



SIEMENS (PAKISTAN) ENGINEERING CO. LTD.

DIRECTORS' REPORT HALF YEAR ENDED March 31st, 2021 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: Muhammad 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 half year ended March 31, 2021.

Company's Performance: Key Performance Indicators ("**KPIs**") for the six months period ended March 31, 2021, compared to corresponding period last year are summarized below:

KPIs	Rs in 000s	
	Six Months Ended March 31, 2021	Six Months Ended March 31, 2020
New Orders	10,138,247	3,788,612
Net sales and services	6,132,313	6,738,138
(Loss) / profit before tax	115,570	(46,733)
Net (loss) after tax	(128,789)	(52,699)
(Loss) / Earnings per share (Rupees)	(15.62)	(6.39)

This quarter saw a continued rebound in new orders mainly due to our transmission business, which reported Rs. 5.8 billion worth of new orders. This was a welcome change from the same period last year, where this business reported no new orders for FY 2020. While the net sales and services was 9% less than that reported in the same period last year, the Company managed to book a profit before tax representing a 140% increase over that reported for the six months ended March 31, 2020. This was mainly due to reduced marketing, selling, and financial expenses, along with gain on disposal of an asset held for sale by the Company.

Future Outlook: While the country and the world at large are still struggling against the COVID-19 pandemic, the ongoing focus on vaccination against the virus and other economic measures taken by the Government appear to be leading toward stability within the country. Given the improving economic conditions, current interest rates and range bound currency fluctuations, we are cautiously optimistic that the Company will continue to secure upcoming opportunities. There will continue to remain a focus on improved profit margins in the coming quarters by focusing on project execution and the Company's 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



Qazi Sajid Ali
Director



Markus Strohmeier
Director

Karachi, May 27, 2021



**AUDITORS' REVIEW REPORT ON THE CONDENSED
INTERIM FINANCIAL STATEMENTS OF**

SIEMENS (PAKISTAN) ENGINEERING CO. LTD.

**FOR THE HALF-YEAR ENDED
31 MARCH 2021**

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Siemens (Pakistan) Engineering Co. Ltd.

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Siemens (Pakistan) Engineering Co. Ltd.** as at **31 March 2021** and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the three months ended 31 March 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 March 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditors' review report is
Mr. Tariq Feroz Khan.



Chartered Accountants

Place: Karachi

Date: 28 May 2021

Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Financial Position
As at March 31, 2021

		March 31, 2021 (Unaudited)	September 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
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		4,050,736	4,261,995
		4,674,928	4,886,187
		4,757,398	4,968,657
Non-current liabilities			
Long-term financing	6	93,022	131,366
Lease liabilities	7	100,379	111,654
Retention money		4,043	45,343
Deferred Government grant	8	1,381	4,453
Others		54,336	49,342
		253,161	342,158
Current liabilities			
Trade and other payables	9	6,294,057	6,188,345
Contract liabilities	10	2,400,978	1,541,341
Current maturity of non-current liabilities	11	172,585	160,499
Short-term running finances	12	-	1,489
Provisions	13	532,558	542,621
Taxation - net	14	339,543	180,271
Unclaimed dividend		34,042	33,591
		9,773,763	8,648,157
Total liabilities		10,026,924	8,990,315
Contingencies and commitments	15		
Total equity and liabilities		14,784,322	13,958,972
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	16	263,220	279,935
Right-of-use assets	17	115,768	131,577
Intangible assets		56	389
		379,044	411,901
Long-term loans and trade receivables		431,663	396,550
Long-term deposits and prepayments		4,148	-
Deferred tax asset	18	788,989	890,426
		1,603,844	1,698,877
Current assets			
Inventories	19	1,256,852	807,716
Trade receivables	20	7,750,535	8,096,229
Contract assets	21	1,874,133	2,208,669
Loans and advances		135,653	182,796
Deposits and short-term prepayments		127,682	125,929
Other receivables	22	361,977	398,404
Cash and bank balances	23	1,673,646	437,657
		13,180,478	12,257,400
Assets classified as held for sale		-	2,695
Total assets		14,784,322	13,958,972

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.


