



## SIEMENS (PAKISTAN) ENGINEERING CO. LTD.

### DIRECTORS' REPORT NINE MONTHS PERIOD ENDED JUNE 30<sup>th</sup>, 2021 ON THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

<b>Chairman of the Board</b>	Manuel Kuehn
<b>Executive Director</b>	Markus Strohmeier
<b>Non-Executive Directors</b>	Oliver Spierling Harald Griem Manzoor Ahmed
<b>Independent &amp; Non-Executive Director</b>	Qazi Sajid Ali
<b>Female Director</b>	Ayla Majid
<b>Members of the Audit Committee</b>	Ayla Majid (Chairwoman) Manzoor Ahmed Manuel Kuehn Harald Griem
<b>Members of the Human Resource &amp; Remuneration Committee</b>	Qazi Sajid Ali (Chairman) Oliver Spierling Markus Strohmeier
<b>Nomination Committee</b>	Oliver Spierling (Chairman) Markus Strohmeier
<b>Managing Director</b>	Markus Strohmeier
<b>Chief Financial Officer</b>	Umer Jalil Anwer
<b>Company Secretary</b>	M. Usman Ansari
<b>Registered Office</b>	B-72 Estate Avenue, S.I.T.E., Karachi-75700,
<b>Trading Symbol</b>	SIEM
<b>Auditors</b>	EY Ford Rhodes
<b>Registrar and Share Transfer</b>	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's, Siemens (Pakistan) Engineering Co. Ltd. ("**Company**"), unaudited condensed interim financial statements and a review of the Company's performance for quarter ended June 30, 2021.

**Company's Performance:** Key Performance Indicators ("**KPIs**") for the period ended June 30, 2021, compared to corresponding period last year are summarized below:

KPIs	Rs in millions	
	Nine Months Ended June 30, 2021	Nine Months Ended June 30, 2020
New Orders	18,253	6,021
Net sales and services	9,493	8,988
Profit / (Loss) before income tax	426	(267)
Net profit / (loss) after income tax	72	(305)
(Loss) / Earnings per share (Rupees)	8.72	(37.02)

This quarter the Company continued winning major market share for new orders for Transmission and Generation Services, which reflects in the strong numbers above. Furthermore, back-to-back strong quarters with respect to order intake converted into healthy net sales and services that posted a 5.6% increase over last year. As the country continues to navigate through the Covid-19 pandemic, the rebound in business activity has allowed the Company to also post better results with an overall net profit for the nine months' ended June 30, 2021.


**Future Outlook:** As the country largely depends on donated vaccines for Covid-19, with a recent allocation of funds to procure additional doses, mass immunization remains a challenge and a fourth wave is ongoing. The government's policy to continue restricted business activities along with implementation of SOPs nevertheless allows for economic growth, which reflects in the forecast of 5% growth for FY2022 presented as part of the growth-oriented national budget. We are hopeful that opportunities for conventional and renewable power generation, transmission, and distribution sector will remain, allowing the Company to maintain its performance. Regardless, the Company will remain cautious and monitor the situation closely.

**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

  
Markus Strohmeier  
Managing Director

  
Qazi Sajid Ali  
Director

Karachi, July 29, 2021

**SIEMENS**

**Condensed Interim Financial Statements  
for the nine months period  
ended June 30, 2021  
(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 June 30, 2021**

