



SIEMENS (PAKISTAN) ENGINEERING CO. LTD.

DIRECTORS' REPORT QUARTER ENDED DECEMBER 31st, 2020 ON THE UN-AUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

Chairman of the Board	Manuel Kuehn
Executive Director	Markus Strohmeier
Non-Executive Directors	Oliver Spierling Harald Griem Manzoor Ahmed
Independent & Non-Executive Director	Qazi Sajid Ali
Female Director	Ayla Majid
Members of the Audit Committee	Ayla Majid (Chairwoman) Manzoor Ahmed Manuel Kuehn Harald Griem
Members of the Human Resource & Remuneration Committee	Qazi Sajid Ali (Chairman) Oliver Spierling Markus Strohmeier
Nomination Committee	Oliver Spierling (Chairman) Markus Strohmeier
Managing Director	Markus Strohmeier
Chief Financial Officer	Umer Jalil Anwer
Company Secretary	M. Usman Ansari
Registered Office	B-72 Estate Avenue, S.I.T.E., Karachi-75700,
Trading Symbol	SIEM
Auditors	EY Ford Rhodes
Registrar and Share Transfer	THK Associates (Pvt.) Limited

Siemens (Pakistan) Engg. Co. Ltd.
Corporate Secretariat
Head: M. Usman Ansari

Postal address:
Siemens(Pakistan) Engg. Co. Ltd.
B-72, Estate Avenue,
S.I.T.E., Karachi
Karachi - 75700

Office address:
Siemens(Pakistan) Engg. Co. Ltd.
B-72, Estate Avenue,
S.I.T.E., Karachi.
Tel: 92(21) 32574910-9

SIEMENS

Dear Shareholders,

We, the undersigned, for and on behalf of the Board of Directors are pleased to present your company, Siemens (Pakistan) Engineering Co. Ltd. ("**Company**"), unaudited condensed interim financial statements and a review of the Company's performance for quarter ended December 31, 2020.

Company's Performance: Key Performance Indicators ("**KPIs**") for the three months period ended December 31, 2020, compared to corresponding period last year are summarized below:

KPIs	Rs in million	
	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019
New Orders	5,685	1,454
Net sales and services	3,544	3,915
(Loss) before tax	(48)	(94)
Net (loss) after tax	(189)	14
(Loss) / Earnings per share (Rupees)	(22.93)	1.74

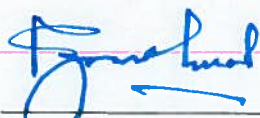
This quarter saw a strong rebound in the new orders mainly due to our transmission business, which reported Rs. 3.8 billion worth of new orders. This was positive for the company as this business had reported a dry year for FY 2020. While the net sales and services was 9.5% less than that reported in the same period last year, the Company managed to reduce its losses before tax by nearly 50% in the same period of that reported last year in the same quarter. This was mainly due to reduced marketing and selling expenses as well as a major reduction in financial expenses as the Company also reported a strong cash position.

Future Outlook: While the country and the world at large are still struggling against the COVID-19 pandemic, the emergence of vaccines is the silver lining for the future. The State Bank of Pakistan has reported an expected growth of 1.5 – 2.5% for the country with Moody's also predicting along the same line at 1.5%. Given the improving economic conditions, stability of interest rates and range bound currency fluctuations, we are hopeful that the Company will secure upcoming opportunities available in the market and aim to improve profit margins in the coming quarters by focusing on core competencies.

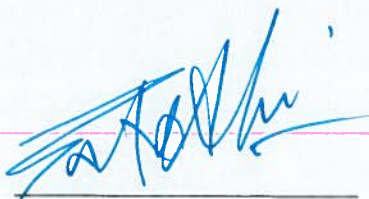
Acknowledgement: The Board is grateful for the dedication of the Company's employees and Management. We also appreciate the continued support and commitment of our stakeholders. Additionally, we greatly value the cooperation received from our customers, suppliers, business partners, financial institutions and regulators for the trust and confidence placed in the Company.

The enclosed condensed interim financial statements are unaudited.