Markus-Erich Strohmeier
 Managing Director


Umer Jalil Anwer
 Chief Financial Officer


Qazi Sajid Ali
 Director

Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Profit or Loss (Unaudited)
For the six months period ended March 31, 2021

		Six months period ended		Three months period ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Note		(Rupees in '000)			
Net sales and services	24	6,132,313	6,738,138	2,587,823	2,823,515
Cost of sales and services		(5,744,230)	(6,093,098)	(2,421,077)	(2,430,452)
Gross profit		388,083	645,040	166,746	393,063
Marketing and selling expenses		(367,931)	(441,147)	(175,271)	(220,484)
General administrative expenses		(172,182)	(151,601)	(88,198)	(70,967)
		(540,113)	(592,748)	(263,469)	(291,451)
		(152,030)	52,292	(96,723)	101,612
Gain on disposal of assets classified as held for sale	25	247,851	-	247,851	-
Other income	26	16,300	1,575	7,758	1,457
Other operating expenses	26	(2,561)	-	(1,521)	-
Net other operating income		261,590	1,575	254,088	1,457
Operating profit		109,560	53,867	157,365	103,069
Financial income		23,900	1,751	15,160	1,383
Financial expenses		(17,890)	(102,351)	(8,562)	(57,626)
Net finance income / (expenses)		6,010	(100,600)	6,598	(56,243)
Profit / (loss) before income tax		115,570	(46,733)	163,963	46,826
Income tax	27	(244,359)	(5,966)	(103,652)	(113,839)
Net (loss) / profit for the period		(128,789)	(52,699)	60,311	(67,013)
Basic and diluted (loss) / earnings per share (Rupees)		(15.62)	(6.39)	7.31	(8.13)

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements. *ETM*


Markus-Erich Strohmeier
 Managing Director


Umer Jalil Anwer
 Chief Financial Officer


Qazi Sajid Ali
 Director

Siemens (Pakistan) Engineering Co. Ltd.**Condensed Interim Statement of Other Comprehensive Income (Unaudited)****For the six months period ended March 31, 2021**

	Six months period ended		Three months period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees in '000)			
Net (loss) / profit for the period	(128,789)	(52,699)	60,311	(67,013)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(128,789)</u>	<u>(52,699)</u>	<u>60,311</u>	<u>(67,013)</u>

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements. *ECU*



Markus-Erich Strohmeier
Managing Director



Umer Jalil Anwer
Chief Financial Officer



Qazi Sajid Ali
Director

Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Changes in Equity
For the six months period ended March 31, 2021

	Issued, subscribed and paid-up share capital	Capital reserves			General reserves	Revenue reserves	Accumulated profit / (loss)	Total
		Share premium	Treasury shares reserve	Other capital reserve		Remeasurement loss on defined benefit plan - net of deferred tax		
(Rupees in '000)								
Balance as at September 30, 2019 - Audited	82,470	619,325	567	4,300	4,523,026	(206,592)	964,348	5,987,444
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 six months period ended March 31, 2020	-	-	-	-	-	-	(52,699)	(52,699)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(52,699)	(52,699)
Balance as at March 31, 2020 - Unaudited	82,470	619,325	567	4,300	4,523,026	(206,592)	532,285	5,555,381
Balance as at September 30, 2020 - Audited	82,470	619,325	567	4,300	4,523,026	(350,000)	88,969	4,968,657
Final dividend @ Rs 10 per Ordinary share of Rs 10 each for the year ended September 30, 2020	-	-	-	-	-	-	(82,470)	(82,470)
Net loss for the six months period ended March 31, 2021	-	-	-	-	-	-	(128,789)	(128,789)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(128,789)	(128,789)
Balance as at March 31, 2021 - Unaudited	82,470	619,325	567	4,300	4,523,026	(350,000)	(122,290)	4,757,398

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.