		June 30, 2021 (Unaudited)	September 30, 2020 (Audited)
		----- (Rupees in '000) -----	
<b>Equity and liabilities</b>	<b>Note</b>		
<b>Share capital and reserves</b>			
<b>Share capital</b>			
- 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
<b>Reserves</b>			
Capital		624,192	624,192
Revenue		4,251,434	4,261,995
		4,875,626	4,886,187
		4,958,096	4,968,657
<b>Non-current liabilities</b>			
Long-term financing	6	62,439	131,366
Lease liabilities	7	92,245	111,654
Retention money		7,932	45,343
Deferred Government grant	8	467	4,453
Others		57,212	49,342
		220,295	342,158
<b>Current liabilities</b>			
Trade and other payables	9	6,337,514	6,188,345
Contract liabilities	10	2,702,859	1,541,341
Current maturity of non-current liabilities	11	171,614	160,499
Short-term running finances	12	1,504	1,489
Provisions	13	519,404	542,621
Taxation - net	14	407,487	180,271
Unclaimed dividend		33,927	33,591
		10,174,309	8,648,157
<b>Total liabilities</b>		10,394,604	8,990,315
<b>Contingencies and commitments</b>	15		
<b>Total equity and liabilities</b>		15,352,700	13,958,972
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property, plant and equipment	16	269,921	279,935
Right-of-use assets	17	107,863	131,577
Intangible assets		-	389
		377,784	411,901
Long-term loans and trade receivables		436,788	396,550
Long-term deposits and prepayments		3,595	-
Deferred tax asset	18	771,579	890,426
		1,589,746	1,698,877
<b>Current assets</b>			
Inventories	19	1,612,416	807,716
Trade receivables	20	7,353,147	8,096,229
Contract assets	21	1,944,061	2,208,669
Loans and advances		120,467	182,796
Deposits and short-term prepayments		137,352	125,929
Other receivables	22	554,557	398,404
Cash and bank balances	23	2,040,954	437,657
		13,762,954	12,257,400
<b>Assets classified as held for sale</b>		-	2,695
<b>Total assets</b>		15,352,700	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

**Gazi Sajid Ali**  
Director

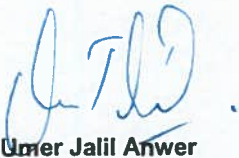


**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Profit or Loss (Unaudited)**  
**For the nine months period ended June 30, 2021**

		Nine months period ended		Three months period ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Note		(Rupees in '000)			
Net sales and services	24	9,493,152	8,988,169	3,360,839	2,250,031
Cost of sales and services		(8,493,999)	(8,335,914)	(2,749,769)	(2,242,816)
<b>Gross profit</b>		<b>999,153</b>	<b>652,255</b>	<b>611,070</b>	<b>7,215</b>
Marketing and selling expenses		(584,479)	(551,251)	(216,548)	(110,104)
General administrative expenses		(253,432)	(226,006)	(81,250)	(74,405)
		(837,911)	(777,257)	(297,798)	(184,509)
		161,242	(125,002)	313,272	(177,294)
Gain on disposal of assets classified as held for sale	25	247,851	-	-	-
Other income	26	18,833	1,621	2,533	46
Other operating expenses	26	(13,487)	-	(10,926)	-
Net other operating income / (expenses)		253,197	1,621	(8,393)	46
<b>Operating profit / (loss)</b>		<b>414,439</b>	<b>(123,381)</b>	<b>304,879</b>	<b>(177,248)</b>
Financial income		37,661	4,832	13,761	3,081
Financial expenses		(26,043)	(148,536)	(8,153)	(46,185)
Net finance income / (expenses)		11,618	(143,704)	5,608	(43,104)
Profit / (loss) before income tax		426,057	(267,085)	310,487	(220,352)
Income tax	27	(354,148)	(38,236)	(109,789)	(32,270)
<b>Net profit / (loss) for the period</b>		<b>71,909</b>	<b>(305,321)</b>	<b>200,698</b>	<b>(252,622)</b>
Basic and diluted earnings / (loss) per share (Rupees)		8.72	(37.02)	24.34	(30.63)

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

  
**Markus-Erich Strohmeier**  
 Managing Director

  
**Umar Jalil Anwer**  
 Chief Financial Officer

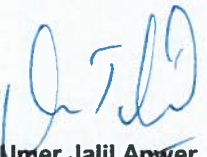
  
**Qazi Sajid Ali**  
 Director


**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Other Comprehensive Income (Unaudited)**  
**For the nine months period ended June 30, 2021**

	Nine months period ended		Three months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Rupees in '000)			
Net profit / (loss) for the period	71,909	(305,321)	200,698	(252,622)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>71,909</b>	<b>(305,321)</b>	<b>200,698</b>	<b>(252,622)</b>

