

The background of the cover is a composite image. It features a city skyline at dusk or dawn, with a large, glowing digital interface overlaid. This interface includes a line graph, a data table, and various icons representing energy and technology. The interface is connected by a network of glowing lines to various elements in the landscape, such as a wind turbine, solar panels, and industrial buildings. The overall color palette is dominated by blues, teals, and oranges from the sunset sky.

SIEMENS

Annual Report 2021 Pakistan

www.siemens.com.pk

Content

Our Profile

P. 2

Our Four Strategic Priorities

Information for stakeholders

P. 6

Key Operating and Financial Data

Our Company

P. 7

Company Information

P. 8

Chairman's / Directors' Profile

P. 12

Chairman's Review Report

P. 13

Directors' Report

P. 20

Board Committees and Terms of Reference

Sustainability at Siemens

P. 23

Sustainability and Corporate Citizenship at Siemens

Financial Report

P. 27

Auditors' Review Report

P. 28

Statement of Compliance

P. 30

Auditors' Report

P. 35

Statement of Financial Position

P. 36

Statement of Profit or Loss

P. 37

Statement of Comprehensive Income

P. 38

Statement of Cash Flows

P. 39

Statement of Changes in Equity

P. 40

Notes to the Financial Statements

Shareholders' Information

P. 76

Pattern of Shareholding

P. 77

Categories of Shareholders

P. 78

Notice of Annual General Meeting

P. 85

ڈائریکٹرز رپورٹ

P. 86

چیئرمین کی جائزہ رپورٹ

Proxy Form

پراکسی فارم

Dividend Mandate Form

Request Form for Annual Report and Notices through E-mail



Customer impact

We are taking impact to the next level, aiming to anticipate what our customers need before they even know they need it.



Empowered people

Authority for decision making should be delegated to where it is needed, at the lowest possible level. Freedom to act is directed by guiding principles.



Technology with purpose

We shape and apply our technology to transform our customers' industries and solving the world's most pressing issues.



Growth mindset

We can shape what and who we want to become. The “hand we’ve been dealt” at birth is only our starting point. The rest is up to us.

Key Operating and Financial data

Six Years Summary	2021	2020	2019	2018	2017	2016
	(Rupees in '000)					
Trading Results						
New orders	22,251,029	12,508,542	15,849,831	23,612,363	11,964,608	22,839,389
Net turnover	14,348,950	12,805,375	16,672,924	19,522,120	14,552,923	10,173,868
Export of goods and services	412,742	243,602	301,025	277,070	122,049	122,604
Contracts executed outside Pakistan	189,842	794,936	1,360,682	3,415,066	1,918,556	1,389,008
Gross profit	2,424,641	890,448	2,502,658	3,301,949	2,434,092	935,073
Operating profit / (loss)	1,112,280	(55,437)	1,431,148	2,276,409	1,315,504	85,225
Profit / (loss) before tax from continuing operations	1,142,204	(226,684)	1,198,487	2,233,661	1,451,968	241,892
Loss before tax from discontinued operations	-	-	-	-	-	(73,914)
Gain on sale of assets classified as held for sale - before tax	247,851	-	-	-	-	2,441,184
Profit / (loss) before tax	1,390,055	(226,684)	1,198,487	2,233,661	1,451,968	2,609,162
Profit / (loss) after tax	850,005	(496,015)	709,468	1,159,220	1,103,396	2,103,952
Earnings / (loss) before interest, taxes, depreciation and amortisation (excluding one time gain on sale of assets classified as held for sale)	1,324,293	146,895	1,600,862	2,473,235	1,589,118	265,596
Interim dividend	-	-	-	-	-	-
Final dividend	379,364	82,470	379,364	618,528	618,528	989,644
Financial Position						
Share capital	82,470	82,470	82,470	82,470	82,470	82,470
Reserves and Retained Earnings	5,723,827	4,886,187	5,904,974	5,695,699	5,244,134	5,148,971
Property, plant and equipment	300,355	279,935	378,120	388,095	312,647	240,832
Net current assets	5,068,831	4,125,236	4,232,193	4,329,885	3,571,478	3,574,806
Long-term / deferred liabilities	642,437	858,151	90,033	170,904	68,668	23,750
Investors Information						
Gross profit ratio	16.90%	6.95%	15.01%	16.91%	16.73%	9.19%
EBITDA Margin to sales	9.23%	1.15%	9.60%	12.67%	10.92%	2.61%
Return on equity / capital employed	14.64%	-9.98%	11.85%	20.06%	20.71%	40.22%
Inventory turnover ratio (in times)	4.03	3.49	2.95	3.53	3.60	2.52
Inventory turnover ratio (no. of days)	91	105	124	104	101	145
Debtor turnover ratio (in times)	1.56	1.49	1.97	3.04	3.24	2.42
Debtor turnover ratio (no. of days)	235	244	186	120	113	151
Creditor turnover ratio (in times)	1.94	2.00	2.09	2.20	1.58	1.22
Creditor turnover ratio (no. of days)	188	183	175	166	231	299
Operating cycle (no. of days)	137	166	135	57	(17)	(3)
Total assets turnover ratio (in times)	0.90	0.85	0.97	1.20	1.00	0.75
Fixed assets turnover ratio (in times)	49.45	38.92	43.52	55.72	52.59	53.67
Current ratio	1.45	1.51	1.41	1.36	1.39	1.38
Quick / acid test ratio	1.33	1.41	1.29	1.25	1.22	1.17
Cash dividend per share (Rs)	46	10	46	75	75	120
Dividend yield ratio	0.08	0.02	0.07	0.08	0.10	0.13
Interest cover ratio	42.25	(0.27)	6.01	28.98	89.49	109.20
Breakup value per share (Rs)	704.05	602.48	726.01	700.64	645.88	634.34
Market value per share (Rs)	582	585	645	902	757	906
Share price during the year						
High (Rs)	710	865	992	1,154	1,570	1,100
Low (Rs)	476	455	515	708	650	717
Earnings / (loss) per share (Rs)	103.07	(60.14)	86.03	140.56	133.79	255.12
Profit / (loss) before tax in percent to sales	9.69%	-1.77%	7.19%	11.44%	9.98%	25.65%
Profit / (loss) after tax in percent of sales	5.92%	-3.87%	4.26%	5.94%	7.58%	20.68%
Cash Flows						
Net cash flow from operating activities	2,017,041	890,897	942,633	(3,195,999)	(624,268)	754,812
Net cash flow from investing activities	176,507	(68,550)	(140,220)	(197,888)	(28,645)	4,078,840
Net cash flow from financing activities	(227,405)	(145,741)	(616,239)	(613,325)	(984,662)	(82,470)
Net change in cash and cash equivalents	1,966,143	676,606	186,174	(4,007,212)	(1,637,575)	4,751,182

Company Information

Registered Office

Siemens (Pakistan) Engineering Co. Ltd.
B-72 Estate Avenue, S.I.T.E., Karachi-75700
Phone: +92 (0)21 32574910-19
UAN: +92 (0)21 111-077-088

Board of Directors

Chairman of the Board

Manuel Kuehn

Non-Executive Directors

Oliver Spierling
Manzoor Ahmed
Harald Griem

Independent Directors

Qazi Sajid Ali
Ayla Majid (Female Director)

Executive Director

Markus-Erich Strohmeier

Committees of the Board

Audit Committee

Ayla Majid (Chairwoman)
Manuel Kuehn
Manzoor Ahmed
Harald Griem

Human Resource and Remuneration Committee

Qazi Sajid Ali (Chairman)
Oliver Spierling
Markus-Erich Strohmeier

Nomination Committee

Oliver Spierling (Chairman)
Markus-Erich Strohmeier

Management

Managing Director

Markus-Erich Strohmeier

Chief Financial Officer

Umer Jalil Anwer

Other Information

Company Secretary

Muhammad Usman Ansari

Auditors

EY Ford Rhodes, Chartered Accountants

Bankers

BNP Paribas (Dubai)
Citibank N.A.
Deutsche Bank AG
Habib Bank Limited
Standard Chartered Bank, UAE
Standard Chartered Bank (Pakistan) Limited

Tax Advisor

KPMG Taseer Hadi & Co.

Legal Advisor

Mr. Umer Hayat
(Chaudhary Law Associates)

Registrar and Share Transfer Agent

THK Associates (Pvt.) Limited

Trading Symbol

SIEM

Chairman's / Directors' Profile



Manuel Kuehn
Chairman

Born in 1980 in Giessen, Germany, Mr. Kuehn obtained his education at the Technical University Ilmenau in Germany (TUI), the Federal University of Santa Catharina in Brazil (UFSC) and the European School of Management and Technology (ESMT) in Berlin. He holds a Diploma in Industrial Engineering and a post-graduate Diploma in Advanced Management.

Since April 2020, Mr. Kuehn joined Siemens Energy's New Energy Business as Head for Middle East and Africa, which focuses on power-to-hydrogen and power-to-liquid applications for a hydrogen based economy.

From November 2014 to April 2020, Mr. Kuehn was responsible for Strategy and Business Development at the company's Middle East headquarters in Masdar City, Abu Dhabi. Key activities during this time included the partnership between Siemens and Dubai Expo2020, as well driving transformational projects in the power sector e.g. in Egypt or the "Siemens Roadmap for the re-electrification of Iraq".

Mr. Kuehn's career in Siemens started 2005, at Siemens Management Consulting (SMC). As Vice President, Mr. Kuehn worked on restructuring project businesses in the power generation and transmission area, M&A activities as well as localization projects in the UAE and India. Mr. Kuehn was also responsible for recruiting, people development, training and staff disposition, for the consulting business with roughly 200 employees.



Markus Strohmeier
Managing Director

Mr. Strohmeier is the Managing Director of Siemens Pakistan. He assumed his current role on July 1, 2020. Before that he was Senior Executive Vice President, Regional Solutions and Services, Smart Infrastructure, Siemens Middle East. Based in Dubai, UAE, Mr. Strohmeier was instrumental in delivering Siemens Smart Building portfolio to EXPO2020Dubai, it's EPC's and country pavilions. He supported customers in the region, like Dubai Airports, EMAAR, MAF, WASL and many more, to build increasingly digitalized infrastructure for smarter, safer and more energy efficient buildings. Between 2009 and 2017, Mr. Strohmeier was the CEO of Siemens LLC in the Sultanate of Oman, responsible for developing some of the company's most significant projects in the country, including Muscat Airport, Sohar Refinery exp., Sohar2, Barka3 and Sur IPPs with 3500 MW capacity.

Mr. Strohmeier began his career with Siemens in Germany in 1990 for Public Communication Networks, and his assignments have led him to Libya, Indonesia, Saudi Arabia and China. He went on to head the Mobility and Energy Management Divisions in Siemens Indonesia, in addition to his role as Board Member of the same organization. During his tenure as CEO of Siemens LLC in the Sultanate of Oman, he was directly heading the Divisions Power and Gas, Building Technologies, Digital Factory and Process Industries and Drives.

Mr. Strohmeier is an Electrical Engineer and graduated from Höhere Technische Bundeslehranstalt in Klagenfurt Austria.



Harald Griem
Director

Mr. Griem is currently head of Siemens Energy Assets, which mainly encompasses Siemens' Energy businesses in Algeria, Greece, India, Indonesia and Pakistan.

Mr. Griem has a Masters in Mechanical Engineering from Technische Universität, Munich and a Doctorate in Thermodynamics. He started his career with the house of Siemens in 1992 at Siemens KWU, Erlangen, in the area of Boiler Technology and then worked extensively in the Steam Turbine business in various capacities until 2009. During the period, he held various roles in the Products and Service domain, handling Sales & Marketing, Strategic Planning, Business Development, and an expanded portfolio in environmental protection. He is credited with leading cross-functional and cross-cultural teams in Europe and USA during various stints. In 2009, he took over as General Manager, Generator Products (20-2,000 MW), leading a business with operating units in Germany, USA, China, and India.

From the Power generation space, he then moved to the High Voltage transmission products business and took over responsibility as Global Head for High Voltage Products.

In 2015, he moved to India as Head of the Energy Management Division. The Division was the largest in Siemens Ltd. covering Transmission and Distribution with 12 state of the art factories, and enjoying market leadership in most products in the areas of Electrification, Automation and Digitalisation. During that time, Mr. Griem successfully brought his rich global experience to drive the Division's strategic growth programme in the country's large energy landscape.



Oliver Spierling
Director

Mr. Spierling is the Siemens' General Counsel for Lead Country UAE. Mr. Spierling joined Siemens to set up the Legal Department in UAE in 2007. Currently, he and his team focus on the Middle East countries covering all legal topics pertaining to the business and the corporate functions..

Additionally, Mr. Spierling is CEO of Siemens Industrial Business Co. For Electrical, Electronic and Mechanical Contracting in Kuwait.

Prior to joining Siemens, Mr. Spierling worked for a German law firm in the UAE and has over 20 years of experience in the region. He has a corporate commercial background with extensive experience in M&A, Agency, and Corporate Governance.

Mr. Spierling has a master of law, having graduated from University of Hamburg in Hamburg, Germany.