On behalf of the Board of Directors



Manzoor Ahmed
Director



Qazi Sajid Ali
Director

Karachi, January 28, 2021

SIEMENS

**Condensed Interim Financial Statements
for the three months period
ended December 31, 2020
(Unaudited)**

**Registered Office:
Siemens (Pakistan) Engineering Co. Ltd.
B-72, Estate Avenue
S. I. T. E.
Karachi - 75700**

Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Financial Position
As at December 31, 2020

As at December 31, 2020		December 31, 2020 (Unaudited)	September 30, 2020 (Audited)
		(Rupees in '000)	
Note			
Equity and liabilities			
Share capital and reserves			
Share capital			
- Authorised			
	20,000,000 (September 30, 2020: 20,000,000)		
	Ordinary shares of Rs 10 each	200,000	200,000
- Issued, subscribed and paid-up			
	8,247,037 (September 30, 2020: 8,247,037)		
	Ordinary shares of Rs 10 each	82,470	82,470
Reserves			
Capital		624,192	624,192
Revenue		4,072,895	4,261,995
		4,697,087	4,886,187
		4,779,557	4,968,657
Non-current liabilities			
Long-term financing	5	123,271	131,366
Lease liabilities	6	111,821	111,654
Retention money		62,645	45,343
Deferred Government grant	7	2,722	4,453
Others		40,351	49,342
		340,810	342,158
Current liabilities			
Trade and other payables	8	6,126,923	6,188,345
Contract liabilities	9	2,194,106	1,541,341
Current portion of non-current liabilities	10	173,281	160,499
Provisions	11	545,956	542,621
Short-term running finance	12	4,637	1,489
Taxation - net	13	357,286	180,271
Unclaimed dividend		33,561	33,591
		9,435,750	8,648,157
Total liabilities		9,776,560	8,990,315
Contingencies and commitments			
	14		
Total equity and liabilities		14,556,117	13,958,972
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	15	271,580	279,935
Right-of-use assets	16	123,672	131,577
Intangible assets		222	389
		395,474	411,901
Long-term loans and trade receivables		299,015	396,550
Deferred tax asset - net	17	833,165	890,426
		1,527,654	1,698,877
Current assets			
Inventories	18	956,356	807,716
Trade receivables	19	7,375,013	8,096,229
Contract assets	20	2,344,438	2,208,669
Loans and advances		135,249	182,796
Deposits and short-term prepayments		159,944	125,929
Other receivables	21	463,287	398,404
Cash and bank balances	22	1,591,481	437,657
		13,025,768	12,257,400
Assets classified as held for sale		2,695	2,695
Total assets		14,556,117	13,958,972

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Ghazi Sajid Ali
Director


Umer Jalil Anwer
Chief Financial Officer

Manzoor Ahmed
Director

Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Profit or Loss (Unaudited)
For the three months period ended December 31, 2020

	Note	Three months period ended December 31, 2020	Three months period ended December 31, 2019
		----- (Rupees in '000) -----	
Net sales and services	23	3,544,490	3,914,623
Cost of sales and services		(3,323,153)	(3,662,646)
Gross profit		221,337	251,977
Marketing and selling expenses		(192,660)	(220,663)
General administrative expenses		(83,984)	(80,634)
		(276,644)	(301,297)
		(55,307)	(49,320)
Other income	24	8,542	118
Other operating expenses	24	(1,040)	-
Net other operating income		7,502	118
Operating loss		(47,805)	(49,202)
Financial income		8,740	368
Financial expenses		(9,328)	(44,725)
Net finance expense		(588)	(44,357)
Loss before income tax		(48,393)	(93,559)
Income tax (expense) / reversal	25	(140,707)	107,873
Net (loss) / profit for the period		(189,100)	14,314
Basic and diluted (loss) / earnings per share (Rupees)		(22.93)	1.74

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.