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 Changes in Equity**  
**For the nine months period ended June 30, 2021**

	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 - net of deferred tax	Accumulated profits	
	(Rupees in '000)							
<b>Balance as at September 30, 2019 - Audited</b>	<b>82,470</b>	<b>619,325</b>	<b>567</b>	<b>4,300</b>	<b>4,523,026</b>	<b>(206,592)</b>	<b>964,348</b>	<b>5,987,444</b>
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 June 30, 2020	-	-	-	-	-	-	(305,321)	(305,321)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(305,321)	(305,321)
<b>Balance as at June 30, 2020 - Unaudited</b>	<b>82,470</b>	<b>619,325</b>	<b>567</b>	<b>4,300</b>	<b>4,523,026</b>	<b>(206,592)</b>	<b>279,663</b>	<b>5,302,759</b>
<b>Balance as at September 30, 2020 - Audited</b>	<b>82,470</b>	<b>619,325</b>	<b>567</b>	<b>4,300</b>	<b>4,523,026</b>	<b>(350,000)</b>	<b>88,969</b>	<b>4,968,657</b>
Final dividend @ Rs 10 per Ordinary share of Rs 10 each for the year ended September 30, 2020	-	-	-	-	-	-	(82,470)	(82,470)
Net profit for the nine months period ended June 30, 2021	-	-	-	-	-	-	71,909	71,909
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	71,909	71,909
<b>Balance as at June 30, 2021 - Unaudited</b>	<b>82,470</b>	<b>619,325</b>	<b>567</b>	<b>4,300</b>	<b>4,523,026</b>	<b>(350,000)</b>	<b>78,408</b>	<b>4,958,096</b>

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

  
**Markus-Erich Strohmeier**  
 Managing Director

  
**Umar Jalil Anwer**  
 Chief Financial Officer

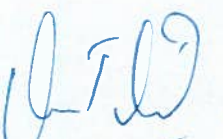
  
**Qazi Sajid Ali**  
 Director

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Cash Flows (Unaudited)**  
**For the nine months period ended June 30, 2021**

		Nine months period ended	
		June 30, 2021	June 30, 2020
		----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>	<i>Note</i>		
Cash generated from operations	28	1,613,313	671,612
Financial expenses paid		(19,747)	(123,680)
Income tax paid		(8,085)	(508,471)
Payment to Workers' Welfare Fund (WWF)		(17,686)	-
Net cash generated from operating activities		1,567,795	39,461
<b>Cash flows from investing activities</b>			
Capital expenditure		(77,211)	(37,877)
Proceeds from sale of property, plant and equipment		8,506	1,809
Proceeds from sale of assets classified as held for sale - net		250,546	-
Financial income received		32,793	1,346
Net cash generated from / (used in) investing activities		214,634	(34,722)
<b>Cash flows from financing activities</b>			
Dividends paid		(82,134)	(379,364)
Proceeds from long-term loan		-	271,638
Repayment of long-term financing		(72,221)	-
Repayment of lease liabilities		(24,792)	(19,411)
Net cash used in financing activities		(179,147)	(127,137)
<b>Net increase / (decrease) in cash and cash equivalents</b>		1,603,282	(122,398)
Cash and cash equivalents at beginning of the period		436,168	(240,438)
<b>Cash and cash equivalents at end of the period</b>	29	2,039,450	(362,836)

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.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2021**

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**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 nine months period ended June 30, 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.

**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.

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 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. 69.042 million as at June 30, 2021 (September 30, 2020: Rs. 202.723 million).

		As at June 30, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	-----
<b>6. LONG-TERM FINANCING</b>			
SBP re-finance loan	6.1	198,501	255,853
Less: Current portion of long-term financing	11	(136,062)	(124,487)
		<u>62,439</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.