Manzoor Ahmed

Director

Mr. Ahmed is Chief Operating Officer (COO) of National Investment Trust Limited (NIT). As COO, he has been successfully managing the operations and investment portfolio worth over Rs.150 billion. He has experience of over 30 years of the Mutual Fund industry and has been placed at many key positions within NIT that includes capital market operations, investment management, research and liaising with the regulatory authorities. He has also served NIT as its Managing Director (Acting) twice from May 2013 to May 2014 and September 2017 to February 2019. He is M.B.A. and also holds D.A.I.B.P. He has also been the Council Member of The Institute of Bankers Pakistan. Presently, he is pursuing Chartered Financial Analyst (CFA) level III.

Mr. Ahmed has vast experience of serving on the Boards of various top ranking companies of Pakistan belonging to the diverse sectors of economy. He has also attended various training courses organized by institutions of international repute like London Business School (LBS) UK, Institute of Directors, London and Financial Markets World, New York (USA).

Currently, Mr. Ahmed represents NIT as Nominee Director on the Board of Directors of many leading national and multinational companies of Pakistan. Mr. Ahmed is also a Certified Director from Pakistan Institute of Corporate Governance. He is also member of the Defence Authority Country and Golf Club – Karachi.

Directorships and Offices held:

- Askari Bank Limited
- General Tyre and Rubber Company of Pakistan
- Hub Power Company Limited
- Soneri Bank Limited
- Sui Northern Gas Pipelines Limited



Qazi Sajid Ali

Independent Director

Mr. Ali worked with BASF for 29 years, which includes 8 years as Director Finance and 12 years as Managing Director and Country Head. He retired from BASF in March 2014. His educational qualification is M.A., LLB. He joined Dadex Eternit Limited as Chief Executive Officer in May 2014 and has served on the Board of Dadex for 15 years, including 8 years as Chairman Audit Committee of Dadex.

Mr. Ali has attended several training seminars / workshops / courses from renowned national and international institutes and universities which includes: Advance Management from University of Connecticut, USA, M-21 (Management-21st Century) from Michigan Business School, Michigan, USA, BMP (Basic Management Program) from Singapore, AMP (Advance Management Program) from Singapore Executive Development Centre, USA and Hong Kong, LS Seminars, Germany. He has represented Pakistan at the I.L.O. & United Nation's Conferences at New Delhi and Manila, International Personnel Management Conference, Washington D.C. USA & Bangkok, American Society for Training & Development (ASTD), Boston, USA, International Eye Bank Conference, Colombo, International Eye Bank Association, Washington and New York, USA.

Mr. Ali is President and Founder Member of Pakistan Eye Bank Society which has established eye banks all over the country and now constructed Eye and General Hospital in North Karachi. He was elected twice as President of Pak German Business Forum. He also held the position of President IMPA (International Personnel Management Association, Pakistan Chapter). He was founder President of German Pakistan Chamber of Commerce and Industry and remained President for 4 years.

Other directorships and offices

- Chairman SWAN International Pakistan (Private) Limited
- Director Pakistan Eye Bank Society



Ayla Majid

Independent Director

Ms. Majid is Managing Director Financial Advisory Services at Khalid Majid Rehman Chartered Accountants. She has 20 years of experience in financial advisory, mergers & acquisitions, and corporate governance. She represents Pakistan at various international forums, taking part in shaping discourses of evolving themes including Digital Transformation, Future of Work, Clean Tech, Future of Energy, Sustainability, and Diversity & Inclusion.

Ms. Majid is a member of the Global Future Council of Energy Transition of the World Economic Forum where she is contributing to the sustainable energy transition policy and advocacy realms. In addition, she is an Eisenhower Global Fellow 2021, and was selected as a Young Global Leader of the World Economic Forum in 2015.

Ms. Majid is at the forefront of creating agile governance platforms while serving as board member for local and international organizations. She is the first Pakistani elected on the Global Council of Association of Chartered Certified Accountants, where she continues to serve.

Academically, Ms. Majid holds MBA from Lahore University of Management Sciences, LLB from University of London, and ACCA qualification. She is also alumnus of Harvard Kennedy School; University of Oxford, Nanyang Technological University (Singapore) and National Defence University, Pakistan. She has attended the "Enhancing Board Effectiveness, Directors Training Programme" at the Lahore University of Management Sciences.

Other Directorships and offices:

- Director of Mari Petroleum Company Limited
- Director of Abbott Laboratories (Pakistan) Limited
- Director of Govt Holdings (Pvt) Limited
- Director of CPPA Guarantee Limited
- Global Council Member of Association of Chartered Certified Accountants – UK
- Member Board of Governors of The Helpcare Society (a non-profit running "Teach a Child Schools" for under privileged children)

Chairman's Review Report



As we put behind us a challenging but rewarding year, I am pleased to present the FY 2021 Annual Report to the stakeholders of Siemens Pakistan Engineering Co. Ltd. and to comment on the Board's effectiveness in guiding the Company towards achievement of its aims and objectives.

We entered FY 2021 hoping for a recovery from the Covid-19 pandemic, which took the world by surprise in FY 2020. Countries around the globe continued to navigate the crisis by implementing SOPs, vaccination drives and smart lockdowns. With such a significant event, we expected changes to our lifestyles and the possibility of continued disruptions during the year; we were not mistaken. On one hand was the over-burdening of the global logistics network, while on the other industries, companies, and individuals gradually learned to work within the "new normal". This year was a time to learn, unlearn and relearn new ways of working and doing business and celebrating our resilience

to these challenges. As the economy recovered, the Company, with its strong governance framework was positioned to take advantage of anticipated opportunities. I am pleased to report that under the stewardship of the Board, the Company did not disappoint its valuable stakeholders and has worked tirelessly to leverage the opportunities presented over the course of the year.

During the year under review, the Board performed its duties diligently to uphold the best interests of the shareholders of the Company. I can confirm that the current members of the Board have extensive expertise in the areas of business management, strategy, finance, corporate governance, legal and administration. Further, all members of the Board are cognizant of their fiduciary duty to the Company and its shareholders and have ensured that this obligation is always kept top of mind. The Board continued to guide the affairs of the Company in an effective and efficient manner with a stable membership this year. It was just after year end that we bid farewell to Mr. Manzoor Ahmed who had greatly contributed to the Company over the past several years.

As Chairman of the Board, I affirm that all directors are encouraged to contribute and deliberate on strategic and governance-related topics, and that inputs from the independent directors, the director representing minority shareholders, and the directors having relevant expertise on such topics are consulted and given due consideration before taking any decision. The Board and its Committees' have ensured the evaluation and compensation of the Chief Executive, Chief Financial Officer and Company Secretary as well as the evaluation of the Head of Internal Audit.

The Board has clearly defined the terms of reference of its committees, and the members are appointed after considering their requisite skills and experience. Further, the Board and its committees meet regularly during the year and exercise their governance roles after due deliberation on each matter placed before them. The Board and its committees have in place a formal process for annual self-evaluation, to ensure that the performance of the directors, collectively and individually, remains highly satisfactory. We now have an upcoming Board election in January 2022 as this Board completes its tenure of three years. I am confident that the new Board will also take up its role as an effective governance authority for the Company.

On behalf of the Board, I take this opportunity to thank our employees, shareholders, customers, and other stakeholders for their utmost dedication, sustained support, and trust in the Company.

Sincerely,

A blue ink handwritten signature, appearing to read 'M. Kuehn', with a long horizontal stroke extending to the right.

Manuel Kuehn
Chairman of the Board

Dear Shareholders,

We, the undersigned, for and on behalf of the Board of Directors are pleased to present the Siemens (Pakistan) Engineering Co. Ltd. ("Company") annual report and the audited financial statements for the financial year ended September 30, 2021 ("FY 2021"), together with auditors' report thereon.

The most recent financial year bode well for the Company as market activities caught up after the severe effects of Covid-19 pandemic on the global economy. The Company managed to capture a significant portion of the opportunities available, which is reflected in our financial results. Some key performance trends on comparable basis with FY 2020 are mentioned below:

- Sales increased by 12% or approximately Rs. 1.54 billion as compared to FY 2020 in a sign of the post Covid-19 economic recovery. The sales revenue was led by Energy business, which recorded an increase of Rs.1.6 billion as compared to FY 2020.
- Record new orders of Rs. 22.3 billion were recorded, which was nearly twice that of FY 2020 wherein we had recorded only Rs. 12.5 billion worth of new orders. The Energy Transmission business contributed the majority of new orders at Rs. 15 billion as compared to Rs. 5.6 billion last year.
- For the year, the Company incurred an overall profit before tax of Rs. 1.4 billion including net other income of Rs. 227 million. This was attributable to higher sales, better gross profit margins and targeted measures to optimize marketing, selling and administrative expenses.

An overview of the key indicators are presented here:

Key Performance Indicators	FY 2021	FY 2020
	Rupees in millions	
Net sales and services	14,349	12,805
Operating profit / (loss)	1,360	(55)
Profit / (loss) before income tax	1,390	(227)
Net profit / (loss) for the year	850	(496)
Earnings / (loss) per share (Rupees)	103.07	(60.14)

Appropriations

Following is the summary of appropriations made during FY 2021:

	(Rupees in millions)
Accumulated profit as at October 1, 2020	89
Net profit after taxation for FY 2021	850
Final dividend of Rs. 10 (100%) per share for FY 2020	(82)
Accumulated profit as at September 30, 2021	857

For details of movement in other reserves please refer to Statement of Changes in Equity in the financial statements.

Dividend

Keeping in view the Company's financial performance and future cash flow requirements, the Board is pleased to recommend a final cash dividend of Rs.46 per ordinary share.

Company Principle Activities and Business Segments

The Company operates through the business portfolios Smart Infrastructure, Digital Industries and Siemens Energy focusing on the areas of power generation and distribution, smart grids and smart buildings, and automation and digitalization in the process and manufacturing landscape.

Smart Infrastructure intelligently connects energy systems, buildings and industries to enhance the way we live and work through greater efficiency and sustainability. Digital Industries helps its customers unlock their full potential as a partner providing cutting-edge technologies for the automation and digitalization of discrete and process industries. The Siemens Energy value chain includes generation, transmission, new energy business, industrial applications and renewables.

Risks, Uncertainties and Mitigations

The Company is exposed, inter alia, to the following general risks which are mitigated through specific response plans:

A) Operational risks

The operational risks are related to project management (such as timely completion of the projects and change in estimates/plan costs), EHS, and supply chain management.

The Company addresses these risks in the course of its business by dedicating resources with requisite skills and expertise. The management determines risk response strategies for such risks, which include an “avoid, transfer, reduce, or accept” strategy.

B) Financial risks

Financial risk has been described in detail in note 52 of the attached financial statements that include market, credit, and liquidity risks.

C) Compliance risk

The Company has a zero-tolerance policy for non-compliant activities and behaviors. The Company further understands that non-compliance with laws and regulations may result in imposition of penalties, debarment, black-listing, license cancellation, etc. To mitigate such risks, the Company has implemented a very comprehensive and effective compliance function.

Further, the Business Conduct Guidelines (BCG) clearly define the Company's expectations from all directors, executives and employees of the Company and from those with whom it conducts business. The Company encourages employees and business partners to report compliance violations that they encounter with confidence that there will be no adverse consequences for doing so. To facilitate the process, various reporting channels, such as the compliance helpdesk “Tell Us”, have been established on the Company's website.

Environment, Health, and Safety (EHS)

Protecting the environment, conserving our natural resources, fostering the health and performance of our employees, as well as safeguarding their working conditions are core to our social and business commitment at Siemens. The challenges posed by the pandemic has led the Company to adopt the ‘New Normal’ to answer the challenges of our time and to improve the quality of life for generations to come.

In this regard, beginning this fiscal year, we have focused on the importance of the Degree Framework and Siemens EHS Essentials such as electrical safety, well-being of our employees and road safety. It constitutes a 360-degree approach for all stakeholders – our customers, our suppliers, our investors, our people, the societies we serve, and our planet. These topics remain crucial in our effort to achieve Zero Harm Culture and “Healthy and Safe@Siemens”, which remain crucial EHS aspects. We firmly believe that ensuring and behaving in a safe manner demonstrates discipline, which in turn leads to sustainable development.

Corporate Social Responsibility

Good corporate citizenship has been an integral component of the Company philosophy since Werner von Siemens founded the company in 1847. We have three focus areas for our corporate citizenship work: Access to Technology, Access to Education and Sustaining Communities. They emerged from our business strategy, core competencies, global targets for the betterment of society, global megatrends (demographics, urbanization, climate change, globalization and digitalization), and stakeholder dialogue. Our activities in Corporate Citizenship also contribute to advances in the SDGs across the board. Siemens attaches great importance on environmental and climate protection undertaking an ongoing program to encourage its employees to be more responsible in using resources.

As in previous years, in FY 2021 the Company has continued to work closely with the following organizations for fulfilling its Social responsibility:

- Family Educational Services Foundation (FESF)
- The Citizens Foundation (TCF)

Further, the Company is contributing towards addressing the gender disparity in vocational training and recruitment practices through its Shana Bashana initiative, in cooperation with Build4Skills global project, and funded by the German Federal Ministry for Economic Cooperation and Development. Under this initiative 10 women were selected for an internship at Siemens Pakistan, with one moving on to complete her studies at a university in Munich, Germany.