Qazi Sajid Ali
 Director


Umer Jafar Anwer
 Chief Financial Officer


Manzoor Ahmed
 Director

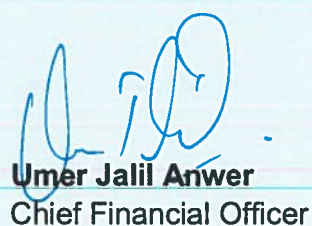
Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Other Comprehensive Income (Unaudited)
For the three months period ended December 31, 2020

	Three months period ended December 31, 2020 ----- (Rupees in '000) -----	Three months period ended December 31, 2019
Net (loss) / profit for the period	(189,100)	14,314
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period	(189,100)	14,314

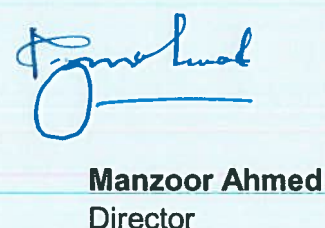
The annexed notes 1 to 30 form an integral part of these condensed interim financial statements:



Qazi Sajid Ali
Director



Umer Jalil Anwer
Chief Financial Officer



Manzoor Ahmed
Director

Siemens (Pakistan) Engineering Co. Ltd.

	Issued, subscribed and paid-up share capital	Capital reserves			Revenue reserves			Total
		Share premium	Treasury shares reserve	Other capital reserve	General reserves	Remeasurement loss on defined benefit plan	Accumulated profit / (loss)	
						(Rupees in '000)		
Balance as at September 30, 2019	82,470	619,325	567	4,300	4,523,026	(206,592)	964,348	5,987,444
Net profit for the three months period ended December 31, 2019	-	-	-	-	-	-	14,314	14,314
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	14,314	14,314
Balance as at December 31, 2019	82,470	619,325	567	4,300	4,523,026	(206,592)	978,662	6,001,758
Final dividend @ Rs 46 per Ordinary share of Rs 10 each for the year ended September 30, 2019	-	-	-	-	-	-	(379,364)	(379,364)
Net loss for the nine months period ended September 30, 2020	-	-	-	-	-	-	(510,329)	(510,329)
Other comprehensive loss for the period	-	-	-	-	-	(143,408)	-	(143,408)
Total comprehensive loss for the period	-	-	-	-	-	(143,408)	(510,329)	(653,737)
Balance as at September 30, 2020	82,470	619,325	567	4,300	4,523,026	(350,000)	88,969	4,968,657
Net loss for the three months period ended December 31, 2020	-	-	-	-	-	-	(189,100)	(189,100)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(189,100)	(189,100)
Balance as at December 31, 2020	82,470	619,325	567	4,300	4,523,026	(350,000)	(100,131)	4,779,557

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.


Qazi Sajid Ali
Director

Umer Jalll Answer
Chief Financial Officer

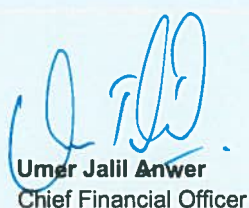

Manzoor Ahmed
Director

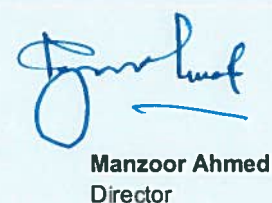
Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Cash Flows (Unaudited)
For the three months period ended December 31, 2020

		Three months period ended December 31, 2020	Three months period ended December 31, 2019
	Note	----- (Rupees in '000) -----	
Cash flows from operating activities			
Cash generated from operations	26	1,089,491	630,628
Financial expenses paid		(19,773)	(40,313)
Income tax refund / (paid)		93,569	(200,382)
Net cash generated from operating activities		1,163,287	389,933
Cash flows from investing activities			
Capital expenditure incurred		(17,575)	(15,332)
Proceeds from sale of property, plant and equipment		631	483
Financial income received		6,801	368
Net cash used in investing activities		(10,143)	(14,481)
Cash flows from financing activities			
Repayment of lease liabilities		(2,468)	(2,243)
Net cash used in financing activities		(2,468)	(2,243)
Net increase in cash and cash equivalents		1,150,676	373,209
Cash and cash equivalents at beginning of the period		436,168	(240,438)
Cash and cash equivalents at end of the period	27	1,586,844	132,771

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.