Markus-Erich Strohmeier
 Managing Director


Umer Jalil Anwer
 Chief Financial Officer


Qazi Sajid Ali
 Director

Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Cash Flows (Unaudited)
For the six months period ended March 31, 2021

		Six months period ended	
		March 31, 2021	March 31, 2020
		----- (Rupees in '000) -----	
Cash flows from operating activities			
Cash generated from / (used in) operations	28	1,155,603	(165,449)
Financial expenses paid		(18,125)	(73,421)
Income tax paid		16,350	(366,343)
Payment to Workers' Welfare Fund (WWF)		(17,686)	-
Net cash generated from / (used in) operating activities		1,136,142	(605,213)
Cash flows from investing activities			
Capital expenditure		(39,647)	(27,306)
Proceeds from sale of property, plant and equipment		5,202	1,164
Proceeds from sale of assets classified as held for sale - net		250,546	-
Financial income received		20,505	633
Net cash generated from / (used in) investing activities		236,606	(25,509)
Cash flows from financing activities			
Dividends paid		(82,019)	(377,730)
Repayment of long-term financing		(38,051)	-
Repayment of lease liabilities		(15,200)	(13,817)
Net cash used in financing activities		(135,270)	(391,547)
Net increase / (decrease) in cash and cash equivalents		1,237,478	(1,022,269)
Cash and cash equivalents at beginning of the period		436,168	(240,438)
Cash and cash equivalents at end of the period	29	1,673,646	(1,262,707)

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements. *ETU*


Markus-Erich Strohmeier
 Managing Director


Umer Jalil Anwer
 Chief Financial Officer


Qazi Sajid Ali
 Director

Siemens (Pakistan) Engineering Co. Ltd.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended March 31, 2021

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. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

The Company continued its operations despite slowdown of economic activities due to spread of COVID-19 with no material impact during the period on the financial position and financial performance of the Company. However, the management of the Company is closely monitoring the situation, and in response to developments, taking all possible precautions and measures to safeguard health and safety of employees and other stakeholders.

3. BASIS OF PREPARATION

- 3.1 These condensed interim financial statements of the Company for the six months period ended March 31, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of the International Accounting Standard 34 - 'Interim Financial Reporting' issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 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.

These condensed interim financial statements are unaudited but subject to limited scope review by the auditors. The figures for the quarter ended March 31, 2021 and March 31, 2020 appearing in the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income and notes forming part thereof have not been subject to limited scope review by the auditors, as the scope of the review covered only the cumulative figures for the half year ended March 31, 2021 and March 31, 2020.

3.2 Functional and presentation currency

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

4. ACCOUNTING POLICIES

- 4.1 The accounting policies and the methods of computations adopted and significant judgements, estimates and assumptions used 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.
- 4.2 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were either not relevant or did not have any material impact on the accounting policies of the Company.

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Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2021

5. 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. 91.804 million as at March 31, 2021 (September 30, 2020: Rs. 202.723 million).

6. LONG-TERM FINANCING

		As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
Note		(Rupees in '000)	
	6.1	230,046	255,853
	11	(137,024)	(124,487)
		<u>93,022</u>	<u>131,366</u>

- 6.1 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 commenced from January 2021.

7. LEASE LIABILITIES

		As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
Note		(Rupees in '000)	
		136,334	123,359
		-	36,215
		6,800	13,997
		(15,200)	(37,237)
		<u>127,934</u>	<u>136,334</u>
	11	(27,555)	(24,680)
		<u>100,379</u>	<u>111,654</u>

8. DEFERRED GOVERNMENT GRANT

Fair value differential of loan at subsidised rate accounted for as Government grant	8.1	15,785	19,654
Less: Government grant amortised during the period		(6,398)	(3,869)
		<u>9,387</u>	<u>15,785</u>
Less : Current portion of deferred Government grant	11	(8,006)	(11,332)
		<u>1,381</u>	<u>4,453</u>

- 8.1 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. The grant is amortised over the period of loan and presented as reduction of related interest expense.

