, comprising of 1 billion equity shares of INR 2 each fully paid up. The issued share capital of Siemens India as at 31 March 2024 is INR 713,967,900 consisting of 356,983,950 equity shares of face value of
INR 2 each fully paid up. Out of these, 9,695 equity shares pertaining to rights issue of 1999 have been kept in abeyance. As and when the respective matter gets resolved for the abeyance cases, the Company will need to offer these shares to the shareholders and allot and list these shares. The subscribed share capital of Siemens India as at 31 March 2024 is INR 712,240,510 consisting of 356,120,255 equity shares of face value of INR 2 each fully paid up. The shareholding pattern is as follows:

Equity shareholding pattern of Siemens India as at 31 March 2024

Shareholder	Number of shares	% shareholding
Promoter & Promoter Group	267,089,913	75.0%
Public shareholders	89,030,342	25.0%
Total	**356,120,255**	**100.0%**

Source: Shareholding pattern for the quarter ended 31 March 2024

The Management has represented that there are no outstanding stock options/ warrants/ security/ convertible instruments, etc. issued or granted by Siemens India as at the date of issue of this Report, which would impact the number of equity shares of Siemens India.

Siemens Energy India Limited

SEIL was incorporated on 07 February 2024 as a wholly owned subsidiary of Siemens India. The authorised share capital of this company is INR 0.1 million consisting of 0.05 million equity shares of face value of INR 2 per equity share. The issued and subscribed equity share capital of SEIL as at 31 March 2024 is INR 0.1 million consisting of 0.05 million equity shares of face value of INR 2 each fully paid up. The shareholding pattern is as follows:

Equity shareholding pattern of SEIL as at 31 March 2024

Shareholder	Number of shares	% shareholding
Siemens Limited	50,000*	100.0%
Total	**50,000***	**100.0%**

* Siemens Limited holds 6 (six) shares jointly with 6 (six) individuals
Source: Management

The Management has represented that there are no outstanding stock options/ warrants/ security/ convertible instruments, etc. issued or granted by SEIL as of the date of issue of this Report, which would impact the number of equity shares of SEIL.

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APPROACH FOR RECOMMENDATION OF FAIR EQUITY SHARE ENTITLEMENT RATIO

We understand that, as part of the Scheme, Energy Business of Siemens India is proposed to be demerged into SEIL. It can be seen that SEIL is not engaged in any operations and Siemens India holds 100% equity shares of SEIL. Once the Scheme is implemented, all the shareholders of Siemens India would also become the shareholders of SEIL, and their shareholding in SEIL would mirror their shareholding in Siemens India. The effect of the demerger is that each shareholder of Siemens India becomes the owner of shares in two companies instead of one company. The percentage holding of a shareholder in Siemens India (post the demerger) and in SEIL would remain unchanged from the proportion of capital held by such shareholder in Siemens India.

BASIS OF FAIR EQUITY SHARE EXCHANGE RATIO

Hence, the share entitlement ratio would not have any impact on the ultimate value of the shareholders of the Siemens India and the Proposed Demerger will be value-neutral to the shareholders of Siemens India. Further, as stated in SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023, valuation is not required in cases where there is no change in the shareholding pattern of the resultant company. Therefore, we have not carried out valuation of the Companies or Energy Business. Accordingly, the valuation under the valuation approaches mentioned in the format prescribed under BSE Circular No. LIST/COMP/02/2017-18 dated 29 May 2017 and NSE Circular No. NSE/CML/2017/12 dated 01 June 2017 are not applicable in the given case.

Methodology	Siemens India		SEIL	
	Value per Share	Weights	Value per Share	Weights
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Value Per Share	NA		NA	

Based on the above, any share entitlement ratio can be considered appropriate and fair for the Proposed Demerger as the proportionate equity shareholding of any shareholder before and after the Proposed Demerger would remain same.

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CONCLUSION

In the light of the above and on a consideration of all the relevant factors and circumstances, we recommend a ratio of **1 (One)** equity share of INR 2 each fully paid up of SEIL for every **1 (One)** equity share of INR 2 each fully paid up each held in Siemens India.

It should be noted that we have examined the share entitlement ratio for the Proposed Demerger and not examined any other matter including economic rationale for the demerger *per se* or accounting, legal or tax matters involved in the Proposed Demerger.

Respectfully submitted,
Ernst & Young Merchant Banking Services LLP
Registered Valuer
Registration No. IBBI/RV-E/05/2021/155

Ernst & Young Merchant Banking Services LLP
IBBI/RV-E/ 05/2021/155

Navin Vohra
Partner
IBBI Membership No: IBBI/RV/05/2018/10206
Date: 14 May 2024
EYMBS/RV/2024-25/022

SIEMENS

Date: 24th May 2024

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Scrip code: 500550

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the proposed Scheme of Arrangement between Siemens Limited ("Company" or "Demerged Company") and Siemens Energy India Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme")

Dear Sir/ Madam,

The Demerged Company confirms that no material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with Stock Exchange and period under consideration for valuation.

For **Siemens Limited**

Ketan Nandkishor Thaker
Digitally signed by Ketan Nandkishor Thaker
Date: 2024.05.24 13:02:42 +05'30'

Ketan Thaker
Company Secretary

SIEMENS

Date: 24th May 2024

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Scrip code: 500550

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the proposed Scheme of Arrangement between Siemens Limited ("Company" or "Demerged Company") and Siemens Energy India Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme")

Dear Sir/ Madam,

The Demerged Company states that, it has not issued any listed debt securities, therefore, there has not been any past defaults of listed debt obligations by the Demerged Company.

For **Siemens Limited**

Ketan Nandkishor Thaker
Digitally signed by Ketan Nandkishor Thaker
Date: 2024.05.24 13:03:03 +05'30'

Ketan Thaker
Company Secretary

Siemens Limited
Management: Sunil Mathur
CIN: L28920MH1957PLC010839

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Sales Offices: Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Coimbatore, Gurgaon, Hyderabad, Jaipur, Jamshedpur, Kolkata, Lucknow, Kochi, Mumbai, Nagpur, Navi Mumbai, New Delhi, Puducherry, Pune, Vadodara, Visakhapatnam.