		As at June 30, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	-----
<b>7. LEASE LIABILITIES</b>			
Opening lease liabilities		136,334	123,359
New leases during the period / year		-	36,215
Accretion of interest during the period / year		9,960	13,997
Payments during the period / year		(24,792)	(37,237)
Balance at end of the period / year		<u>121,502</u>	<u>136,334</u>
Less: Current portion of lease liabilities	11	(29,257)	(24,680)
Non-current lease liabilities		<u>92,245</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		(9,023)	(3,869)
		<u>6,762</u>	<u>15,785</u>
Less : Current portion of deferred Government grant	11	(6,295)	(11,332)
		<u>467</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 nine months period ended June 30, 2021**

		<b>As at June 30, 2021 (Unaudited)</b>	<b>As at September 30, 2020 (Audited)</b>
	<i>Note</i>	<b>----- (Rupees in '000) -----</b>	
<b>9. TRADE AND OTHER PAYABLES</b>			
Trade creditors [including retention money of Rs 676.468 million (September 30, 2020: Rs 663.558 million)]	9.1	<b>3,954,066</b>	3,961,979
Accrued liabilities		<b>1,124,299</b>	1,147,037
Defined benefit plan - gratuity fund		<b>549,133</b>	515,993
Defined contribution plan - provident fund		-	11,597
Accrued interest		<b>170,270</b>	179,780
Workers' Welfare Fund (WWF)		<b>156,355</b>	170,140
Workers' Profit Participation Fund (WPPF)		<b>9,586</b>	-
Derivative financial instruments		<b>230,640</b>	21,371
Withholding tax payable		<b>24,701</b>	19,232
Sales tax payable		-	66,557
Other liabilities		<b>118,464</b>	94,659
		<b>6,337,514</b>	6,188,345

**9.1** These include sums aggregating to Rs 1,387.779 million (September 30, 2020: Rs 1,461.779 million) due to related parties.

		<b>As at June 30, 2021 (Unaudited)</b>	<b>As at September 30, 2020 (Audited)</b>
	<i>Note</i>	<b>----- (Rupees in '000) -----</b>	
<b>10. CONTRACT LIABILITIES</b>			
Advances from customers			
- for goods		<b>504,015</b>	316,402
- for projects and services	10.1	<b>1,689,080</b>	783,886
		<b>2,193,095</b>	1,100,288
Unearned portion of revenue		<b>229,288</b>	224,161
Refund liabilities		<b>280,476</b>	216,892
		<b>2,702,859</b>	1,541,341

**10.1** This includes advance of Rs 200.430 million (September 30, 2020: Rs 209.705 million) from a related party as per the contractual payment terms.

		<b>As at June 30, 2021 (Unaudited)</b>	<b>As at September 30, 2020 (Audited)</b>
	<i>Note</i>	<b>----- (Rupees in '000) -----</b>	
<b>11. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Current portion of long-term financing	6	<b>136,062</b>	124,487
Current portion of lease liabilities	7	<b>29,257</b>	24,680
Current portion of deferred Government grant	8	<b>6,295</b>	11,332
		<b>171,614</b>	160,499

**Siemens (Pakistan) Engineering Co. Ltd.**

**Notes to the Condensed Interim Financial Statements (Unaudited)**

**For the nine months period ended June 30, 2021**

		As at June 30, 2021 (Unaudited)	As at September 30, 2020 (Audited)
		----- (Rupees in '000) -----	
<b>12. SHORT-TERM RUNNING FINANCES</b>	<b>Note</b>		
Unsecured	12.1	1,504	-
Secured	12.2	-	1,489
		<u>1,504</u>	<u>1,489</u>

**12.1** Facilities for unsecured bank overdraft arranged with commercial bank in the United Arab Emirates (UAE) aggregated to Rs 107.825 million (September 30, 2020: Rs 113.250 million) at interest rate ranges between 3.70% to 3.75% per annum.

**12.2** 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 unutilized 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 unutilized by the Company.