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2021

		As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
9. TRADE AND OTHER PAYABLES			
Trade creditors [including retention money of Rs 632.205 million (September 30, 2020: Rs 663.558 million)]	9.1	4,133,198	3,961,979
Accrued liabilities		915,899	1,147,037
Defined benefit plan - gratuity fund		527,148	515,993
Defined contribution plan - provident fund		-	11,597
Accrued interest		166,899	179,780
Workers' Welfare Fund (WWF)		155,015	170,140
Derivative financial instruments		265,438	21,371
Withholding tax payable		18,650	19,232
Sales tax payable		-	66,557
Other liabilities		111,810	94,659
		<u>6,294,057</u>	<u>6,188,345</u>

9.1 These include sums aggregating to Rs 1,153.586 million (September 30, 2020: Rs 1,461.779 million) due to related parties.

		As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
10. CONTRACT LIABILITIES			
Advances from customers			
- for goods		228,152	316,402
- for projects and services	10.1	1,741,118	783,886
		1,969,270	1,100,288
Unearned portion of revenue		157,466	224,161
Refund liabilities		274,242	216,892
		<u>2,400,978</u>	<u>1,541,341</u>

10.1 This includes advance of Rs 182.515 million (September 30, 2020: Rs 209.705 million) from a related party as per the contractual payment terms.

		As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
11. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long-term financing	6	137,024	124,487
Current portion of lease liabilities	7	27,555	24,680
Current portion of deferred Government grant	8	8,006	11,332
		<u>172,585</u>	<u>160,499</u>

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Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2021

		As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
12. SHORT-TERM RUNNING FINANCES			
Secured	12.1	-	1,489

12.1 These facilities arranged with commercial banks in Pakistan aggregated to Rs 4,900 million (September 30, 2020: 4,900 million) while interest rate ranges between 7.61% to 7.88% per annum (September 30, 2020: 7.51% to 14.35% per annum). These are secured against the joint hypothecation charges over the inventories and trade receivable of the Company. As of reporting date, these remained fully utilized by the Company.

12.2 Facilities for unsecured bank overdraft arranged with commercial bank in the United Arab Emirates (UAE) aggregated to Rs 104.275 million (September 30, 2020: Rs 113.250 million) at interest rate ranges between 3.68% to 3.78% per annum. As of reporting date, this remained fully utilized by the Company.

12.3 Facility is available from Siemens Financial Services (SFS) of Siemens AG, in respect of the projects in the United Arab Emirates (UAE). The mark-up on this facility ranges between 1.01% to 1.56% (September 30, 2020: 1.07% to 3.27% per annum). As of reporting date, this remained fully utilized by the Company.

	Warranties	Losses on sales contracts	Total
	----- (Rupees in '000) -----		
Balance as at September 30, 2020 (Audited)	509,318	33,303	542,621
Additional provisions	62,872	1,400	64,272
Cost incurred	(27,019)	(1,789)	(28,808)
Reversal of unutilised amounts	(41,982)	(3,545)	(45,527)
Balance as at March 31, 2021 (Unaudited)	<u>503,189</u>	<u>29,369</u>	<u>532,558</u>

	As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
14. TAXATION - net		
Provision for taxation	1,558,875	1,697,635
Advance tax	(1,219,332)	(1,517,364)
	<u>339,543</u>	<u>180,271</u>

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Siemens (Pakistan) Engineering Co. Ltd.**Notes to the Condensed Interim Financial Statements (Unaudited)****For the six months period ended March 31, 2021****15. CONTINGENCIES AND COMMITMENTS****15.1 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.

15.2 Commitments

- (i) As at March 31, 2021, capital expenditure contracted for but not incurred amounted to Rs 26.267 million (September 30, 2020: Rs 23.525 million).
- (ii) Post dated cheques issued to the Collector of Customs against import duty aggregate to Rs. 14.995 million (September 30, 2020: Rs 27.715 million).