For details, please refer to the Sustainability and Corporate Citizenship section of the Annual Report.

Adherence to best practices of Corporate Governance

The Company is determined to meet and, wherever possible, exceed all legal and ethical requirements and to conduct all business according to the highest standards and practices. The Board defines a path of continuous improvement by constantly challenging existing processes. It also requires the Company to embrace change so that the Company is well-positioned when new opportunities arise. This also means attracting the best talent in the marketplace and providing them with the skills and opportunities required to excel.

For the purpose of clause 5.6.4. of the Rulebook of PSX, the Board has defined the expression “executives” to mean Managing Director, Chief Financial Officer, Company Secretary, all direct reports of MD, CFO, and Company Secretary, relevant CFR staff involved in closing and reporting activities, and all employees whose basic salary exceeds PKR 3.6 million in a financial year.

Composition of the Board and its Committees and number of Meetings and attendance during the Financial Year

Composition of the Board and its committees, number of meetings of the Board and its committees, and attendance therein, is as follows:

Composition		Board Meeting held/ Attended	Audit Meeting held/ Attended	Human Resource and Remuneration Meeting held/ Attended	Nomination Meeting held/ Attended
Mr. Manuel Kuehn	Non-Executive Director	5/5 (Chairman)	4/4	N/A	N/A
Mr. Markus-Erich Strohmeier	MD - Executive Director	5/5	N/A	2/2	N/A
Mr. Qazi Sajid Ali	Independent Director	5/5	N/A	2/2 (Chairman)	N/A
Mr. Manzoor Ahmed*	Non-Executive Director	5/5	4/4	N/A	N/A
Mr. Oliver Spierling	Non-Executive Director	5/5	N/A	2/2	N/A
Ms. Ayla Majid	Independent Director	5/5	4/4 (Chairwoman)	N/A	N/A
Mr. Harald Griem**	Non-Executive Director	4/5**	3/4**	N/A	N/A
Mr. Tim Dawidowsky***	Non-Executive Director	0/5***	0/5***	N/A	N/A

*Mr. Manzoor Ahmed has resigned w.e.f. October 15, 2021. The arising casual vacancy will be filled within 90 days in compliance with S.155 (3) of the Companies Act, 2017.

**Mr. Harald Griem was appointed to the Board of Directors and Audit Committee w.e.f. December 17, 2020 in place of Mr. Tim Dawidowsky

***Mr. Tim Davidowsky resigned w.e.f. October 14, 2020.

Directors' Statements

We are pleased to state that:

- a) The financial statements, prepared by the management of the Company, fairly represent its state of affairs, including the result of its operations, cash flows and changes in equity;
- b) Proper books of account have been maintained by the Company;
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements;
- d) The accounting estimates are based on reasonable and prudent judgment;
- e) International Financial Reporting Standards (IFRSs), as applicable in Pakistan, have been followed in preparation of financial statements;
- f) The system of internal control, including internal controls over financial reporting, is sound in design and has been effectively implemented and monitored;
- g) There are no significant doubts upon the Company's ability to continue as a going concern; and
- h) There has been no material departure from the best practices of corporate governance, as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Statement of Compliance

The Company strictly adheres to the principles of corporate governance and has implemented all prescribed stipulations. The same have been summarized in the enclosed statement of compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 duly reviewed by the external auditors.

Directors' Remuneration Policy

The Board has approved a Directors' Remuneration Policy, which describes in detail the policy's objectives and a transparent procedure for determination of the remuneration packages of individual directors for attending meetings of the board and its committees. Salient features, amongst others, of the Directors' Remuneration Policy are as follows:

- Level of remuneration shall be commensurate with the needs of the business, strategic alignment and the best interests of the Company and its shareholders.
- Level of remuneration shall be as per market practice of comparable companies/industry.
- While determining remuneration, no discrimination shall be made based on gender.
- Remuneration shall be sufficient to attract and retain qualified and skilled individuals on the board to govern the Company successfully.
- Remuneration shall justify the time and expertise that is required to be spent by the directors to fulfil their responsibilities.
- Remuneration shall be sufficient to encourage value addition.
- Remuneration shall not be at a level that could be perceived to compromise the independence of the directors.
- Managing Director/Chief Executive Officer, Executive Director and Directors representing the majority shareholder will not be entitled to any remuneration in accordance with the Articles of Association of the Company.
- Remuneration will be fixed for the entire term of the Board prior to each election of the directors (once every three years).
- Recommendation from Independent Consultant on level of remuneration to be fixed should be obtained for benchmarking.

Directors' Remuneration

Details of aggregate amount of remuneration separately of executive and non-executive directors are disclosed in note 48 to the financial statements.

Evaluation of the Board's Performance

The Board has approved a formal policy and a process has been put in place for conducting annual performance evaluation of the Board and its committees. The purpose of the evaluation is to ensure that the Board's performance is measured with reference to overall corporate objectives, governance structure of the Company, statutory and regulatory compliance, effectiveness, collaboration and value addition. Performance evaluation was conducted as per the process approved by the Board for FY 2021, and overall performance and effectiveness of the Board is categorized as "strong". All members of the Board participated in performance evaluation and provided their feedback.

Directors' Training Program

During the year the Company enrolled one (1) Director and (1) Female Management Team member in the PICG Directors' Training Program in compliance with the recommendations of the Listed Companies (Code of Corporate Governance) Regulations, 2019. For further details on the director's training program, please refer to serial no. 9 of the Statement of Compliance.

Composition of Board of Directors

The total number of directors is seven (7) as per the following:

- Male: Six (6)
- Female: One (1)

The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Qazi Sajid Ali Ms. Ayla Majid
Non-Executive Directors	Mr. Manzoor Ahmed* Mr. Oliver Spierling Mr. Manuel Kuehn Mr. Harald Griem
Executive Director	Mr. Markus – Erich Strohmeier

*Mr. Manzoor Ahmed has resigned w.e.f. October 15, 2021. The arising casual vacancy will be filled within 90 days in compliance with S.155 (3) of the Companies Act, 2017.

External Auditors

The current auditors, EY Ford Rhodes, Chartered Accountants (a member firm of Ernst & Young Global Limited) retire at the conclusion of the upcoming Annual General Meeting, and being eligible, offer themselves for reappointment.

As recommended by the Audit Committee, the Board recommends their reappointment at a total remuneration of Rs. 7.10 million (exclusive of sales tax) for FY 2021.

Corporate Status

The Company is a subsidiary of Siemens Aktiengesellschaft, Germany (Siemens AG), which is incorporated under the laws of the Republic of Germany and holds 74.6% shares of the Company as at September 30, 2021.

Pattern of Shareholding

The Company is listed on Pakistan Stock Exchange Limited. The detailed pattern and categories of its shareholding including shares held by directors and executives, if any, are annexed to the Annual Report.

Investments in Retirement Benefits

The Company maintains provident and gratuity funds for its permanent employees, which are regulated through the respective board of trustees. The value of investments of these funds as per their respective audited financial statements, are as follows:

Rupees in millions			
	June 30, 2020	June 30, 2019	June 30, 2018
Provident Fund	574.432	499.715	441.027
	September 30, 2020	September 30, 2019	September 30, 2018
Gratuity Fund	209.278	201.108	176.958

Post Balance Sheet Event and Significant Developments during FY 2021

There have been no material changes or events from September 30, 2021, to the date of this report, which have an impact on the financial statements, except for the declaration of final dividend, which is subject to the approval of the Members of the Company at the forthcoming Annual General Meeting, the effect of which will be reflected in the FY 2022 financial statements.

The Company's Future Outlook

Siemens remains committed to creating value for its stakeholders. The Company has adopted a consistent strategy to position itself along the electrification, automation and digitization value chain. We have the know-how and expertise that extends from power generation to power transmission, power distribution, and smart grid for the efficient application of electrical energy.

The Covid-19 pandemic continued to impact the world economy, particularly the global logistics network. Nevertheless, Pakistan continues to effectively navigate through the pandemic by implementation of stringent SOPs and steps for mass vaccination of the population. As per experts, Covid-19 is still expected to remain a challenge for FY 2022, albeit at a lower scale as industries and companies learn to work with the new normal.


The Company continued the pace that was set in the final months of FY 2020, with a healthy intake of new orders. This places the Company on a good footing for the upcoming year. With a solid backlog for revenue and pipeline for sustained performance, the Company is optimistic for FY 2022 if the political and economic situation of the country is stabilized. The rapid devaluation of the currency in the past few months and increase in global oil prices are negatively impacting Pakistan. We continue to closely monitor the situation to ensure that appropriate decisions are taken to safeguard our business.

Acknowledgement

We take this opportunity to thank our valued customers who have continued to place trust in our products and services, and have provided sustained support in ensuring the progress of the Company. The Company is very proud of its employees for their committed and passionate efforts, loyalty and dedication. We also greatly value the support and cooperation of all stakeholders who are contributing towards the growth of our Company.

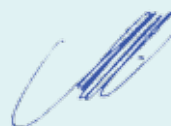
We would also like to extend our sincerest gratitude to our shareholders for the confidence and trust they have placed in us, and for their unwavering support.

On behalf of the Board



Manuel Kuehn
Chairman

Karachi, November 25, 2021



Markus-Erich Strohmeier
Managing Director

Notes and Forward Looking Statement

This document contains statements related to our future business and financial performance and future events or developments that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders. Such statements are based on the current expectations and certain assumptions of management, of which many are beyond Siemens' control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in this report. Should one or more of these risks or uncertainties materialize, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. Siemens' neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Terms of Reference of Audit Committee

The Terms of Reference for the Audit Committee shall be as follows:

1. Determination of appropriate measures to safeguard the company's assets;
2. Review of annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:
 - (i) major judgmental areas;
 - (ii) significant adjustments resulting from the audit;
 - (iii) going concern assumption;
 - (iv) any changes in accounting policies and practices;
 - (v) compliance with applicable accounting standards;
 - (vi) compliance with these regulations and other statutory and regulatory requirements; and
 - (vii) all related party transactions.
3. Review of preliminary announcements of results prior to external communication and publication;
4. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
5. Review of management letter issued by external auditors and management's response thereto;
6. Ensuring coordination between the internal and external auditors of the company;
7. Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
8. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
9. Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
10. Review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;
11. Instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
12. Determination of compliance with relevant statutory requirements;
13. Monitoring compliance with these regulations and identification of significant violations thereof;
14. Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
15. Recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof; and
16. Consideration of any other issue or matter as may be assigned by the board of directors.

Terms of Reference of Human Resources and Remuneration Committee

The Terms of Reference for the Human Resource and Remuneration Committee shall be as follows:

1. Recommend to the board for consideration and approval of a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;
2. Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;
3. Recommending human resource management policies to the board;
4. Recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
5. Consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
6. Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

Terms of Reference of the Nomination Committee

The Terms of Reference for the Nomination Committee shall be as follows:

1. Responsible for considering and making recommendations to the Board in respect of the Board committees and the chairmanship of the Board committees.
2. Responsible for keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary.
3. Any other matter which is ancillary to the TOR mentioned above.

In case of any conflict in the Terms of Reference of the Nomination Committee with the terms of the Human Resource and Remuneration Committee, the matter shall be referred to the Board of Directors for decision.

Sustainability and Corporate Citizenship at Siemens



Sustainability and Corporate Citizenship at Siemens.

Sustainability at Siemens

Siemens places a high importance on digitalization of the cities together with ensuring their sustainability in order to reduce the ecological impact on the world, which is termed as Technology with Purpose. At the Dubai Expo 2020, Siemens has presented the blueprint for the future where it has integrated its technologies across 137 buildings making this Expo highly digitalized, secure and sustainable; and Siemens intends to expand the market for these technologies to Pakistan.

"Sustainability is in our very DNA. It's not an option. It's a business imperative. Based on our successful track record, we're now setting ourselves even more ambitious targets. We'll accelerate our efforts and raise the bar to create considerably more value for all our stakeholders. Sustainable business growth goes hand in hand with the value we create for people and our planet."

Judith Wiese, Chief People and Sustainability Officer, and member of the Managing Board of Siemens AG

In 2015, Siemens was one of the first multinational industrial corporations to commit to becoming climate neutral by 2030 and in this regard has reduced its CO₂ footprint by 50%. The commitment and dedication of the Company is exemplified by recognition as the most sustainable Company in its industry group by the Dow Jones Sustainability Index (DJSI).

Corporate Citizenship at Siemens

Corporate Citizenship at Siemens' is a commitment aimed at bringing about a benefit to society in every country in which we operate. For the 174 years that the Company has been around, we have always provided state of the art technology while ensuring, quality, ethics, and giving back to the community. Our communities are built on the three pillars of "access to technology", "sustainable society" and "access to education". Based on the United Nations Sustainable Development Goals, we identify topics relevant to the country and illustrate how we are making a positive contribution in achieving them.

The approach not only focuses on the goal of reducing risks arising from the Company's business activities, but also contributes to giving something back to the societies in which the Company is active. This is especially supported by our corporate purpose of "Technology to Transform the Everyday."

Corporate Citizenship at Siemens Pakistan

For Pakistan, we have identified the focus areas for Corporate Citizenship through the UN's Sustainable Development Goals. These are noted here and followed by the actions we have undertaken during the year in our contribution towards the country's attainment of the goals.