Qazi Sajid Ali
 Director


Umer Jalil Anwer
 Chief Financial Officer


Manzoor Ahmed
 Director

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the three months period ended December 31, 2020

1. LEGAL STATUS AND OPERATIONS

Siemens (Pakistan) Engineering Co. Ltd. (the Company) was incorporated in Pakistan in the year 1953. The Company is a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the execution of projects under contracts and in manufacturing, sale and installation of electronic and electrical capital goods. The Company's registered office is situated at B-72, Estate Avenue, S.I.T.E., Karachi.

2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements of the Company for the three months period ended December 31, 2020 have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and Pakistan Stock Exchange Regulations.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2020.

2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees (Rs) which is the functional currency of the Company and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

3. ACCOUNTING POLICIES AND CHANGES THEREIN

- 3.1 The accounting policies and the methods of computations adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended September 30, 2020.
- 3.2 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were either not relevant or did not have any impact on the accounting policies of the Company.

4. OPERATIONS IN AFGHANISTAN

Effective December 31, 2015 the Company ceased to participate in further business in Afghanistan due to withdrawal of sales rights by Siemens AG for the Afghanistan territory. However, the Company will continue to execute the orders in hand amounting to Rs 149.228 million as at December 31, 2020.

		As at December 31, 2020 (Unaudited)	As at September 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
5. LONG-TERM FINANCING			
SBP re-finance loan	5.1	261,312	255,853
Less: Current maturity of long-term financing	10	(138,041)	(124,487)
		<u>123,271</u>	<u>131,366</u>

- 5.1 This represents re-finance loan obtained from Standard Chartered Bank of (Pakistan) Limited at subsidised interest rate of 3.00% per annum under the State Bank of Pakistan (SBP) refinance scheme to support payment of salaries and wages. This amount is repayable in eight equal quarterly installments commencing from January 2021.

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the three months period ended December 31, 2020

6. LEASE LIABILITIES

		As at December 31, 2020 (Unaudited)	As at September 30, 2020 (Audited)
		————(Rupees in '000)————	
	<i>Note</i>		
Opening lease liabilities		136,334	123,359
New leases during the period / year		-	36,215
Accretion of interest during the period / year		3,532	13,997
Payments during the period / year		(2,468)	(37,237)
Balance at end of the period / year		137,398	136,334
Less: Current maturity of lease liabilities	10	(25,577)	(24,680)
		<u>111,821</u>	<u>111,654</u>

7. DEFERRED GOVERNMENT GRANT

Fair value differential of loan at subsidised rate as Government grant	7.1	15,785	19,654
Less: Government grant amortised during the period / year		(3,400)	(3,869)
		<u>12,385</u>	<u>15,785</u>
Less: Current portion of deferred Government grant	10	(9,663)	(11,332)
		<u>2,722</u>	<u>4,453</u>

7.1 Deferred Government grant relates to the difference between the fair value and actual amount of financing obtained under SBP refinance scheme for payment of salaries and wages during the year ended September 30, 2020 (note 5.1). The grant is amortised over the period of loan and presented as reduction of related interest expense.

8. TRADE AND OTHER PAYABLES

		As at December 31, 2020 (Unaudited)	As at September 30, 2020 (Audited)
		———— (Rupees in '000) ————	
	<i>Note</i>		
Trade creditors [including retention money of Rs 647.92 million (September 30, 2020: Rs 663.558 million)]	8.1	3,951,200	3,961,979
Accrued liabilities		1,020,386	1,147,037
Defined benefit plan - gratuity		528,172	515,993
Defined contribution plan - Provident Fund		-	11,597
Accrued interest		163,744	179,780
Workers' Welfare Fund (WWF)		171,172	170,140
Derivative financial instruments		104,541	21,371
Withholding tax payable		77,356	19,232
Sales tax payable		-	66,557
Other liabilities		110,352	94,659
		<u>6,126,923</u>	<u>6,188,345</u>

8.1 These include sums aggregating to Rs 1,252.227 million (September 30, 2020: Rs 1,461.779 million) due to related parties.