	As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
(iii) Letters of credit		
- limit	1,200,000	1,200,000
- utilised portion	22,201	111,014
- unutilised portion	1,177,799	1,088,986

- (iv) The Company has entered into ijarah arrangement for vehicles with an islamic bank. The aggregate amount of commitments against this arrangement are as follows:

	As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
- Not later than one year	109	349

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

	As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
Not later than one year	2,550	1,806

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Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2021

		As at March 31, 2021 (Unaudited) ----- (Rupees in '000) -----	As at September 30, 2020 (Audited)
16. PROPERTY, PLANT AND EQUIPMENT	<i>Note</i>		
Operating assets - at net book value	16.1	239,950	259,028
Capital work in progress		23,270	20,907
		<u>263,220</u>	<u>279,935</u>
16.1 Operating assets			
Opening net book value		259,028	371,413
Additions during the period / year	16.2	37,284	57,606
		<u>296,312</u>	<u>429,019</u>
Disposals during the period / year	16.2	(36,785)	(22,789)
Accumulated depreciation on disposals		35,451	18,856
Depreciation for the period / year		(55,028)	(166,058)
		<u>(56,362)</u>	<u>(169,991)</u>
Closing net book value		<u>239,950</u>	<u>259,028</u>

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

	Additions		Disposals	
	For the six months period ended		For the six months period ended	
	March 31, 2021 ----- (Unaudited) -----	March 31, 2020	March 31, 2021 ----- (Unaudited) -----	March 31, 2020
	----- (Rupees in '000) -----			
Plant and machinery	-	3,250	1,937	894
Furniture and fixtures	1,570	5,058	11,487	1,430
Office equipment	6,605	9,685	6,050	11,104
Vehicles	9,761	5,552	16,322	-
Tools and patterns	19,348	956	989	133
	<u>37,284</u>	<u>24,501</u>	<u>36,785</u>	<u>13,561</u>

17. RIGHT-OF-USE ASSETS

The right-of-use assets comprise of properties, including land and building, leased by the Company for its operations. Following is the change in right-of-use asset during the period:

	As at March 31, 2021 (Unaudited) ----- (Rupees in '000) -----	As at September 30, 2020 (Audited)
Opening balance	131,577	123,359
Recognised during the period / year	-	36,215
Depreciation for the period / year	(15,809)	(27,997)
Closing balance	<u>115,768</u>	<u>131,577</u>

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Siemens (Pakistan) Engineering Co. Ltd.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended March 31, 2021

		As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
		----- (Rupees in '000) -----	
18. DEFERRED TAX ASSET	<i>Note</i>		
Debit balances arising in respect of:			
Unadjusted tax credits / tax losses		262,701	268,647
Provisions		420,829	492,154
Remeasurement loss on defined benefit plan		69,263	89,866
Discounting of long-term receivables		3,753	5,140
Accelerated tax depreciation and amortisation		32,443	34,619
		<u>788,989</u>	<u>890,426</u>
19. INVENTORIES			
Raw materials and components		338,081	314,885
Work-in-process		697,310	327,244
Finished goods		207,269	212,438
		1,242,660	854,567
Less: Provision for slow moving and obsolete items		(201,359)	(219,636)
		<u>1,041,301</u>	<u>634,931</u>
Goods-in-transit		215,551	172,785
		<u>1,256,852</u>	<u>807,716</u>
20. TRADE RECEIVABLES			
Considered good			
Due from related parties	20.1	77,623	21,534
Due from others		7,672,912	8,074,695
		<u>7,750,535</u>	<u>8,096,229</u>
Considered doubtful		992,083	1,008,636
		<u>8,742,618</u>	<u>9,104,865</u>
Less: Loss allowance		(992,083)	(1,008,636)
		<u>7,750,535</u>	<u>8,096,229</u>
20.1	Represents amounts due from Rousch (Pakistan) Power Limited, Mentor Graphics Pakistan Development (Private) Limited and Siemens Energy affiliates having aggregate amounts due of Rs. 1.070 million (September 30, 2020: Rs. 9.838 million), Rs. 3.977 million (September 30 2020: Rs. 11.696 million) and Rs. 72.576 million (September 30, 2020: nil) respectively.		
		As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
		----- (Rupees in '000) -----	
21. CONTRACT ASSETS			
Considered good		1,874,133	2,208,669
Considered doubtful		246,117	247,304
		<u>2,120,250</u>	<u>2,455,973</u>
Less: Loss allowance		(246,117)	(247,304)
		<u>1,874,133</u>	<u>2,208,669</u>