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

The Company promotes diversity within its workforce and views the training, continuing education, development, safety and health of its employees as a high priority. The Company has a policy of providing monetary and other contributions and help to institutions which work for collective benefits to society. During the year, Siemens helped TCF and other organizations work for underprivileged persons in society.

We view corporate responsibility as a strategic, management driven task that integrates our business, environmental, and citizenship activities to create sustained value for our Company and our shareholders through sound means.

Achieve gender equality and empower all women and girls

At Siemens, we value diversity and believe that our success depends on the variety of ideas that can only be generated through stakeholders and employees from varied backgrounds and with differing perspectives. We commit to not only respecting, but integrating diversity as a cornerstone of our policy. We work across race, religion, color and ethnic backgrounds; our only yardstick is merit and competence. Our commitment to gender diversity in particular is showcased by the Shana Bashana initiative. Further details of the initiative are on page 25.

Family Educational Services Foundation (FESF)

Siemens has always placed a high importance on playing an active role to support special persons. In this regard, Siemens has continued its support for a program of the Family Educational Services Foundation that was established in 1995 to provide job skills to the hearing-impaired, as this group have minimal opportunity to get a formal education or vocational training.

It is estimated that less than 5% of the population of 1 million hearing-impaired children in Pakistan are able to get an education. Siemens partnership with FESF is working to reach these children to foster independence and enable them to earn a livelihood.

The Citizens Foundation

The Citizens Foundation operates schools in underprivileged areas of Pakistan.

The Foundation endeavours to provide children from less privileged backgrounds with the opportunity to acquire education of a high standard, thus enabling them to strive for a better future. The Foundation's work raises the percentage of educated people in society, while also providing children with an education to elevate the standard of living of them and their families. Siemens sought to bolster this support through its own 'Educate a Child Transform a Life' initiative, which was facilitated through the Foundation's 'Sponsor-a-Classroom' program. Siemens contribution through this initiative will support an entire class for a year and provide it with schoolbooks for its curriculum.



Response to the COVID crisis in Pakistan

During FY 2021, the COVID-19 pandemic continued to be a challenge, creating varied obstacles to maintaining business continuity, and presenting a threat to the safety and well-being of our staff. To safeguard our employees and continue delivering to our customers, Siemens partnered with JS Bank to arrange vaccination sessions for Siemens employees and their families. Many Siemens employees and their families were able to get vaccinated and acquire protection against the virus over the two days of the campaign.

To assist frontline workers in combating the pandemic, Siemens procured and donated personal protective equipment to the doctors, nurses, and other staff at Indus Hospital, Karachi.

Shana Bashana

“Shana Bashana” – most accurately translated as “shoulder to shoulder” is an integrated development partnership between German Agency for International Cooperation (GIZ) and Siemens Pakistan for promoting gender equality in the country and addressing prevalent gender bias in vocational trainings.

The aim of this project is to promote women in the infrastructure landscape of Pakistan by integrating them through technical and vocational trainings and to ensure sustainability of the same by focusing on social aspects like conditions for decent work, employability, and exposure in trades that have been predominantly done by men.

Analyses have shown that there is a skills mismatch between the labour market and industry requirements, as the offered trainings are not aligned with labour market requirements. This is further aggravated by the generally poor quality of trainings and education.

Some of the challenges for women, especially in the technical field in Pakistan are related to exposure, mind-sets and training opportunities for females. There are fewer such opportunities for female workers / staff due to trends and perceptions based on superficial assessment about the potential of women in the industry. The collaboration between Siemens and GIZ can facilitate the achievement of a bigger impact for society in Pakistan through implementation at the country level and the potential for scalable roll-out.

Siemens Pakistan gives prime importance to the initiatives of business to society. Being an equal opportunity employer, Siemens strives to implement these best practices of a ‘Diversity and Inclusiveness culture’ through various initiatives at the local level including focus on employment opportunities for women, gender balanced workforce, as well as training and development opportunities.

With this objective Siemens Pakistan has provided industry exposure to 14 remarkable women selected from TVET institutions like NUTECH and AmanTech to initiate the project. The Company celebrated our first few batches of female interns under this initiative by organizing a certificate distribution ceremony featuring stories of determination, resilience, and persistence. Ms. Aisha Qazi, Director International Cooperation of NAVTTC, graced the event as a guest of honor along with the interns and their parents.

We aspire to take this project further and partner with more institutions to develop gender sensitive teaching and learning material (TLM) for long term sustainability and align women technical education with industry requirements.



Financial Report 2021



INDEPENDENT AUDITORS' REVIEW REPORT

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

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Siemens (Pakistan) Engineering Co. Ltd.** for the year ended **30 September 2021** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended **30 September 2021**.



Chartered Accountants

Place: Karachi

Date: 15 December 2021

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Siemens (Pakistan) Engineering Co. Ltd.

For the year ended September 30, 2021

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred as 'Code') in the following manner:

1. The total number of directors is seven (07) as per the following:

- Male: Six (06)
- Female: One (01)

2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Qazi Sajid Ali Ms. Ayla Majid (Female Director)
Non-Executive Directors	Mr. Manzoor Ahmed Mr. Oliver Spierling Mr. Manuel Kuehn Mr. Harald Griem
Executive Director	Mr. Markus-Erich Strohmeier

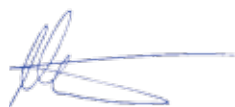
NOTE: For the purpose of the rounding up of the fraction, the Company has not rounded up the fraction as one, since as it currently stands, the Board has adequate directors i.e. six (06) Non-Executive Directors as compared to one (01) Executive Director.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct called "Business Conduct Guidelines" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Companies Act, 2017 and these Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has duly complied with the Directors' Training Program requirements and the criteria as prescribed in the Code.
10. The Board has approved the appointment of Head of internal audit including his remuneration and terms and conditions and change in remuneration of Chief Financial Officer and Company Secretary. No new appointment or change in terms and conditions of Chief Financial Officer and Company Secretary took place during the year. The Board has complied with relevant requirements of the Regulations.

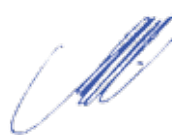
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed following Committees comprising of members given below:

Members of Audit Committee	Designation
Ms. Ayla Majid	Chairwoman (Independent Director)
Mr. Manzoor Ahmed	Non-Executive Director
Mr. Manuel Kuehn	Non-Executive Director
Mr. Harald Griem	Non-Executive Director
Members of Human Resource and Remuneration Committee	Designation
Mr. Qazi Sajid Ali	Chairman (Independent Director)
Mr. Oliver Spierling	Non-Executive Director
Mr. Markus-Erich Strohmeier	Executive Director
Members of Nomination Committee	Designation
Mr. Oliver Spierling	Chairman (Non-Executive Director)
Mr. Markus-Erich Strohmeier	Executive Director

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings of the Committees were as per following:
 - a. Audit Committee: Four quarterly meetings during FY 2021 ended 30 September 2021
 - b. Human Resource and Remuneration Committee: Two half yearly meetings during FY 2021 ended 30 September 2021
15. The Board has outsourced the internal audit function to Siemens AG who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, the Codes or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Listed Companies (Code of Corporate Governance), 2019 have been complied with.



Manuel Kuehn
Chairman of the Board



Markus-Erich Strohmeier
Managing Director

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of **Siemens (Pakistan) Engineering Co. Ltd.** (the Company), which comprise the statement of financial position as at **30 September 2021**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Accounting for construction and engineering contracts	
<p>The Company earns a significant portion of its revenue from construction and engineering contracts which is recognized in accordance with IFRS 15 'Revenue from Contracts with Customers', generally over the time under the percentage-of-completion method.</p> <p>The recognition of revenue on construction and engineering contracts, therefore, involves significant estimate with respect to stage of completion of contracts and measurement of the amount of revenue considering the scope of deliveries, total estimated contract costs, remaining costs to completion and total estimated contract revenues, as well as contract risks including technical risk, etc. and its allocation to various components of performance obligation. In addition, revenues, total estimated contract costs and profit recognition may deviate significantly from original estimates based on new knowledge about the cost overruns and changes in project scope over the term of a contract.</p> <p>We have identified this as a key audit matter due to involvement of significant management's estimate and judgements in the determination of percentage-of-completion and related revenue recognition.</p> <p>Refer notes 3.4, 4.15, 12, 22, 25, 26 and 31 to the financial statements.</p>	<p>Our key audit procedures amongst others included the following:</p> <p>We obtained an understanding of the Company's processes and tested the design and operating effectiveness of controls for project management in the bid and execution phase of construction and engineering contracts including project reviews and controls addressing the timely assessment of changes in cost estimates and complete / timely recognition of such changes in project calculation.</p> <p>We evaluated management's estimates and assumptions based on a risk-based selection of a sample of contracts including projects with changes in cost estimates, delays and / or low or negative margins.</p> <p>We inspected the terms and conditions of the sample contracts including contractually agreed milestones, penalties for delay and breach as well as liquidated damages, etc.</p> <p>We also checked whether revenue was recognized in the appropriate period for the selected projects. We analyzed billable revenues and corresponding cost of sales to be recognized considering the extent of progress towards completion and examined the accounting for the associated items in the statement of financial position.</p> <p>We also carried out inquiries of project management with respect to the development and amendments of the projects, reasons for deviations between planned and actual costs, the current estimated costs to complete the contracts, and the management's assessments of probabilities that contract risks will materialize.</p> <p>We have also assessed the adequacy of the Company's disclosures in accordance with applicable financial reporting framework in Pakistan.</p>

Key audit matter	How our audit addressed the key audit matter
2. Estimates and assumptions involved in staff retirement benefits	
<p>The Company operates a gratuity scheme for all its regular permanent employees with present value of defined benefit obligation amounting to Rs. 459.790 million as at the reporting date.</p> <p>In determining the obligation in respect of staff retirement benefits, the Company engaged an actuarial expert to perform the actuarial valuation of the present value of the defined benefit obligation, which involves use of key assumptions including discount rates, expected rate of increase in future salaries, medical costs and mortality rates. Changes in any of these key assumptions can have a material impact on the calculation of the liability. Accordingly, we have identified this area as a key audit matter.</p> <p>Refer notes 3.4, 4.1.1 and 10.2 to the financial statements.</p>	<p>Our key audit procedures in this area amongst others included the following;</p> <p>We obtained an understanding of the process for recognition of defined benefit plan and Company's control in this area relevant to our audit.</p> <p>We evaluated the competence and objectivity of the qualified actuary engaged by the Company to value the defined benefit obligation under International Accounting Standard 19 'Employee Benefits'.</p> <p>We engaged our external expert to assess the appropriateness of the methodology and reasonableness of the assumptions used to determine the obligation in respect of defined benefit plan.</p> <p>We verified the existence and valuation of plan assets of the fund as at the reporting date.</p> <p>We tested the source data provided by the Company to the actuary for the purpose of valuation, on a sample basis.</p> <p>We assessed the adequacy of the Company's disclosures in accordance with applicable financial reporting framework in Pakistan.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

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



Chartered Accountants

Place: Karachi

Date: 15 December 2021

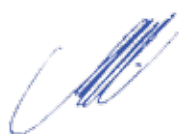
Siemens (Pakistan) Engineering Co. Ltd.

Statement of Financial Position

As at September 30, 2021

	Note	2021 (Rupees in '000)	2020
Equity and liabilities			
Share capital and reserves			
Share capital			
- Authorised		200,000	200,000
20,000,000 (2020: 20,000,000) Ordinary shares of Rs 10 each			
- Issued, subscribed and paid-up	6	82,470	82,470
Reserves			
Capital	7	624,192	624,192
Revenue	7	5,099,635	4,261,995
		5,723,827	4,886,187
Total equity		5,806,297	4,968,657
Non-current liabilities			
Long-term financing	8	31,441	131,366
Lease liabilities	9	80,324	111,654
Deferred liabilities	10	527,637	569,788
Retention money		3,035	45,343
		642,437	858,151
Current liabilities			
Trade and other payables	11	6,613,861	5,672,352
Contract liabilities	12	3,666,606	1,541,341
Current portion of non-current liabilities	13	170,958	160,499
Short-term running finances	14	-	1,489
Provisions	15	541,728	542,621
Taxation - net	16	329,418	180,271
Unclaimed dividend		33,380	33,591
		11,355,951	8,132,164
Total liabilities		11,998,388	8,990,315
Contingencies and commitments	17		
Total equity and liabilities		17,804,685	13,958,972
Assets			
Non-current assets			
Property, plant and equipment	18	300,355	279,935
Right-of-use assets	19	99,958	131,577
Intangible assets	20	-	389
Long-term loans and trade receivables	22	396,636	396,550
Long-term prepayments		3,042	-
Deferred tax asset - net	23	579,912	890,426
		1,379,903	1,698,877
Current assets			
Inventories	24	1,352,302	807,716
Trade receivables	25	10,358,678	8,096,229
Contract assets	26	1,553,222	2,208,669
Loans and advances	27	129,788	182,796
Deposits and short-term prepayments	28	104,241	125,929
Other receivables	29	524,240	398,404
Cash and bank balances	30	2,402,311	437,657
		16,424,782	12,257,400
Assets classified as held for sale		-	2,695
Total assets		17,804,685	13,958,972

The annexed notes 1 to 59 form an integral part of these financial statements.