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the three months period ended December 31, 2020

9. CONTRACT LIABILITIES

		As at December 31, 2020 (Unaudited)	As at September 30, 2020 (Audited)
	<i>Note</i>	———— (Rupees in '000) ————	
Advances from customers			
- for goods		350,028	316,402
- for projects and services	9.1	1,519,841	783,886
		1,869,869	1,100,288
Unearned portion of revenue		53,274	224,161
Refund liabilities		270,963	216,892
		2,194,106	1,541,341

9.1 This includes advance of Rs 179.046 million (September 30, 2020: Rs 209.705 million) from a related party as per the contractual payment terms.

		As at December 31, 2020 (Unaudited)	As at September 30, 2020 (Audited)
	<i>Note</i>	———— (Rupees in '000) ————	
10. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current maturity of long-term financing	5	138,041	124,487
Current maturity of lease liabilities	6	25,577	24,680
Current portion of deferred Government grant	7	9,663	11,332
		173,281	160,499

11. PROVISIONS

	Warranties	Losses on sales contracts	Total
	———— (Rupees in '000) ————		
Balance as at September 30, 2020 (Audited)	509,318	33,303	542,621
Additional provisions	28,127	316	28,443
Cost incurred	(9,656)	(1,363)	(11,019)
Reversal of unutilised amounts	(14,089)	-	(14,089)
Balance at December 31, 2020 (Unaudited)	513,700	32,256	545,956

12. SHORT-TERM RUNNING FINANCE

		As at December 31, 2020 (Unaudited)	As at September 30, 2020 (Audited)
	<i>Note</i>	———— (Rupees in '000) ————	
- Secured	12.1	-	1,489
- Unsecured	12.2	4,637	-
		4,637	1,489

12.1 These facilities arranged with commercial banks in Pakistan aggregated to Rs 4,900 million (September 30, 2020: Rs 4,900 million) while interest rate ranges between 7.61% to 7.82% per annum (September 30, 2020: 7.51% to 14.35% per annum). These are secured against the joint hypothecation charges over inventories and trade receivables of the Company.

12.2 These facilities arranged with commercial bank in the United Arab Emirates (UAE) aggregated to Rs 109.300 million (September 30, 2020: Rs 113.250 million) at interest rate ranges between 3.73% to 3.78% per annum.

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the three months period ended December 31, 2020

13. TAXATION - net

	As at December 31, 2020 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
Provision for taxation	1,499,399	1,697,635
Advance tax	(1,142,113)	(1,517,364)
	<u>357,286</u>	<u>180,271</u>

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There has been no major change in the status of contingencies as stated in the note 17.1 to the annual financial statements of the Company for the year ended September 30, 2020.

14.2 Commitments

- (i) As at December 31, 2020 capital expenditure contracted for but not incurred amounted to Rs 30.923 million (September 30, 2020: Rs 23.525 million).
- (ii) Post dated cheques issued to the Collector of Customs against import duty aggregate to Rs 11.830 million (September 30, 2020: Rs 27.715 million).

	As at December 31, 2020 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
(iii) Letters of credit		
- Limit	1,200,000	1,200,000
- utilised portion	61,238	111,014
- unutilised portion	<u>1,138,762</u>	<u>1,088,986</u>

- (iv) The Company has entered into various Ijarah arrangements for vehicles with a commercial bank. The aggregate amount of commitments against these arrangements are as follows:

	As at December 31, 2020 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
Not later than one year	<u>189</u>	<u>349</u>

- (v) The aggregate amount of commitments against various lease arrangements for rental premises

	As at December 31, 2020 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
Not later than one year	<u>1,024</u>	<u>1,806</u>

15.1 Operating assets

15.2 Following is the cost of operating assets that have been added / disposed off:

Plant and machinery:	706
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16. RIGHT-OF-USE ASSETS

The right-of-use assets comprise properties, including land and building, leased by the Company for its operations. Following is the

Opening balance	131 577	122 250
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Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the three months period ended December 31, 2020