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Siemens (Pakistan) Engineering Co. Ltd.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended March 31, 2021

		As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
		----- (Rupees in '000) -----	
22. OTHER RECEIVABLES	<i>Note</i>		
Considered good			
Due from related parties	22.1	9,966	1,387
Other costs reimbursable from customers		141,208	151,960
Sales tax refundable		8,159	-
Interest accrued		45,110	41,715
Derivative financial instruments		122,668	176,550
Others		34,866	26,792
		<u>361,977</u>	<u>398,404</u>
Considered doubtful			
Costs reimbursable from customers		13,799	13,396
Sales tax refundable		54,373	54,373
Others		84,401	84,190
		<u>152,573</u>	<u>151,959</u>
		<u>514,550</u>	<u>550,363</u>
Less: Loss allowance		(152,573)	(151,959)
		<u>361,977</u>	<u>398,404</u>

- 22.1** Represents amount due from Siemens AG, Germany, Siemens Gamesa Renewable Energy (Private) Limited and Siemens Pakistan Employees' Provident Fund having aggregate amounts due of Rs. 4.468 million (September 30, 2020: nil), Rs. 0.223 million (September 30, 2020: Rs 1.387 million) and Rs. 5.275 million (September 30, 2020: nil) respectively.

	As at March 31, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
23. CASH AND BANK BALANCES		
With banks in		
Current accounts	208,769	290,893
Deposit accounts	1,464,785	146,549
	<u>1,673,554</u>	<u>437,442</u>
Cash in hand	92	215
	<u>1,673,646</u>	<u>437,657</u>

	For the six months period ended March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
	----- (Rupees in '000) -----	
24. NET SALES AND SERVICES		
Sales disaggregation by type of contracts		
Execution of contracts	2,929,010	3,414,245
Sale of goods	1,563,304	2,162,514
Rendering of services	1,639,999	1,161,379
	<u>6,132,313</u>	<u>6,738,138</u>
Sales tax	714,484	929,159
Gross sales and services	6,846,797	7,667,297
Less: Sales tax	(714,484)	(929,159)
	<u>6,132,313</u>	<u>6,738,138</u>

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Siemens (Pakistan) Engineering Co. Ltd.**Notes to the Condensed Interim Financial Statements (Unaudited)****For the six months period ended March 31, 2021****25. GAIN ON DISPOSAL OF ASSETS CLASSIFIED AS HELD FOR SALE**

Reference to note 22 to the annual financial statements of the Company for the year ended September 30, 2020, the Company during the period has completed the disposal transaction of its property, comprising leasehold land and building on lease hold land located at A/3 Link Street, Phase 2. DHA, Karachi. The summary of disposal is as follows:

	For the six months period ended March 31, 2021 (Unaudited) (Rupees in '000)
Sale proceeds on disposal	256,991
Assets classified as held for sale - as at September 30, 2020 (Audited)	(2,695)
Gain on disposal	254,296
Expenses on disposal	(6,445)
Gain on disposal - net	247,851

	For the six months period ended	
	March 31, 2021 (Unaudited) ----- (Rupees in '000) -----	March 31, 2020 (Unaudited)
26. OTHER INCOME AND OTHER OPERATING EXPENSES		
Gain on sale of property, plant and equipment	3,868	546
Insurance and other claims	8,542	-
Liabilities no longer payable writtten back	3,890	1,029
Other income	16,300	1,575
Other expenses - Workers' Welfare Fund (WWF)	(2,561)	-

27. INCOME TAX

Current		
Charge for the period	(142,922)	(160,007)
Reversal for prior years	-	93,570
	(142,922)	(66,437)
Deferred	(101,437)	60,471
	(244,359)	(5,966)