Markus-Erich Strohmeier
Managing Director



Umer Jalil Anwer
Chief Financial Officer



Qazi Sajid Ali
Director

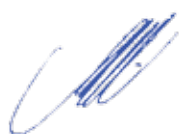
Siemens (Pakistan) Engineering Co. Ltd.

Statement of Profit or Loss

For the year ended September 30, 2021

		2021	2020
	Note	(Rupees in '000)	
Net sales and services	31	14,348,950	12,805,375
Cost of sales and services	32	(11,924,309)	(11,914,927)
Gross profit		2,424,641	890,448
Marketing and selling expenses	33	(829,696)	(685,480)
(Allowance for) / reversal of expected credit losses	34	(148,519)	13,987
General administrative expenses	35	(313,909)	(286,405)
		(1,292,124)	(957,898)
Gain on disposal of assets classified as held for sale	36	247,851	-
Other income	37	65,075	12,013
Other operating expenses	38	(85,312)	-
Net other income		227,614	12,013
Operating profit / (loss)		1,360,131	(55,437)
Financial income	39	63,621	7,324
Financial expenses	40	(33,697)	(178,571)
Net finance income / (expense)		29,924	(171,247)
Profit / (loss) before income tax		1,390,055	(226,684)
Income tax	41	(540,050)	(269,331)
Net profit / (loss) for the year		850,005	(496,015)
Basic and diluted earnings / (loss) per share (Rupees)	42	103.07	(60.14)

The annexed notes 1 to 59 form an integral part of these financial statements.



Markus-Erich Strohmeier
Managing Director



Umer Jalil Anwer
Chief Financial Officer



Qazi Sajid Ali
Director

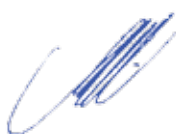
Siemens (Pakistan) Engineering Co. Ltd.

Statement of Comprehensive Income

For the year ended September 30, 2021

	2021	2020
	(Rupees in '000)	
Net profit / (loss) for the year	850,005	(496,015)
Other comprehensive income / (loss) for the year not to be reclassified to statement of profit or loss in subsequent periods:		
Recognition of remeasurement gain / (loss) on defined benefit plan	101,521	(174,027)
Deferred tax thereon	(31,416)	30,619
Other comprehensive income / (loss) for the year - net of tax	70,105	(143,408)
Total comprehensive income / (loss) for the year	920,110	(639,423)

The annexed notes 1 to 59 form an integral part of these financial statements.



Markus-Erich Strohmeier
Managing Director



Umer Jalil Anwer
Chief Financial Officer



Qazi Sajid Ali
Director

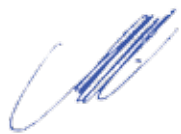
Siemens (Pakistan) Engineering Co. Ltd.

Statement of Cash Flows

For the year ended September 30, 2021

	Note	2021 (Rupees in '000)	2020
Cash flows from operating activities			
Cash generated from operations	43	2,289,558	1,697,904
Payment to gratuity fund		(76,762)	(60,700)
Payment to Workers' Profit Participation Fund (WPPF)		(46,000)	-
Payment to Workers' Welfare Fund (WWF)		(17,686)	-
Financial expenses paid		(20,264)	(163,121)
Income tax paid		(111,805)	(583,186)
Net cash generated from operating activities		2,017,041	890,897
Cash flows from investing activities			
Capital expenditure incurred		(139,333)	(71,806)
Proceeds from sale of property, plant and equipment		8,030	1,811
Proceeds from sale of assets classified as held for sale - net	36	250,546	-
Financial income received		57,264	1,445
Net cash generated from / (used in) investing activities		176,507	(68,550)
Cash flows from financing activities			
Dividends paid		(82,681)	(377,849)
Repayment of lease liabilities		(37,522)	(37,237)
Proceeds from long-term financing		-	271,638
Repayment of long-term financing		(107,202)	(2,293)
Net cash used in financing activities		(227,405)	(145,741)
Net increase in cash and cash equivalents		1,966,143	676,606
Cash and cash equivalents at beginning of the year		436,168	(240,438)
Cash and cash equivalents at end of the year	44	2,402,311	436,168

The annexed notes 1 to 59 form an integral part of these financial statements.



Markus-Erich Strohmeier
Managing Director



Umer Jalil Anwer
Chief Financial Officer



Qazi Sajid Ali
Director

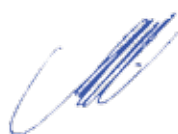
Siemens (Pakistan) Engineering Co. Ltd.

Statement of Changes in Equity

For the year ended September 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 tax	Accumulated profits	
	----- (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
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 year ended September 30, 2020	-	-	-	-	-	-	(496,015)	(496,015)
Other comprehensive loss for the year	-	-	-	-	-	(143,408)	-	(143,408)
Total comprehensive loss for the year	-	-	-	-	-	(143,408)	(496,015)	(639,423)
Balance as at September 30, 2020	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 profit for the year ended September 30, 2021	-	-	-	-	-	-	850,005	850,005
Other comprehensive income for the year	-	-	-	-	-	70,105	-	70,105
Total comprehensive income for the year	-	-	-	-	-	70,105	850,005	920,110
Balance as at September 30, 2021	82,470	619,325	567	4,300	4,523,026	(279,895)	856,504	5,806,297

The annexed notes 1 to 59 form an integral part of these 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 Financial Statements

For the year ended September 30, 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. The geographical location of other offices and plant is given in note 57 to these financials statements.

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 and 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. The management has assessed the accounting implications of these developments on these financial statements, including but not limited to the impairment assessment of financial and non-financial assets. Accordingly, there is no significant financial and accounting implication arising out of the effects of COVID-19 on these financial statements.

3. BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Act; and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from IFRS, the provisions of and directives issued under the Act have been followed.

3.2 Basis of measurement

These financial statements have been prepared under the 'historical cost' convention except as mentioned in the respective notes to these financial statements.

3.3 Functional and presentation currency

These 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.

3.4 Use of estimates, assumptions and judgements

The preparation of financial statements in conformity with accounting standards as applicable in Pakistan requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

These estimates are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In preparing these financial statements, the significant estimates, assumptions and judgements made by the management in applying accounting policies include:

- Contract liabilities (note 4.2)
- Provision for warranty obligations (note 4.3)
- Method of depreciation and amortisation, residual values, useful lives and impairment on property, plant and equipment, right-of-use assets and intangible assets (notes 4.5 to 4.7)
- Impairment for expected credit losses (loss allowances) on doubtful contract assets, deposits, trade and other receivables (note 4.8.1)
- Provision for taxation and deferred taxation (note 4.9)
- Provisions against inventories (note 4.10)
- Actuarial assumptions for the gratuity scheme and provision thereagainst (note 10.2)
- Costs of completion of contracts in progress (notes 4.15 and 31.1); and
- Derivative financial instruments (note 4.17)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below:

4.1 Employees' retirement benefits

The Company's retirement benefit plans comprise of defined benefit plans and a defined contribution plan.

4.1.1 Defined Benefit Plans

The Company operates an approved funded and unfunded gratuity scheme for all its regular permanent employees.

Provisions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out annually under the Projected Unit Credit method. Remeasurement gains / losses are recognised directly to equity through other comprehensive income (OCI) and are not reclassified to profit or loss in subsequent periods.

4.1.2 Defined Contribution Plan

The Company also operates a provident fund scheme for all its regular permanent employees. Equal monthly contributions are made to the fund, both by the Company and the employees at the rate of 10 percent of the aggregate of basic salary and cost of living allowance, wherever applicable.

4.2 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company satisfies the performance obligation under the contract.

It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements for dealers.

4.3 Provisions

A provision is recognised in the statement of financial position when the Company has a present (legal or constructive) obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

The Company accounts for its warranty obligations when the underlying products or services are sold or rendered. The provision is estimated based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

When it is probable that a contract's costs will exceed total contract's revenue, the expected loss is recognised as an expense immediately.

4.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying capital asset under construction are capitalised and added to the project cost until such time the assets are substantially ready for their intended use, i.e., when these are capable of commercial production. All other borrowing costs are recognised as an expense in the statement of profit or loss in the period in which these are incurred.

4.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for capital-work-in-progress which are stated at cost less accumulated impairment losses, if any. Cost in relation to self manufactured assets includes direct cost of materials, labour and applicable manufacturing overheads. If the cost of certain components of an item of property, plant and equipment are significant in relation to the total cost of the item, they are accounted for and depreciated separately.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal of assets are taken to profit or loss.

Capital-work-in-progress consist of expenditure incurred in respect of operating fixed assets in the course of their acquisition, construction and installation and advances made thereagainst. These are transferred to respective items of property, plant and equipment on becoming available for use.

Repairs and maintenance are charged to profit or loss as and when incurred. Major renewals and improvements which increase the asset's remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

Depreciation is charged to profit or loss applying the straight-line method whereby, the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged from the month in which the asset is available for use and on disposals upto the month of deletion, if not already fully depreciated. The residual value, depreciation method and the useful lives of each class of property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date.

4.6 Right-of-use assets

The Company recognises right-of-use assets (ROU assets) at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, if any, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

4.7 Intangible assets

Intangible assets having definite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised using the straight-line method over the estimated useful lives. Amortisation on additions is charged from the month in which the asset is available for use and on disposals upto the month of deletion, if not already fully amortised.

4.8 Impairment

4.8.1 Financial assets

The Company recognises an impairment for lifetime expected credit losses (loss allowance) for all financial assets, other than those held at fair value through profit or loss. The Company applies a simplified approach to assess the loss allowance from trade receivables, contract assets and other receivables by applying their lifetime expected credit losses. Loss allowances are set up representing a forward-looking estimate of future credit losses involving significant judgment. Loss allowance is the gross carrying amount less collateral, multiplied by the probability of default derived from internal rating grades and a factor reflecting the loss in the event of default. Loss allowances are not recognized when the gross carrying amount is sufficiently collateralized. However, in certain cases, the Company has also considered a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

For other assets such as bank balances, deposits, etc. the Company also applies a low credit risk simplification and evaluates whether these assets consider to have low credit risk using all reasonable and supportable information that is available without undue cost and efforts including external credit ratings assessments by reputable agencies, etc.

4.8.2 Non-Financial assets

The carrying values of non-financial assets other than inventories and deferred tax assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, then the recoverable amount is estimated. An impairment loss is recognised, as an expense in profit or loss, for the amount by which an asset's carrying amount exceeds its recoverable amount.

4.9 Taxation

4.9.1 Current

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with Income Tax Ordinance, 2001.

4.9.2 Deferred

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and the tax laws that have been enacted or substantively enacted by the date of statement of financial position.

Deferred tax liability is recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits. A deferred tax asset is recognised only when it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax charged is recognised in profit or loss, however deferred tax relating to items recognised in OCI / Equity is recognised directly in OCI / Equity.

4.10 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of finished goods, both manufactured and purchased, raw material and components is determined on weighted average basis. The cost of work-in-process and finished goods includes direct materials, labour and applicable production overheads.

The Company reviews the carrying amount of inventories on an on-going basis and as appropriate, inventory is written down to its net realisable value or provision is made for obsolescence if there is any change in usage pattern and / or physical form of related inventory.

Net realisable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessarily to be incurred to make the sale.

4.11 Contract assets

Contract assets arise on long term construction contracts when the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due. It is measured at cost plus profit recognised to date less progress billing and recognised losses; and any related loss allowance thereagainst. Cost includes all expenditures related directly to specific projects and an allocation of fixed and variable overheads incurred.

The Company generally becomes entitled to invoice customers for execution of construction contract based on achieving a series of performance-related milestones as per the respective contracts.

4.12 Cash and cash equivalents

Cash and cash equivalents are stated at cost and comprise of cash in hand, cheques in hand, deposits held with banks and highly liquid investments with less than three months maturity from the date of acquisition. Running finance facilities availed by the Company, which are repayable on demand and form an integral part of the Company's cash management are considered as part of cash and cash equivalents for the purpose of statement of cash flows.

4.13 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management. Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly loans and borrowings and related expenses, cash and bank balances and related income, corporate assets and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

4.14 Foreign currencies

Foreign currency transactions are translated into Pakistani Rupees at exchange rates prevailing on the date of transaction. All monetary assets and liabilities in foreign currencies are re-translated at the rates of exchange prevailing at the reporting date. Exchange gains and losses are included in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

4.15 Revenue recognition

(a) Revenue from contract with customers

Revenue from sale of goods is recognised at a point in time when the customer obtains control of the goods or services.

Service revenue is recognised over the contractual period or as and when services are rendered to customers.

The Contract revenue generated from execution of long term construction-type contracts is accounted for under the percentage-of-completion method as the customer obtains control of the goods or services over the time. Contract revenue and contract costs relating to such contracts are recognised as revenue and expenses respectively by reference to stage of completion of contract activity at the reporting date. Stage of completion of a contract is determined by applying 'cost-to-cost method' by reference to the proportion that contract cost incurred to date bears to the total estimated contract cost. Contract revenue on construction contracts valuing less than Rs 10 million and / or duration upto six months is recognised using completed contract method.