17. DEFERRED TAX ASSET - net	As at December 31, 2020 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
Debit balances arising in respect of:		
Unadjusted tax credits / tax losses	269,093	268,647
Provisions	448,038	492,154
Remeasurement loss on defined benefit plan	78,217	89,866
Discounting of long-term receivables	3,921	5,140
Accelerated tax depreciation and amortisation	33,896	34,619
	833,165	890,426

18. INVENTORIES

Raw materials and components	294,474	314,885
Work-in-process	381,089	327,244
Finished goods	206,433	212,438
	881,996	854,567
Provision for slow moving and obsolete items	(198,690)	(219,636)
	683,306	634,931
Goods-in-transit	273,050	172,785
	956,356	807,716

19. TRADE RECEIVABLES

Considered good			
Due from related parties	19.1	156,003	21,534
Due from others		7,219,010	8,074,695
		<u>7,375,013</u>	<u>8,096,229</u>
Considered doubtful		1,005,115	1,008,636
		<u>8,380,128</u>	<u>9,104,865</u>
Loss allowance		<u>(1,005,115)</u>	<u>(1,008,636)</u>
		7,375,013	8,096,229

19.1 Represents amounts due from Rousch (Pakistan) Power Limited, Mentor Graphics Pakistan Development (Private) Limited and Portfolio Companies - Simens Energy affiliates having aggregate amounts due of Rs 12.384 million (September 30, 2020: Rs 9.838 million), Rs 11.696 (September 30, 2020: Rs 11.696 million) and Rs 131.923 million (September 30, 2020: Rs nil), respectively.

20. CONTRACT ASSETS

	As at December 31, 2020 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
Considered good	2,344,438	2,208,669
Considered doubtful	253,225	247,304
	2,597,663	2,455,973
Loss allowance	(253,225)	(247,304)
	2,344,438	2,208,669

21. OTHER RECEIVABLES

Considered good			
Other costs reimbursable from customers		154,732	151,960
Sales tax refundable		48,245	-
Interest accrued		43,654	41,715
Derivative financial instruments		184,701	176,550
Others	21.1	31,955	28,179
		463,287	398,404
Considered doubtful			
Costs reimbursable from customers		13,486	13,396
Sales tax refundable		54,373	54,373
Others		84,259	84,190
		152,118	151,959
		615,405	550,363
Loss allowance		(152,118)	(151,959)
		463,287	398,404

21.1 This includes amounts due from Siemens Gamesa Renewable Energy (Private) Limited having aggregate amounts due of Rs 1.705 million (September 30, 2020: Rs 1.387 million).

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the three months period ended December 31, 2020

	As at December 31, 2020 (Unaudited) ----- (Rupees in '000) -----	As at September 30, 2020 (Audited) ----- (Rupees in '000) -----
22. CASH AND BANK BALANCES		
With banks in		
Current accounts	177,046	290,893
Deposit account	1,381,421	146,549
	1,558,467	437,442
Cheques in hand	32,598	-
Cash in hand	416	215
	1,591,481	437,657
23. NET SALES AND SERVICES		
	For the three months period ended December 31, 2020 ----- (Rupees in '000) -----	December 31, 2019 ----- (Rupees in '000) -----
	Note	
Execution of contracts	2,074,862	2,249,800
Sale of goods	822,594	1,082,123
Rendering of services	647,034	582,700
	3,544,490	3,914,623
Sales tax	261,042	519,435
Gross sales and services	3,805,532	4,434,058
Sales tax	(261,042)	(519,435)
	3,544,490	3,914,623
24. OTHER INCOME AND OTHER OPERATING EXPENSES		
Insurance and other claims	8,542	-
Gain on sale of property, plant and equipment	-	118
Other Income	8,542	118
Loss on sale of property, plant and equipment	(8)	-
Workers' Profits Participation Fund (WPPF)	(1,032)	-
Other expense	(1,040)	-
Net other operating income / (expenses)	7,502	118
25. INCOME TAX (EXPENSE) / REVERSAL		
Current		
Charge for the period	(83,446)	(101,456)
Reversal for prior years	-	93,569
	(83,446)	(7,887)
Deferred	(57,261)	115,760
	(140,707)	107,873