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Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2021

		For the six months period ended	
		March 31,	March 31,
		2021	2020
		(Unaudited)	(Unaudited)
		----- (Rupees in '000) -----	
28.	CASH GENERATED FROM / (USED IN) OPERATIONS	<i>Note</i>	
	Profit / (loss) before tax for the period	115,570	(46,733)
	Adjustments for non-cash items:		
	Depreciation and amortisation	71,170	107,951
	Reversal of provision for slow moving and obsolete items of inventories - net	(18,277)	(38,007)
	(Reversal) / loss allowance on trade receivables - net	(35,705)	1,512
	(Reversal) / loss allowance on contract assets	(1,187)	4,501
	Loss allowance / (Reversal) on deposit and other receivables - net	117	(5,511)
	Discounting of long-term loans and trade receivables - net	(1,325)	(20,522)
	Provision for Workers' Welfare Fund (WWF)	2,561	-
	Gain on sale of property, plant and equipment	(3,868)	(546)
	Gain on sale of assets classified as held for sale	(247,851)	-
	Liabilities no longer payable written back	(3,890)	(1,029)
	Financial expenses	17,890	102,351
	Financial income	(23,900)	(1,751)
	Adjustment for other items:		
	Long-term loans and trade receivables - net	(14,636)	(117,600)
	Long-term deposits and prepayments - net	(4,148)	175
	Retention money	(41,300)	65,105
	Other non-current liabilities	4,994	(7,229)
	Working capital changes	28.1 1,339,388	(208,116)
		1,155,603	(165,449)
28.1	Working capital changes		
	(Increase) / decrease in current assets:		
	Inventories	(430,859)	174,980
	Trade receivables	362,247	875,054
	Contract assets	335,723	(26,087)
	Loans and advances	47,143	147,699
	Deposits and short-term prepayments	(1,256)	(53,277)
	Other receivables	39,208	56,848
		352,206	1,175,217
	Increase / (decrease) in current liabilities:		
	Trade and other payables	137,608	(910,830)
	Contract liabilities	859,637	(366,713)
	Provisions	(10,063)	(105,790)
		987,182	(1,383,333)
		1,339,388	(208,116)

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Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2021

	As at March 31, 2021 (Unaudited)	As at March 31, 2020 (Unaudited)
	----- (Rupees in '000) -----	
29. CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,673,646	455,551
Short-term running finances	-	(1,718,258)
	<u>1,673,646</u>	<u>(1,262,707)</u>

30. 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 are summarised as follows:

	For the six months period ended	
	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
	----- (Rupees in '000) -----	
Parent company		
Sale of goods and rendering of services	-	23,866
Purchases of goods and receipt of services	817,948	1,043,532
Commission and allowances earned	-	1,268
Dividends paid	61,568	283,212
Associated companies		
Sale of goods and rendering of services	272,466	306,124
Purchases of goods and receipt of services	1,683,149	1,320,976
Commission and allowances earned	1,814	24,674
Financial expenses	4	2,453
Others		
Dividends paid	11	46
Employees' retirement benefits	86,559	70,259
Compensation to key management personnel	104,168	80,899

Note

30.1 The details of compensation to key management personnel are as follows:

Short-term benefits	83,036	79,229
Post-employment benefits	840	756
Share based benefits	20,292	914
	<u>104,168</u>	<u>80,899</u>

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

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

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2021

31. INFORMATION ABOUT BUSINESS SEGMENTS

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.