On contract inception and at each reporting date, the variable consideration element in a contract arising from penalty on account of contractual delays (liquidated damages) is assessed. The resultant variable consideration, being immaterial to the total revenue, is charged to cost of sales and services. Correspondingly, a refund liability is recognised against the expected liquidated damages up to the contract completion.

When it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Contract modifications which may be a change in the scope or price (or both) are included in contract revenue to the extent that they have been agreed with the customer and create enforceable rights and obligations.

(b) Other revenues

Commission income is recognised on receipt / acknowledged basis. Financial income is recognised as it accrues, using the effective mark-up rates.

4.16 Financial assets and liabilities

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

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through OCI or fair value through profit or loss. This classification depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures all financial assets at cost, which is the fair value of consideration given. Trade receivables are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost, the financial asset gives rise on specified dates to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding and the Company holds such financial assets with an objective to collect contractual cash flows. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss (FVTPL) include financial assets held for trading (including derivatives unless they are designated as effective hedging instruments), financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. These are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. These are subsequently measured at fair value or amortised cost as the case may be. Gains or losses are recognised in profit or loss.

The Company derecognises the financial assets and financial liabilities when it ceases to be a party to contractual provisions of such instruments.

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

4.17 Derivative financial instruments

The Company uses derivative financial instruments to cover its exposure to foreign exchange arising from operational activities, if possible. Any gain or loss from re-measuring the derivative financial instrument at fair value is recognised in profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss.

4.18 Dividends

Dividend is recognised as a liability in the period in which it is approved.

4.19 Share based payment transactions

The fair value of the amount payable in cash to employees in respect of share based schemes is recognised as an expense, with a corresponding increase in liabilities, over the period that the employees become entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as salaries, wages and employee welfare expense in profit or loss.

4.20 Government grants

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant is related to an expense item, it is recognised in profit or loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Deferred Government grant relates to the difference between the fair value of the loan at prevailing market interest rate and the actual amount of financing at subsidised interest rate as obtained under SBP refinance scheme for payment of salaries and wages. The grant is amortised over the period of loan and presented as reduction of related interest expense.

4.21 Ijarah contracts

Arrangements in which a significant portion of the risks and rewards of ownership is retained by the Mu'jir (lessor) and Ijarah agreements have been entered into, are classified as Ijarah. Ijarah rentals paid under Ijarah agreements are charged to profit or loss on a straight-line basis over the period of Ijarah.

4.22 Lease liabilities

The Company assess at contract inception whether a contract is, or contain a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets. The Company recognises lease liability to make lease payments and right-of-use assets representing the right to use the underlying assets. At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods affected by an option to extend or terminate the lease. After the commencement date, the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew the lease. Any change is accounted for as a change in estimate and applied prospectively with corresponding change in ROU assets and lease liabilities.

4.23 Amendments to approved accounting standards and the framework for financial reporting that became effective during the current year

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and the framework for financial reporting which became effective for the current year:

Amendment and Conceptual Framework

IFRS 3 - Business Combinations - Definition of a Business (Amendments)

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)

IAS 1 / IAS 8 - Definition of Material (Amendments)

Conceptual Framework for Financial Reporting

The adoption of above amendments to the approved accounting standards and the conceptual framework for financial reporting did not have any material impact on the Company's financial statements.

4.24 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Amendment or Improvement		Effective date (annual periods beginning on or after)
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)	January 01, 2021
IFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	April 01, 2021
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 01, 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	January 01, 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
IAS 41	Agriculture - Taxation in fair value measurements	January 01, 2022
IFRS 16	Leases: Lease incentives	January 01, 2022

The above amendments and improvements are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standard		Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRSs	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

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 as at September 30, 2021 amounting to Rs 58.703 million (2020: Rs 202.723 million). Information relating to Afghanistan operations is presented in note 56 to these financial statements.

6. ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL

Ordinary shares of Rs 10/- each

2021	2020		2021	2020
(No. of shares)			(Rupees in '000)	
6,217,780	6,217,780	Issued for cash	62,178	62,178
81,700	81,700	Issued for consideration other than cash	817	817
1,526,800	1,526,800	Issued as bonus shares	15,268	15,268
(56,683)	(56,683)	Treasury shares	(567)	(567)
477,440	477,440	Issued under a scheme of amalgamation	4,774	4,774
8,247,037	8,247,037		82,470	82,470

6.1 Siemens Aktiengesellschaft (Siemens AG, the parent company) held 6,156,782 Ordinary shares (2020: 6,156,782 Ordinary shares) of Rs 10/- each of the Company as at September 30, 2021.

6.2 Voting rights, board selection, right of first refusal and block voting are in proportion to the respective shareholding.

6.3 Dividends and other appropriations

The Board of Directors have, in their meeting held on November 25, 2021 proposed a final cash dividend of Rs 46 per Ordinary share of Rs 10/- each (2020: Rs 10/- per share), amounting to Rs 379.364 million (2020: Rs 82.470 million). This is subject to the approval of the Members of the Company at the forthcoming Annual General Meeting, the effect of which will be reflected in the Financial Statements for the year ending September 30, 2022.

7. RESERVES	Note	2021	2020
		(Rupees in '000)	
Capital			
Share premium	7.1	619,325	619,325
Treasury shares reserve	7.2	567	567
Other capital reserve		4,300	4,300
		624,192	624,192
Revenue			
General reserves		4,523,026	4,523,026
Remeasurement loss on defined benefit plan - net of tax		(279,895)	(350,000)
Accumulated profits		856,504	88,969
		5,099,635	4,261,995

7.1 This represents premium of Rs 50/- per share on the issue of 186,340 Ordinary shares of Rs 10/- each and Rs 70/- per share on the issue of 223,608 Ordinary shares of Rs 10/- each during the years ended September 30, 1988 and 1990, respectively, and premium of Rs 1,277/- per share on the issue of 477,440 Ordinary shares of Rs 10/- each under the scheme of amalgamation during the year ended September 30, 2007. This amount was reduced by Rs 15.334 million on account of 56,683 Ordinary shares of Rs 10/- each bought back by the Company during the year ended September 30, 2003.

7.2 This represents the amount by which the share capital of the Company was reduced on the buy back of 56,683 Ordinary shares of Rs 10/- each and transferred from the distributable profits of the Company to treasury shares during the year ended September 30, 2003. This reserve was created to comply with the requirements of Section 95A of the repealed Companies Ordinance, 1984.

		2021	2020
8. LONG-TERM FINANCING	Note	(Rupees in '000)	
Balance at beginning of the year	8.1	255,853	-
Loan received during the year		-	271,638
Recognised as deferred Government grant	10.1	-	(19,654)
Accretion of interest during the year		17,889	6,162
Payments during the year		(107,202)	(2,293)
Balance at end of the year		166,540	255,853
Less: Current maturity of long-term financing	13	(135,099)	(124,487)
		31,441	131,366

- 8.1** 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. This is secured against the joint hypothecation charges over inventories and trade receivables of the Company.

		2021	2020
9. LEASE LIABILITIES	Note	(Rupees in '000)	
Balance at beginning of the year		136,334	-
Impact of initial application of IFRS 16		-	123,359
New leases during the year		-	36,215
Accretion of interest during the year		12,842	13,997
Payments during the year		(37,522)	(37,237)
Balance at end of the year		111,654	136,334
Less: Current maturity of lease liabilities	13	(31,330)	(24,680)
		80,324	111,654

10. DEFERRED LIABILITIES			
Deferred Government grant	10.1	-	4,453
Defined benefit plan - gratuity fund	10.2	459,790	515,993
Share based benefits	49	52,786	34,459
Others		15,061	14,883
		527,637	569,788

10.1 Deferred Government grant			
Balance at beginning of the year		15,785	-
Recognised during the year	8	-	19,654
Government grant amortised during the year		(11,256)	(3,869)
Balance at end of the year		4,529	15,785
Less: Current portion of deferred Government grant	13	(4,529)	(11,332)
		-	4,453

10.2 Defined benefit plan - gratuity fund

As stated in note 4.1.1 to these financial statements, the Company operates two retirement benefit plans (the Plans) namely approved funded gratuity scheme for all its permanent employees in Pakistan and an unfunded gratuity scheme for all its permanent employees in Afghanistan.

Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plan. Responsibility for governance of the Plans, including investment and funding decisions and contribution schedules lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

- Discount rate 10.4% per annum compound (2020: 9.8%).
- Expected rate of increase in salaries 11.5% per annum (2020: 11.5%).
- For Pakistan SLIC (2001-05) mortality table was considered whereas, for Afghanistan because of the nature of the benefit which is a lump sum payable on exit due to any cause, a combined single decrement rate has been used.

		2021			2020		
		Pakistan	Afghanistan	Total	Pakistan	Afghanistan	Total
		Funded	Unfunded		Funded	Unfunded	
Note		(Rupees in '000)					
Fair value of plan assets	10.2.1	278,196	-	278,196	238,858	-	238,858
Present value of defined benefit obligation	10.2.2	(724,910)	(13,076)	(737,986)	(738,750)	(16,101)	(754,851)
Deficit - recognised as liability in the statement of financial position	10.2.3	(446,714)	(13,076)	(459,790)	(499,892)	(16,101)	(515,993)
Movement in the fair value of plan assets							
Opening balance		238,858	-	238,858	235,184	-	235,184
Interest income		23,947	-	23,947	29,316	-	29,316
Contributions made by the Company		73,365	-	73,365	51,607	-	51,607
Benefits paid		(70,776)	-	(70,776)	(54,251)	-	(54,251)
Remeasurement gain / (loss)	10.2.4	12,802	-	12,802	(22,998)	-	(22,998)
		278,196	-	278,196	238,858	-	238,858
Movement in the present value of defined benefit obligation							
Opening balance		738,750	16,101	754,851	528,512	-	528,512
Current service cost		73,365	1,841	75,206	51,607	25,005	76,612
Interest expense		69,296	1,525	70,821	62,042	-	62,042
Benefits paid		(70,776)	(3,397)	(74,173)	(54,251)	(9,093)	(63,344)
Remeasurement (gain) / loss	10.2.4	(85,725)	(2,994)	(88,719)	150,840	189	151,029
		724,910	13,076	737,986	738,750	16,101	754,851
Movement in net liability in the statement of financial position is as follows:							
Opening balance of liability		499,892	16,101	515,993	293,328	-	293,328
Expense recognised for the year	10.2.5	118,714	3,366	122,080	84,333	25,005	109,338
Contributions made by the Company		(73,365)	-	(73,365)	(51,607)	-	(51,607)
Benefits paid		-	(3,397)	(3,397)	-	(9,093)	(9,093)
Net remeasurement (gain) / loss for the year recognised in OCI	10.2.4	(98,527)	(2,994)	(101,521)	173,838	189	174,027
		446,714	13,076	459,790	499,892	16,101	515,993
Remeasurement (gain) / loss recognised in statement of other comprehensive income:							
Remeasurement of present value of defined benefit obligation		(32,658)	(794)	(33,452)	135,623	-	135,623
Financial assumptions		(53,067)	(2,709)	(55,776)	15,217	189	15,406
Experience adjustments		-	509	509	-	-	-
Effect of changes in foreign exchange rates		(85,725)	(2,994)	(88,719)	150,840	189	151,029
Remeasurement of fair value of plan assets		(12,802)	-	(12,802)	22,998	-	22,998
		(98,527)	(2,994)	(101,521)	173,838	189	174,027

	2021			2020		
	Pakistan	Afghanistan	Total	Pakistan	Afghanistan	Total
	Funded	Unfunded		Funded	Unfunded	
	----- (Rupees in '000) -----					
10.2.5 The following amounts have been charged in the statement of profit or loss in respect of these benefits:						
Current service cost	73,365	1,841	75,206	51,607	25,005	76,612
Interest expense	69,296	1,525	70,821	62,042	-	62,042
Interest income on plan assets	(23,947)	-	(23,947)	(29,316)	-	(29,316)
	118,714	3,366	122,080	84,333	25,005	109,338

10.2.6 Major categories / composition of plan assets are as follows:	Pakistan - Funded		Afghanistan - Unfunded	
	2021	2020	2021	2020
	----- % -----			
Treasury bills	78	86	-	-
Cash and cash equivalents	22	14	-	-
	100	100	-	-

10.2.7 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Assumptions	Impact on defined benefit obligation			
	Pakistan		Afghanistan	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
	----- (Rupees in '000) -----			
Effect of change in discount rate	(25,379)	27,039	(605)	656
Effect of change in future salary increases	26,640	(25,246)	646	(602)

10.2.8 The expected interest income on plan assets is taken as weighted average of expected investment return on different assets of the gratuity fund.

10.2.9 During the year ending September 30, 2022, the Company plans to contribute to the defined benefit plan of Pakistan as per the recommendation of the actuary amounting to Rs 69.176 million.

10.2.10 The defined benefit plans expose the Company to the actuarial risks such as:

Withdrawal and mortality risks - Withdrawal risk is the risk of higher or lower withdrawal experience than assumed. Mortality risk is the risk that the actual mortality experience is different. Both risks depend on the beneficiaries' service / age distribution and the benefit.