		For the three months period ended	
		December 31, 2020	December 31, 2019
	Note	(Rupees in '000)	
26. CASH GENERATED FROM OPERATIONS			
Loss before tax for the period		(48,393)	(93,559)
Adjustments for non-cash items:			
Depreciation and amortisation		33,363	53,203
Reversal of provision for slow moving and obsolete items of inventories - net		(20,946)	(9,116)
Reversal of loss allowance on trade receivables - net		(25,288)	(8,077)
Loss allowance / (reversal of loss allowance) on contract assets		5,921	(5,095)
Loss allowance on deposits and other receivables - net		721	524
Discounting of long-term loans and trade receivables - net		(3,105)	(11,367)
Provision for WWF		1,032	-
Loss / (gain) on sale of property, plant and equipment		8	(118)
Financial expenses		9,328	44,725
Financial income		(8,740)	(368)
Adjustment for other items:			
Long-term loans and trade receivables		122,407	(749,627)
Long-term deposits and prepayments		-	175
Retention money payable		17,302	71,343
Other non-current liabilities		(8,991)	(203)
Working capital changes	26.1	1,014,872	1,338,188
		1,089,491	630,628

26.1 Working capital changes

(Increase) / decrease in current assets:

Inventories	(127,694)	94,088
Trade receivables	724,737	1,485,405
Contract assets	(141,690)	(181,690)
Loans and advances	47,547	162,123
Deposits and short-term prepayments	(34,577)	(34,515)
Other receivables	(63,103)	(139,118)
	405,220	1,386,293

Increase / (decrease) in current liabilities:

Trade, other payables and unclaimed dividend	(46,448)	258,595
Contract liabilities	652,765	(280,481)
Provisions	3,335	(26,219)
	609,652	(48,105)
	1,014,872	1,338,188

27. CASH AND CASH EQUIVALENTS

		As at December 31, 2020	As at December 31, 2019
		(Rupees in '000)	
Cash and bank balances	22	1,591,481	512,418
Short-term running finances	12	(4,637)	(379,647)
		1,586,844	132,771

28. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Siemens AG (parent company), its subsidiaries and associates and other companies with common directorship with significant influence on other companies, employees retirement benefit funds and key management employees. Transactions with related parties can be summarised as follows:

		For the three months period ended December 31, 2020	For the three months period ended December 31, 2019
	Note	----- (Rupees in '000) -----	
Parent company			
Sales of goods and rendering of services		-	23,865
Purchases of goods and receipt of services		332,995	656,928
Commission and allowances earned		-	1,268
Associated companies			
Sales of goods and rendering of services		182,036	57,829
Purchases of goods and receipt of services		1,365,823	997,677
Commission and allowances earned		1,741	-
Financial expenses		4	1,239
Others			
Employees' retirement benefits		31,759	27,337
Compensation to key management personnel	28.1	50,131	47,732
28.1 The details of compensation to key management personnel are as follows:			
Short-term benefits		44,200	36,478
Post-employment benefits		406	372
Share based benefits		5,525	10,882
		50,131	47,732

Comparative figures have been restated to reflect changes in the definition of key management personnel as per IAS 24 'Related Party Disclosures'.

28.2 Amounts due from and due to related parties are disclosed in the relevant notes to these condensed interim financial statements.

29. The Company is operating through business portfolios of Energy, Smart Infrastructure and Digital Industries focusing on the areas of power generation and distribution, intelligent infrastructure for buildings and distributed energy systems, and automation and digitalization in the process and manufacturing.