31.1 The details of information about business segment is as follows:

(All rupees in '000)

Segment	Smart Infrastructure				Digital Industries			Gas and Power - Energy			Others	Eliminations	Company as a whole
	Distribution Systems	Digital Grid	Others	Total	Software	Others	Total	Transmission Solutions & Services	Power Gen. & Services	Total			
Business Units													
For the six months period ended March 31, 2021 (Unaudited)													
REVENUE													
Sales to external customers	739,954	309,414	82,256	1,131,624	697,391	739,013	1,436,404	1,249,923	2,295,994	3,545,917	18,368	-	6,132,313
Inter-segment sales	323,380	54,364	-	377,744	2,736	-	2,736	472	-	472	-	(380,952)	-
Total revenue	1,063,334	363,778	82,256	1,509,368	700,127	739,013	1,439,140	1,250,395	2,295,994	3,546,389	18,368	(380,952)	6,132,313
RESULT													
Segment result	168,848	2,558	4,260	175,667	(21,428)	129,569	108,141	(473,453)	303,021	(170,432)	(7,280)	-	106,096
Financial expenses													(11,030)
Financial income													20,504
Income tax expense													(244,359)
Net loss for the period													(128,789)
OTHER INFORMATION													
Capital expenditure	1,816	7,696	-	9,512	1,608	6,923	8,531	5,267	18,007	23,274	35		
Depreciation and amortisation	9,517	4,015	41	13,573	3,970	4,232	8,202	12,000	10,154	22,154	379		
Non-cash expenses other than depreciation and amortisation	(7,764)	(4,239)	(148)	(12,151)	(5,061)	(4,880)	(9,941)	(9,849)	(3,775)	(13,624)	(751)		
ASSETS AND LIABILITIES													
As at March 31, 2021 (Unaudited)													
Segment assets	1,425,546	671,686	42,228	2,139,460	1,050,163	698,622	1,748,785	6,514,817	1,388,834	7,903,650	327,781		12,119,677
Segment liabilities	799,747	591,497	73,995	1,465,240	421,492	489,177	910,669	3,095,732	2,201,541	5,297,273	436,597		8,109,778

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Siemens (Pakistan) Engineering Co. Ltd.
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For the six months period ended March 31, 2021

Segment	Smart Infrastructure				Digital Industries			Gas and Power - Energy			Others	Eliminations	(All rupees in '000)	Company as a whole
	Distribution Systems	Digital Grid	Others	Total	Software	Others	Total	Transmission Solutions & Services	Power Gen. & Services	Total				
Business Units														
----- For the six months period ended March 31, 2020 (Unaudited) -----														
REVENUE														
Sales to external customers	899,854	597,377	40,678	1,537,909	733,317	475,541	1,208,858	2,753,109	1,050,845	3,803,954	187,417	-	6,738,138	
Inter-segment sales	70,222	209,016	1,013	280,251	-	23,314	23,314	-	-	-	-	(303,565)	-	
Total revenue	970,076	806,393	41,691	1,818,160	733,317	498,855	1,232,172	2,753,109	1,050,845	3,803,954	187,417	(303,565)	6,738,138	
RESULT														
Segment result	(156,025)	92,433	(2,404)	(65,996)	(4,490)	31,345	26,855	(133,888)	238,681	104,793	(17,564)	-	48,088	
Financial expenses													(95,453)	
Financial income													632	
Income tax expense													(5,966)	
Net loss for the period													(52,699)	
OTHER INFORMATION														
Capital expenditure	2,527	99	-	2,626	934	721	1,655	8,292	5,871	14,163	134			
Depreciation and amortisation	11,891	4,547	141	16,579	3,738	4,174	7,912	21,129	36,600	57,729	523			
Non-cash expenses other than depreciation and amortisation	(546)	932	(69)	317	(1,228)	(854)	(2,082)	(217)	331	114	(42)			
ASSETS AND LIABILITIES														
----- As at September 30, 2020 (Audited) -----														
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	

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Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2021

		For the six months period ended	
		March 31,	March 31,
		2021	2020
		(Unaudited)	(Unaudited)
		----- (Rupees in '000) -----	
31.2	Geographical information		
	Sales to external customers		
	Pakistan	5,744,002	6,285,311
	Afghanistan	136,128	355,227
	Others	252,183	97,600
		<u>6,132,313</u>	<u>6,738,138</u>

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

32. GENERAL

- 32.1** These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on **27 MAY 2021**.


Markus-Erich Strohmeier
 Managing Director


Umer Jalil Anwer
 Chief Financial Officer


Qazi Sajid Ali
 Director