Investment risk - The risk of the investment underperforming and not being sufficient to meet the liabilities. The risk is mitigated by closely monitoring the performance of investments.

Longevity risk - The risk arises when the actual lifetime of retirees is longer than expectation. The risk is measured at the plan level over the entire retiree population.

10.2.11 The weighted average duration of the defined benefit obligations is 7 years.

11. TRADE AND OTHER PAYABLES	Note	2021	2020
		(Rupees in '000)	
Trade creditors [including retention money of Rs 674.119 million (2020: Rs 663.558 million)]	11.1	4,824,799	3,961,979
Accrued liabilities		1,187,786	1,147,037
Defined contribution plan - Provident Fund		-	11,597
Accrued interest		173,738	179,780
Workers' Profit Participation Fund (WPPF)		15,580	-
Workers' Welfare Fund (WWF)		176,186	170,140
Derivative financial instruments		20,086	21,371
Withholding tax payable		21,740	19,232
Sales tax payable		117,543	66,557
Other liabilities		76,403	94,659
		6,613,861	5,672,352

11.1 These include sums aggregating to Rs 1,621.544 million (2020: Rs 1,461.779 million) due to related parties.

12. CONTRACT LIABILITIES	Note	2021 (Rupees in '000)	2020
Advances from customers			
- for goods		648,253	316,402
- for projects and services	12.1	2,556,249	783,886
	12.2	3,204,502	1,100,288
Unearned portion of revenue		129,915	224,161
Refund liabilities		332,189	216,892
		<u>3,666,606</u>	<u>1,541,341</u>

12.1 This includes advance amounts due from Rousch (Pakistan) Power Limited and Siemens Energy Affiliates having aggregate amounts due of Rs 228.788 million (2020: Rs 209.705 million) and Rs 1.513 million (2020: nil) respectively as per the contractual payment terms.

12.2 This includes billings in excess of Rs 104.876 million (2020: Rs 448.863 million) as per the contractual milestones.

13. CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	2021 (Rupees in '000)	2020
Current maturity of long-term financing	8	135,099	124,487
Current maturity of lease liabilities	9	31,330	24,680
Current portion of deferred Government grant	10.1	4,529	11,332
		<u>170,958</u>	<u>160,499</u>

14. SHORT-TERM RUNNING FINANCES

Secured	14.1	-	1,489
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14.1 These facilities arranged with commercial banks in Pakistan aggregated to Rs 4,900 million (2020: Rs 4,900 million) while interest rate ranges between 7.61% to 8.01% per annum (2020: 7.51% to 14.35% per annum). These are secured against the joint hypothecation charges over inventories and trade receivables of the Company. As of reporting date, these remained fully unutilized by the Company.

14.2 Facilities for unsecured bank overdraft arranged with commercial bank in the United Arab Emirates (UAE) aggregated to Rs 116.567 million (2020: Rs 113.250 million) at interest rate ranges between 3.70% to 3.75% per annum. As of reporting date, these remained fully unutilized by the Company.

14.3 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 0.91% and 1.56% per annum (2020: 1.07% and 3.27% per annum). As of reporting date, this remained fully unutilized by the Company.

15. PROVISIONS	Warranties	Losses on sales contracts	Total
	----- (Rupees in '000) -----		
Balance at beginning of the year	509,318	33,303	542,621
Additional provision	136,370	14,642	151,012
Cost incurred	(73,914)	(3,026)	(76,940)
Reversal of unutilised amounts	(67,297)	(7,668)	(74,965)
Balance at end of the year	<u>504,477</u>	<u>37,251</u>	<u>541,728</u>

	2021	2020
	(Rupees in '000)	
16. TAXATION - NET		
Provision for taxation	1,757,480	1,697,635
Advance tax	(1,428,062)	(1,517,364)
	<u>329,418</u>	<u>180,271</u>

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 The Company is defending various suits filed against it in various courts in Pakistan for sums aggregating to Rs 284.518 million (2020: Rs 102.198 million) related to its business operations. The Company's management is confident, based on the advice of its legal advisors, that these suits will be decided in Company's favour and, accordingly, no provision has been made for any liability against these law suits in these financial statements.

	2021	2020
	(Rupees in '000)	
17.1.2 Guarantees		
- limit	16,413,125	14,411,361
- utilised portion	12,944,617	11,134,784
- unutilised portion	<u>3,468,508</u>	<u>3,276,577</u>

17.2 Commitments

17.2.1 As at September 30, 2021, capital expenditure contracted for but not incurred amounted to Rs 50.848 million (2020: Rs 23.525 million).

17.2.2 Post dated cheques issued to the Collector of Customs against import duty aggregate to Rs 14.995 million (2020: Rs 27.715 million).

	2021	2020
	(Rupees in '000)	
17.2.3 Letters of credit		
- limit	1,214,412	1,200,000
- utilised portion	1,212,298	111,014
- unutilised portion	<u>2,114</u>	<u>1,088,986</u>

17.2.4 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:

	2021	2020
	(Rupees in '000)	
- Not later than one year	<u>-</u>	<u>349</u>

17.2.5 The aggregate amount of commitments against various lease arrangements for rental premises arrangements are as follows:

	2021	2020
	(Rupees in '000)	
- Not later than one year	<u>4,318</u>	<u>1,806</u>

18. PROPERTY, PLANT AND EQUIPMENT

	Note	2021	2020
		(Rupees in '000)	
Operating assets	18.1	244,418	259,028
Capital-work-in-progress		55,937	20,907
		<u>300,355</u>	<u>279,935</u>

18.1 Operating assets

	As at October 1, 2020			During the year ended September 30, 2021			As at September 30, 2021		
	Cost	Accumulated depreciation	Net book value	Additions / (deletions)	Depreciation / (on deletions)	Net book value of disposals	Cost	Accumulated depreciation	Net book value
									Depreciation rates
	(Rupees in '000)								
									%
Leasehold improvements	31,227	21,307	9,920	-	3,330	-	31,227	24,637	6,590 20
Plant and machinery	316,756	215,984	100,772	-	15,486 (1,538)	399	314,819	229,932	84,887 10 & 100
Furniture and fixtures	161,076	122,147	38,929	13,039 (13,987)	19,880 (13,452)	535	160,128	128,575	31,553 20, 25 & 100
Office equipment	224,613	175,345	49,268	24,592 (33,190)	30,846 (32,204)	986	216,015	173,987	42,028 20 & 33.33
Vehicles	182,961	165,542	17,419	43,451 (27,990)	11,473 (27,381)	609	198,422	149,634	48,788 25
Tools and patterns	383,049	340,329	42,720	23,221 (7,726)	35,369 (7,726)	-	398,544	367,972	30,572 20, 50 & 100
2021	1,299,682	1,040,654	259,028	104,303 (84,830)	116,384 (82,301)	2,529	1,319,155	1,074,737	244,418

	As at October 1, 2019			During the year ended September 30, 2020			As at September 30, 2020			Depreciation rates
	Cost	Accumulated depreciation	Net book value	Additions / (deletions) / (transfer)	Depreciation / (on deletions) / (on transfer)	Net book value of disposals / transfer*	Cost	Accumulated depreciation	Net book value	
----- (Rupees in '000) -----										
Leasehold land	2,016	-	2,016	-	-	2,016*	-	-	-	%
Building	2,469	1,728	741	-	62 (1,790)	679*	-	-	-	2.5
Leasehold improvements	31,227	16,520	14,707	-	4,787	-	31,227	21,307	9,920	20
Plant and machinery	314,400	201,053	113,347	3,250 (894)	15,772 (841)	53	316,756	215,984	100,772	10 & 100
Furniture and fixtures	154,893	100,717	54,176	8,473 (2,290)	23,237 (1,807)	483	161,076	122,147	38,929	20, 25 & 100
Office equipment	220,627	152,482	68,145	17,552 (13,566)	35,727 (12,864)	702	224,613	175,345	49,268	20 & 33.33
Vehicles	177,409	152,362	25,047	5,552	13,180	-	182,961	165,542	17,419	25
Tools and patterns	361,824	268,590	93,234	22,779 (1,554)	73,293 (1,554)	-	383,049	340,329	42,720	20, 50 & 100
2020	1,264,865	893,452	371,413	57,606 (22,789)	166,058 (18,856)	3,933	1,299,682	1,040,654	259,028	

*Net book value of Rs 2.695 million relating to properties located at A3 Link Street, 7th Central Avenue, Phase 2, DHA, Karachi comprising leasehold land (measured area 1,672 Sq.m) and building on leasehold land (measured area 250 Sq.m) was transferred to assets classified as held for sale.

18.1.1 Operating fixed assets include items having an aggregate cost of Rs 794.277 million (2020: Rs 803.101 million) which have been fully depreciated and are still in use of the Company.

		2021	2020
19.	RIGHT-OF-USE ASSETS	Note	(Rupees in '000)
	Opening net book value	131,577	-
	Impact of initial application of IFRS 16	-	123,359
	Right-of-use assets recognised during the year	-	36,215
	Depreciation for the year	(31,619)	(27,997)
	Closing net book value	19.2 99,958	131,577

19.1 Gross carrying value basis

Cost	159,574	159,574
Accumulated depreciation	(59,616)	(27,997)
Net book value	99,958	131,577
Depreciation rates % per annum	16% - 31%	16% - 31%

19.2 The right-of-use assets held by the Company comprise of properties including land and building, on rental arrangement basis for its operations.

20. INTANGIBLE ASSETS

	As at October 1, 2020			During the year			As at September 30, 2021			
	Cost	Accumulated amortisation	Net book value	Additions / (deletions)	Amortisation / on (deletions)	Net book value of deletions	Cost	Accumulated amortisation	Net book value	Amortisation rate
	(Rupees in '000)									%
2021										
Software	86,215	85,826	389	- (1,044)	389 (1,044)	-	85,171	85,171	-	33.33
	(Rupees in '000)									%
	As at October 1, 2019			During the year			As at September 30, 2020			
	Cost	Accumulated amortisation	Net book value	Additions / (deletions)	Amortisation / on (deletions)	Net book value of deletions	Cost	Accumulated amortisation	Net book value	Amortisation rate
	(Rupees in '000)									%
2020										
Software	86,679	85,337	1,342	- (464)	953 (464)	-	86,215	85,826	389	33.33

20.1 Intangible assets represents items having an aggregate cost of Rs 85.171 million (2020: Rs 84.217 million) which have been fully amortised and are still in active use of the Company.

		2021	2020
21.	Depreciation and amortisation have been allocated as follows:	Note	Total
			(Rupees in '000)
	Cost of sales	32.1	122,481 322 122,803 163,146
	Marketing and selling expenses	33	23,010 58 23,068 26,221
	General administrative expenses	35	2,512 9 2,521 5,641
			148,003 389 148,392 195,008

22. LONG-TERM LOANS AND TRADE RECEIVABLES		Note	2021	2020
			(Rupees in '000)	
Loans				
Due from non-executive employees	22.1		2,194	3,523
Less: Receivable within one year shown under current assets	27		(1,327)	(2,058)
Long term portion			867	1,465
Discounting to present value			(155)	(272)
			712	1,193
Trade receivables				
Considered good			422,223	420,229
Considered doubtful			49,552	53,493
			471,775	473,722
Loss allowance			(49,552)	(53,493)
Discounting to present value			(26,299)	(24,872)
			395,924	395,357
			396,636	396,550
22.1	These represent interest free loans as per Company's policy, payable over a period of one to four years. Any outstanding amount due from an employee at the time of leaving the service of the Company is adjustable against the final dues including the retirement benefits.			

23. DEFERRED TAX ASSET - NET		Note	2021	2020
			(Rupees in '000)	
Debit balances arising in respect of:				
Unadjusted tax credits / tax losses			54,655	268,647
Provisions			434,869	492,154
Remeasurement loss on defined benefit plan			58,450	89,866
Discounting of long-term receivables			4,533	5,140
Decelerated tax depreciation and amortisation			27,405	34,619
			579,912	890,426

24. INVENTORIES				
Raw materials and components				
			522,555	314,885
Work-in-process				
			621,990	327,244
Finished goods				
			186,323	212,438
			1,330,868	854,567
Provision for slow moving and obsolete items				
			(189,513)	(219,636)
			1,141,355	634,931
Goods-in-transit				
			210,947	172,785
			1,352,302	807,716

25. TRADE RECEIVABLES				
Considered good				
Due from related parties	25.1		71,725	21,339
Due from others			10,286,953	8,074,890
			10,358,678	8,096,229
Considered doubtful			1,067,770	1,008,636
	25.2		11,426,448	9,104,865
Loss allowance			(1,067,770)	(1,008,636)
			10,358,678	8,096,229

25.1 Represents amounts due from Rousch (Pakistan) Power Limited, Mentor Graphics Pakistan Development (Private) Limited and Siemens Energy affiliates having aggregate amounts of Rs 10.085 million (2020: Rs 9.643 million), Rs 3.973 million (2020: Rs 11.696 million) and Rs 57.667 million (2020: nil) respectively. Further, the maximum aggregate amounts due at the end of any month during the year from Rousch (Pakistan) Power Limited, Mentor Graphics Pakistan Development (Private) Limited and Siemens Energy affiliates was Rs 10.531 million (2020: Rs 10.201 million), Rs 11.696 million (2020: Rs 6.430 million) and Rs 49.323 million (2020: nil) respectively.