29.1 INFORMATION ABOUT BUSINESS SEGMENTS

Divisions Business Units	(All rupees in '000)										
	Smart Infrastructure			Digital Industries			Energy			Eliminations	Company as a whole
	Distribution Systems	Digital Grid	Others	Total	Software	Others	Total	Transmission Solutions	Power Gen. & Services		
For the three months period ended December 31, 2020											
REVENUE											
Sales to external customers	280,435	142,214	31,748	454,397	434,772	347,196	781,968	617,446	1,679,218	2,296,664	11,461
Inter-segment sales	237,888	1,120	-	239,008	-	-	-	472	-	472	(239,480)
Total revenue	518,323	143,334	31,748	693,405	434,772	347,196	781,968	617,918	1,679,218	2,297,136	11,461
											(239,480)
											3,544,490
RESULT											
Segment result	46,312	(16,789)	518	30,041	(21,945)	39,403	17,458	(201,920)	112,210	(89,710)	(7,123)
Interest expense											(49,334)
Interest income											(5,860)
Income tax expense											6,801
Net profit for the period											(140,707)
											(189,100)
OTHER INFORMATION											
Capital expenditure	717	7,517	-	8,234	699	6,821	7,520	516	2,379	2,895	134
Depreciation and amortisation	4,629	2,038	20	6,687	1,997	1,905	3,902	5,840	3,257	9,097	185
As at December 31, 2020											
ASSETS AND LIABILITIES											
Segment assets	1,138,256	767,300	55,772	1,961,328	996,437	721,633	1,718,070	6,355,398	1,313,718	7,669,116	477,227
											-
											11,825,741
Segment liabilities	782,527	566,139	79,982	1,428,648	559,782	571,603	1,131,385	3,154,973	1,715,579	4,870,552	451,596
											-
											7,082,181
For the three months period ended December 31, 2019											
REVENUE											
Sales to external customers	459,328	341,034	16,509	816,871	361,656	174,155	535,811	1,854,657	636,572	2,491,229	70,352
Inter-segment sales	7,067	118,506	51	125,624	-	16,597	16,597	-	-	-	(142,221)
Total revenue	466,395	459,540	16,560	942,495	361,656	190,752	552,408	1,854,657	636,572	2,491,229	70,352
											(142,221)
											3,914,263
RESULT											
Segment result	(59,498)	45,671	(3,590)	(17,417)	(26,584)	1,641	(24,943)	(128,841)	124,434	(4,407)	(5,903)
Interest expense											(52,670)
Interest income											(41,257)
Income tax expense											368
Net profit for the period											107,873
											14,314
OTHER INFORMATION											
Capital expenditure	2,214	-	-	2,214	268	453	721	2,508	1,364	3,872	134
Depreciation and amortisation	6,172	2,359	68	8,599	1,857	2,149	4,006	10,937	17,867	28,804	291
As at September 30, 2020											
ASSETS AND LIABILITIES											
Segment assets	1,541,779	1,060,764	38,087	2,640,630	947,040	679,894	1,626,934	7,323,836	254,891	7,578,727	527,747
											-
											12,374,038
Segment liabilities	739,610	830,166	101,284	1,671,060	717,293	664,546	1,381,839	3,114,392	658,698	3,773,090	512,472
											-
											7,338,461

29.2 Geographical information

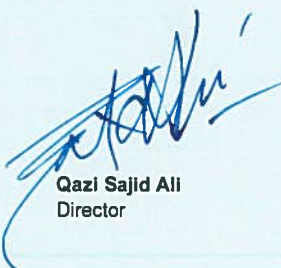
Sales

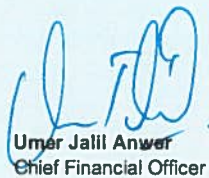
	For the three months period ended December 31, 2020	For the three months period ended December 31, 2019
	----- (Rupees in '000) -----	
Pakistan	3,313,354	3,583,356
Afghanistan	53,522	330,110
Bahrain	21,583	-
Libya	31,288	-
Others	124,743	1,157
	<u>3,544,490</u>	<u>3,914,623</u>

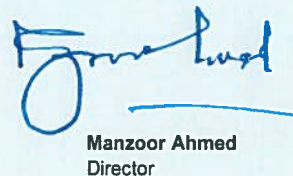
The revenue information above is based on the location of customers.

30. GENERAL

30.1 These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in the meeting held on January 28, 2021.


Qazi Sajid Ali
Director


Umer Jalil Anwer
Chief Financial Officer


Manzoor Ahmed
Director