	Warranties	Losses on sales contracts	Total
	----- (Rupees in '000) -----		
<b>13. PROVISIONS</b>			
Balance as at September 30, 2020 (Audited)	509,318	33,303	542,621
Additional provisions	93,266	1,400	94,666
Cost incurred	(59,071)	(2,665)	(61,736)
Reversal of unutilised amounts	(52,365)	(3,782)	(56,147)
Balance as at June 30, 2021 (Unaudited)	<u>491,148</u>	<u>28,256</u>	<u>519,404</u>

	As at June 30, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
<b>14. TAXATION - net</b>		
Provision for taxation	1,731,828	1,697,635
Advance tax	(1,324,341)	(1,517,364)
	<u>407,487</u>	<u>180,271</u>



**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2021**

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**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 June 30, 2021, capital expenditure contracted for but not incurred amounted to Rs 31.467 million (September 30, 2020: Rs 23.525 million).
- (ii) Post dated cheques issued to the Collector of Customs against import duty aggregate to Rs. 15.697 million (September 30, 2020: Rs 27.715 million).

	As at June 30, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
(iii) Letters of credit		
- limit	1,208,330	1,200,000
- utilised portion	203,489	111,014
- unutilised portion	1,004,841	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 June 30, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
- Not later than one year	27	349

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

	As at June 30, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
Not later than one year	890	1,806

**Siemens (Pakistan) Engineering Co. Ltd.**  
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		As at June 30, 2021 (Unaudited)	As at September 30, 2020 (Audited)
		----- (Rupees in '000) -----	
<b>16. PROPERTY, PLANT AND EQUIPMENT</b>	<i>Note</i>		
Operating assets - at net book value	16.1	233,936	259,028
Capital work in progress		35,985	20,907
		<u>269,921</u>	<u>279,935</u>
<b>16.1 Operating assets</b>			
Opening net book value		259,028	371,413
Additions during the period / year	16.2	62,133	57,606
		<u>321,161</u>	<u>429,019</u>
Disposals during the period / year	16.2	(49,603)	(22,789)
Accumulated depreciation on disposals		47,498	18,856
Depreciation for the period / year		(85,120)	(166,058)
		<u>(87,225)</u>	<u>(169,991)</u>
Closing net book value		<u>233,936</u>	<u>259,028</u>

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

	Additions		Disposals	
	For the nine months period ended		For the nine months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- (Unaudited) -----		----- (Unaudited) -----	
	----- (Rupees in '000) -----			
Plant and machinery	-	3,250	1,937	894
Furniture and fixtures	5,815	5,808	12,716	2,039
Office equipment	17,452	13,912	11,127	11,530
Vehicles	19,518	5,552	18,409	-
Tools and patterns	19,348	1,199	5,414	134
	<u>62,133</u>	<u>29,721</u>	<u>49,603</u>	<u>14,597</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 June 30, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
Opening balance	131,577	123,359
Right-of-use assets recognised during the period / year	-	36,215
Depreciation for the period / year	(23,714)	(27,997)
Closing balance	<u>107,863</u>	<u>131,577</u>

**Siemens (Pakistan) Engineering Co. Ltd.**

**Notes to the Condensed Interim Financial Statements (Unaudited)**

**For the nine months period ended June 30, 2021**

		As at June 30, 2021 (Unaudited)	As at September 30, 2020 (Audited)
		----- (Rupees in '000) -----	
<b>18. DEFERRED TAX ASSET</b>	<i>Note</i>		
Debit balances arising in respect of:			
Unadjusted tax credits / tax losses		240,698	268,647
Provisions		431,135	492,154
Remeasurement loss on defined benefit plan		72,386	89,866
Discounting of long-term receivables		3,081	5,140
Accelerated tax depreciation and amortisation		24,279	34,619
		<u>771,579</u>	<u>890,426</u>
<b>19. INVENTORIES</b>			
Raw materials and components		370,107	314,885
Work-in-process		799,017	327,244
Finished goods		177,306	212,438
		<u>1,346,430</u>	<u>854,567</u>
Less: Provision for slow moving and obsolete items		<u>(189,694)</u>	<u>(219,636)</u>
		<u>1,156,736</u>	<u>634,931</u>
Goods-in-transit		455,680	172,785
		<u>1,612,416</u>	<u>807,716</u>
<b>20. TRADE RECEIVABLES</b>			
Considered good			
Due from related parties	20.1	112,178	21,534
Due from others		7,240,969	8,074,695
		<u>7,353,147</u>	<u>8,096,229</u>
Considered doubtful		982,058	1,008,636
		<u>8,335,205</u>	<u>9,104,865</u>
Less: Loss allowance		<u>(982,058)</u>	<u>(1,008,636)</u>
		<u>7,353,147</u>	<u>8,096,229</u>
<b>20.1</b>	Represents amounts due from Rousch (Pakistan) Power Limited, Mentor Graphics Pakistan Development (Private) Limited and Siemens Energy affiliates having aggregate amounts due of Rs. 10.684 million (September 30, 2020: Rs. 9.838 million), Rs. 1.869 million (September 30 2020: Rs. 11.696 million) and Rs. 99.625 million (September 30, 2020: nil) respectively.		
		As at June 30, 2021 (Unaudited)	As at September 30, 2020 (Audited)
		----- (Rupees in '000) -----	
<b>21. CONTRACT ASSETS</b>			
Considered good		1,944,061	2,208,669
Considered doubtful		244,749	247,304
		<u>2,188,810</u>	<u>2,455,973</u>
Less: Loss allowance		<u>(244,749)</u>	<u>(247,304)</u>
		<u>1,944,061</u>	<u>2,208,669</u>

**Siemens (Pakistan) Engineering Co. Ltd.**

**Notes to the Condensed Interim Financial Statements (Unaudited)**

**For the nine months period ended June 30, 2021**

		As at June 30, 2021 (Unaudited)	As at September 30, 2020 (Audited)
		----- (Rupees in '000) -----	
<b>22. OTHER RECEIVABLES</b>	<i>Note</i>		
Considered good			
Due from related parties	22.1	123	1,387
Other costs reimbursable from customers		196,503	151,960
Sales tax refundable		127,709	-
Interest accrued		46,583	41,715
Derivative financial instruments		143,553	176,550
Others		40,086	26,792
		<u>554,557</u>	<u>398,404</u>
Considered doubtful			
Costs reimbursable from customers		15,211	13,396
Sales tax refundable		54,373	54,373
Others		84,369	84,190
		<u>153,953</u>	<u>151,959</u>
		<u>708,510</u>	<u>550,363</u>
Less: Loss allowance		<u>(153,953)</u>	<u>(151,959)</u>
		<u>554,557</u>	<u>398,404</u>

- 22.1** Represents amount due from Siemens Gamesa Renewable Energy (Private) Limited and Siemens Healthcare (Private) Limited having aggregate amounts due of Rs 0.008 million (September 30, 2020: Rs 1.387 million) and Rs 0.115 million (September 30, 2020: nil) respectively.

	As at June 30, 2021 (Unaudited)	As at September 30, 2020 (Audited)
	----- (Rupees in '000) -----	
<b>23. CASH AND BANK BALANCES</b>		
With banks in		
Current accounts	227,081	290,893
Deposit accounts	1,813,415	146,549
	<u>2,040,496</u>	<u>437,442</u>
Cash in hand	458	215
	<u>2,040,954</u>	<u>437,657</u>

**For the nine months period ended**

	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
	----- (Rupees in '000) -----	
<b>24. NET SALES AND SERVICES</b>		
<b>Sales disaggregation by type of contracts</b>		
Execution of contracts	4,414,698	4,279,710
Sale of goods	3,040,971	2,662,570
Rendering of services	2,037,483	2,045,889
	<u>9,493,152</u>	<u>8,988,169</u>
Sales tax	1,195,591	1,179,720
Gross sales and services	<u>10,688,743</u>	<u>10,167,889</u>
Less: Sales tax	<u>(1,195,591)</u>	<u>(1,179,720)</u>
	<u>9,493,152</u>	<u>8,988,169</u>



**Siemens (Pakistan) Engineering Co. Ltd.**  
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**For the nine months period ended June 30, 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 nine months period ended June 30, 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

**26. OTHER INCOME AND OTHER OPERATING EXPENSES**

	For the nine months period ended June 30, 2021 (Unaudited) ----- (Rupees in '000) -----	June 30, 2020 (Unaudited)
Gain on sale of property, plant and equipment	6,401	592
Insurance and other claims	8,543	-
Liabilities no longer payable written back	3,889	1,029
<b>Other income</b>	<b>18,833</b>	<b>1,621</b>
Workers' Welfare Fund (WWF)	(3,901)	-
Workers' Profits Participation Fund (WPPF)	(9,586)	-
<b>Other operating expenses</b>	<b>(13,487)</b>	<b>-</b>
Net other operating income	5,346	1,621

**27. INCOME TAX**

Current		
Charge for the period	(235,300)	(236,119)
Reversal for prior years	-	93,570
	(235,300)	(142,549)
Deferred	(118,848)	104,313
	(354,148)	(38,236)

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2021**

		For the nine months period ended	
		June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
		----- (Rupees in '000) -----	
<b>28.</b>	<b>CASH GENERATED FROM OPERATIONS</b>		
	<i>Note</i>		
	Profit / (loss) before tax for the period	426,057	(267,085)
	<b>Adjustments for non-cash items:</b>		
	Depreciation and amortisation	109,223	157,353
	Reversal of provision for slow moving and obsolete items of inventories - net	(29,942)	(29,220)
	Reversal of loss allowance on trade receivables - net	(34,769)	(30,643)
	(Reversal) / loss allowance on contract assets	(2,555)	10,893
	Loss allowance / (Reversal) on deposit and other receivables - net	2,634	(4,453)
	Discounting of long-term loans and trade receivables - net	(6,429)	(41,990)
	Provision for Workers' Welfare Fund (WWF) and Workers' Profit Participation Fund (WPPF)	13,487	-
	Gain on sale of property, plant and equipment	(6,401)	(592)
	Gain on sale of assets classified as held for sale	(247,851)	-
	Liabilities no longer payable written back	(3,889)	(1,029)
	Financial expenses	26,043	148,536
	Financial income	(37,661)	(4,832)
	<b>Adjustment for other items:</b>		
	Long-term loans and trade receivables - net	(25,618)	176,954
	Long-term deposits and prepayments - net	(3,595)	175
	Retention money	(37,411)	45,823
	Other non-current liabilities	7,870	9,092
	Working capital changes	1,464,120	502,630
		<u>1,613,313</u>	<u>671,612</u>
<b>28.1</b>	<b>Working capital changes</b>		
	<b>(Increase) / decrease in current assets:</b>		
	Inventories	(774,758)	(181,291)
	Trade receivables	769,660	1,781,368
	Contract assets	267,163	(420,024)
	Loans and advances	62,329	88,634
	Deposits and short-term prepayments	(12,063)	(49,972)
	Other receivables	(153,279)	(20,155)
		<u>159,052</u>	<u>1,198,560</u>
	<b>Increase / (decrease) in current liabilities:</b>		
	Trade and other payables	166,767	(231,645)
	Contract liabilities	1,161,518	(353,395)
	Provisions	(23,217)	(110,890)
		<u>1,305,068</u>	<u>(695,930)</u>
		<u>1,464,120</u>	<u>502,630</u>

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2021**

	As at June 30, 2021 (Unaudited)	As at June 31, 2020 (Unaudited)
	----- (Rupees in '000) -----	
<b>29. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	2,040,954	776,540
Short-term running finances	(1,504)	(1,139,376)
	<u>2,039,450</u>	<u>(362,836)</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 nine months period ended	
	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
	----- (Rupees in '000) -----	
<b>Parent company</b>		
Sale of goods and rendering of services	11,834	23,866
Purchases of goods and receipt of services	1,362,611	1,470,508
Commission and allowances earned	-	1,268
Dividends paid	61,568	283,212
<b>Associated companies</b>		
Sale of goods and rendering of services	394,431	539,602
Purchases of goods and receipt of services	2,732,924	1,816,781
Commission and allowances earned	1,814	80,091
Financial expenses	15	2,964
<b>Others</b>		
Dividends paid	11	46
Employees' retirement benefits	129,596	105,960
Compensation to key management personnel	153,134	141,813

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

Short-term benefits	128,035	107,668
Post-employment benefits	1,290	1,202
Share based benefits	23,809	16,226
	<u>153,134</u>	<u>125,096</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.**  
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**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:**

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												
<b>REVENUE</b>												
Sales to external customers	414,472	1,072,590	126,852	1,613,914	1,282,798	1,109,021	2,391,819	2,397,616	3,067,825	5,465,441	21,978	9,493,152
Inter-segment sales	337,451	179,271	-	516,722	2,736	612	3,348	472	-	472	-	-
Total revenue	751,923	1,251,861	126,852	2,130,636	1,285,534	1,109,633	2,395,167	2,398,088	3,067,825	5,465,913	21,978	9,493,152
<b>RESULT</b>												
Segment result	128,842	37,828	6,125	172,795	47,067	172,472	219,539	(399,487)	440,286	40,799	(24,116)	409,017
Financial expenses												(15,753)
Financial income												32,793
Income tax expense												(354,148)
Net profit for the period												71,909
<b>OTHER INFORMATION</b>												
Capital expenditure	3,289	8,096	-	11,385	2,521	9,332	11,853	6,579	21,725	28,304	35	
Depreciation and amortisation	14,478	6,339	51	20,868	5,727	6,409	12,136	18,323	17,145	35,468	515	
Non-cash expenses other than depreciation and amortisation	(6,134)	(3,262)	(93)	(9,489)	(3,668)	(3,292)	(6,960)	(7,090)	(2,600)	(9,690)	(569)	
<b>ASSETS AND LIABILITIES</b>												
Segment assets	1,848,089	662,136	34,168	2,544,393	305,741	652,854	958,595	7,622,644	783,728	8,406,372	328,641	12,238,001
Segment liabilities	1,093,650	648,036	72,398	1,814,084	710,105	595,171	1,305,276	3,320,835	1,471,807	4,792,642	403,496	8,315,498



**Siemens (Pakistan) Engineering Co. Ltd.**  
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(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 nine months period ended June 30, 2020 (Unaudited) -----													
REVENUE													
Sales to external customers	1,024,745	665,327	55,336	1,745,408	1,302,186	725,065	2,027,251	3,619,437	1,401,641	5,021,078	194,432	-	8,988,169
Inter-segment sales	92,235	249,887	1,494	343,616	-	25,187	25,187	-	-	-	-	(368,803)	-
Total revenue	1,116,980	915,214	56,830	2,089,024	1,302,186	750,252	2,052,438	3,619,437	1,401,641	5,021,078	194,432	(368,803)	8,988,169
RESULT													
Segment result	(255,244)	48,051	(2,783)	(209,976)	(28,445)	24,820	(3,625)	(165,787)	267,594	101,807	(18,430)	-	(130,224)
Financial expenses													(138,208)
Financial income													1,346
Income tax expense													(38,235)
Net loss for the period													(305,321)
OTHER INFORMATION													
Capital expenditure	2,824	232	-	3,056	4,592	1,314	5,906	8,425	11,615	20,040	134		
Depreciation and amortisation	17,290	6,418	219	23,927	5,703	6,130	11,833	30,621	50,411	81,032	735		
Non-cash expenses other than depreciation and amortisation	(7,231)	(2,896)	(243)	(10,370)	(5,112)	(5,608)	(10,720)	(10,000)	(2,217)	(12,217)	189		
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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		For the nine months period ended	
		June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
		----- (Rupees in '000) -----	
<b>31.2</b>	<b>Geographical information</b>		
	<b>Sales to external customers</b>		
	Pakistan	9,012,384	8,457,446
	Afghanistan	158,890	379,182
	Others	321,878	151,541
		<u>9,493,152</u>	<u>8,988,169</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 the meeting held on July 29, 2021

  
**Markus-Erich Strohmeier**  
 Managing Director

  
**Umer Jalil Anwer**  
 Chief Financial Officer

  
**Qazi Sajid Ali**  
 Director