25.2 Information relating to trade receivable ageing is presented in note 52.2 to these financial statements.

		2021	2020
	Note	(Rupees in '000)	
26. CONTRACT ASSETS			
Considered good		1,553,222	2,208,669
Considered doubtful		257,449	247,304
		1,810,671	2,455,973
Loss allowance		(257,449)	(247,304)
		1,553,222	2,208,669

27. LOANS AND ADVANCES

Current portion of loans due from non-executive employees	22	1,327	2,058
Advances to:			
Suppliers		99,251	149,172
Executive employees	27.1	21,193	22,842
Non-executive employees		8,017	8,724
		128,461	180,738
		129,788	182,796

27.1 This includes advance to key management personnel of Rs 1.434 million (2020: Rs 4.108 million). Further, the maximum amount of advance to key management personnel outstanding at the end of any month during the year ended September 30, 2021 was Rs 3.692 million (2020: Rs 8.301 million).

		2021	2020
	Note	(Rupees in '000)	
28. DEPOSITS AND SHORT-TERM PREPAYMENTS			
Deposits			
Considered good		87,177	111,796
Considered doubtful		39,446	39,353
		126,623	151,149
Loss allowance		(39,446)	(39,353)
		87,177	111,796
Prepayments		17,064	14,133
		104,241	125,929

29. OTHER RECEIVABLES

Considered good			
Due from related parties	29.1	47	1,387
Costs reimbursable from customers		194,841	151,960
Interest accrued		48,072	41,715
Derivative financial instruments		245,355	176,550
Others		35,925	26,792
		524,240	398,404
Considered doubtful			
Costs reimbursable from customers		15,230	13,396
Sales tax refundable		116,361	54,373
Others		88,658	84,190
		220,249	151,959
		744,489	550,363
Loss allowance		(220,249)	(151,959)
		524,240	398,404

- 29.1** Represents amount due from Siemens Gamesa Renewable Energy (Private) Limited and Siemens Healthcare (Private) Limited having aggregate amounts due of Rs 0.008 million (2020: Rs 1.387 million) and Rs 0.039 million (2020: nil) respectively. Further, the maximum aggregate amounts due at the end of any month during the year from Siemens Gamesa Renewable Energy (Private) Limited and Siemens Healthcare (Private) Limited was Rs 1.387 million (2020: nil) and Rs 0.581 million (2020: nil) respectively.

		2021	2020
	Note	(Rupees in '000)	
30. CASH AND BANK BALANCES			
With banks in			
Current accounts	30.1	209,666	290,893
Deposit accounts		2,181,508	146,549
		2,391,174	437,442
Cheques in hand		10,503	-
Cash in hand		634	215
		2,402,311	437,657

- 30.1** Includes security deposits of Rs 4.266 million (2020: Rs 5.066 million) from vendors kept in a special account maintained by the Company with a scheduled bank.

		2021	2020
	Note	(Rupees in '000)	
31. NET SALES AND SERVICES			
Sales disaggregation by type of contracts			
Execution of contracts		6,642,948	5,686,705
Sale of goods		4,026,631	4,005,440
Rendering of services		3,679,371	3,113,230
	31.1	14,348,950	12,805,375
Sales tax		2,062,956	1,822,894
Gross sales and services		16,411,906	14,628,269
Sales tax		(2,062,956)	(1,822,894)
		14,348,950	12,805,375

- 31.1** The transaction price are generally fixed as per the contract with customers. Any variable consideration is estimated by using the most likely amount which is the single most likely amount in a range of possible consideration amounts.

In some cases, the transaction price needs to be allocated on the basis of relative stand-alone selling prices among the distinct performance obligations. The best evidence of a stand-alone selling price is the observable price of goods or services when the Company sells those goods or services separately in similar circumstances and to similar customers.

The revenue generated from execution of contracts is accounted for under the percentage-of-completion method wherein, the plan costs are estimated. These estimates are based on the prices of materials and services applicable at that time, forecasted increases and expected completion date at the time of such estimation. Such estimates are reviewed at regular intervals. Any subsequent changes in the prices of materials and services compared to forecasted prices and changes in the time of completion affect the results of the subsequent periods.

The payment terms are governed by the contractual rights and obligations as defined in the contracts with customers. Generally, in case of sales of goods and rendering of services, the Company has the present right to payment when the same has been delivered, rendered or accepted. Whereas, in case of execution of contracts, the right to payment is established on achieving performance-related milestones.

- 31.2** Revenue recognised during the year from the contract liability balance at the beginning of the year is Rs 238.914 million (2020: Rs 768.035 million).

- 31.3** The following shows the most appropriate maturity time bands of transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting year:

	2021	2020
	(Rupees in '000)	
Subsequent 1st year	15,651,120	10,668,908
Subsequent 2nd year	4,804,004	1,478,233
Beyond 2nd year	8,100,035	9,199,220
	28,555,159	21,346,361

		2021	2020
	Note	(Rupees in '000)	
32. COST OF SALES AND SERVICES			
Opening inventory of finished goods	24	212,438	313,793
Cost of goods manufactured and services rendered	32.1	11,020,849	10,721,317
Finished goods purchased		877,345	1,092,255
		<u>12,110,632</u>	<u>12,127,365</u>
Closing inventory of finished goods	24	(186,323)	(212,438)
		<u>11,924,309</u>	<u>11,914,927</u>
32.1 Cost of goods manufactured and services rendered			
Opening inventories			
Raw materials and components	24	314,885	457,089
Work-in-process	24	327,244	664,179
Goods-in-transit	24	172,785	99,674
		<u>814,914</u>	<u>1,220,942</u>
Purchase of goods and services		8,847,337	7,150,159
Salaries, wages and employees welfare		1,350,453	1,328,948
Gratuity		72,035	66,570
Provident fund contribution		33,264	35,693
Royalty	32.1.1	38,589	16,941
Research and development		2,165	49,602
Commission		15,469	27,561
Fuel, power and water		73,103	69,208
Repairs and maintenance		71,304	60,771
Rent, rates and taxes		82,605	80,720
Vehicle Ijarah rentals		42	3,602
Liquidated damages on contracts		115,355	39,929
Provision for warranty - net		69,073	117,306
Provision for losses on sales contracts - net		6,974	8,833
Insurance		46,666	73,230
Reversal of provision for slow moving and obsolete items of inventories - net		(30,123)	(9,358)
Inventories written off		14,716	36,422
IT, networking and data communication		198,694	211,510
Depreciation and amortisation	21	122,803	163,146
Travelling and conveyance		156,133	150,482
Transportation		254,495	251,726
Stationery, telex and telephone		28,660	17,479
Security		29,007	39,698
Exchange (gain) / loss - net		(85,534)	284,246
Legal and professional		6,222	12,024
Bank charges		75,417	56,549
Others		5,723	2,476
		<u>12,415,561</u>	<u>11,566,415</u>
Closing inventories			
Raw materials and components	24	(522,555)	(314,885)
Work-in-process	24	(621,990)	(327,244)
Goods-in-transit	24	(210,947)	(172,785)
		<u>(1,355,492)</u>	<u>(814,914)</u>
		<u>11,060,069</u>	<u>10,751,501</u>
Sale of scrap		(39,220)	(30,184)
		<u>11,020,849</u>	<u>10,721,317</u>

32.1.1 Represents royalty paid / payable to the parent Company, Siemens AG, having registered office in Wittlesbacherplatz 2, 80333 Munich, Germany.

		2021	2020
33. MARKETING AND SELLING EXPENSES	Note	(Rupees in '000)	
Salaries and employees welfare		506,647	455,152
Gratuity		46,385	39,798
Provident fund contribution		23,954	25,426
Business support services		49,914	80,448
Fuel, power and water		15,909	17,297
Repairs and maintenance		11,541	13,406
Rent, rates and taxes		12,556	17,457
Vehicle Ijarah rentals		359	1,276
Advertising and sales promotion		7,371	9,299
Insurance		8,082	8,708
Trade, other receivables and deposits written off		3,258	5,190
Discounting of long-term loans and trade receivables - net		1,309	(44,882)
IT, networking and data communication		75,144	71,638
Depreciation and amortisation	21	23,068	26,221
Travelling and conveyance		7,039	25,367
Transportation		2,710	4,381
Stationery, telex and telephone		8,864	8,898
Security		4,118	5,950
Legal and professional		3,319	4,069
Bank charges		10,878	18,433
Others		9,085	9,987
		831,510	803,519
Commission income		(1,814)	(117,457)
Sale of scrap		-	(582)
		829,696	685,480
34. ALLOWANCE FOR / (REVERSAL OF) EXPECTED CREDIT LOSSES			
Loss allowance / (reversal of loss allowance) on trade receivables - net	52.2	69,992	(1,643)
Loss allowance / (reversal of loss allowance) on contract assets - net	52.2	10,145	(5,022)
Loss Allowance / (reversal of loss allowance) on deposits and other receivables - net	52.2	68,382	(7,322)
		148,519	(13,987)
35. GENERAL ADMINISTRATIVE EXPENSES			
Salaries and employees welfare		219,955	204,246
Gratuity		3,660	2,970
Provident fund contribution		900	899
Fuel, power and water		6,859	5,439
Repairs and maintenance		5,562	5,129
Rent, rates and taxes		15,971	13,058
Insurance		2,361	1,966
IT, networking and data communication		7,568	7,215
Auditors' remuneration	45	7,804	7,734
Depreciation and amortisation	21	2,521	5,641
Travelling and conveyance		7,907	7,944
Stationery, telex and telephone		2,292	1,892
Security		7,572	7,944
Legal and professional		5,970	375
Donations	35.1	1,637	950
Others		15,646	13,003
		314,185	286,405
Sale of scrap		(276)	-
		313,909	286,405

35.1 Recipients of donations do not include any donee in which a director or their spouse had any interest.

36. GAIN ON DISPOSAL OF ASSETS CLASSIFIED AS HELD FOR SALE

The Company during the year 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:

	2021	2020
	(Rupees in '000)	
Sale proceeds on disposal	256,991	-
Expenses on disposal	(6,445)	-
Sale proceeds on disposal - net	250,546	-
Assets classified as held for sale - as at September 30, 2020	(2,695)	-
Gain on disposal - net	247,851	-

37. OTHER INCOME

Gain on sale of property, plant and equipment	5,501	573
Insurance and other claims	8,543	-
Liabilities no longer payable written back	51,031	11,440
	65,075	12,013

38. OTHER OPERATING EXPENSES

Workers' Profit Participation Fund (WPPF)	61,580	-
Workers' Welfare Fund (WWF)	23,732	-
	85,312	-

39. FINANCIAL INCOME

Interest on other receivables	6,357	5,879
Income on amounts placed with banks under deposit accounts	57,264	1,445
	63,621	7,324

40. FINANCIAL EXPENSES

Interest on long-term financing	6,633	2,293
Interest on lease liabilities	12,842	13,997
Interest on short-term running finances	464	148,485
Interest on other payables	13,758	13,796
	33,697	178,571

41. INCOME TAX

Current		
For the year	260,952	361,200
For prior years	-	(93,569)
	260,952	267,631
Deferred	279,098	1,700
	540,050	269,331

41.1 Reconciliation of income tax

Accounting profit / (loss)	1,390,055	(226,684)
Enacted tax rate (%)	29%	29%
Tax on accounting profit at enacted rate	403,116	-
Tax effect of income subject to lower tax rate	141,037	327,535
Prior year tax - net	-	(93,569)
Foreign tax	(4,103)	35,365
	540,050	269,331

42. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

There is no dilutive effect on the basic earnings / (loss) per share of the Company, which is based on:

	2021	2020
	(Rupees in '000)	
Net profit / (loss) for the year	850,005	(496,015)
	(No. of shares)	
Weighted average number of Ordinary shares	8,247,037	8,247,037
	(Rupees)	
Basic and diluted earnings / (loss) per share	103.07	(60.14)

43. CASH GENERATED FROM OPERATIONS

	Note	2021	2020
		(Rupees in '000)	
Profit / (loss) before tax		1,390,055	(226,684)
Adjustment for non-cash items:			
Depreciation and amortisation	21	148,392	195,008
Reversal of provision for slow moving and obsolete items of inventories - net	32.1	(30,123)	(9,358)
Loss allowance / (reversal of loss allowance) on trade receivables - net	34	69,992	(1,643)
Trade, other receivables and deposits written off	33	3,258	5,190
Inventories written off	32.1	14,716	36,422
Loss allowance / (reversal of loss allowance) on contract assets	34	10,145	(5,022)
Loss allowance / (reversal of loss allowance) on deposits and other receivables - net	34	68,382	(7,322)
Provision for warranty - net	32.1	69,073	117,306
Provision for losses on sales contracts - net	32.1	6,974	8,833
Discounting of long-term loans and trade receivables - net	33	1,309	(44,882)
Provision for Workers' Welfare Fund (WWF)	38	23,732	-
Provision for Workers' Profit Participation Fund (WPPF)	38	61,580	-
Gain on sale of property, plant and equipment - net	37	(5,501)	(573)
Gain on sale of assets classified as held for sale	36	(247,851)	-
Liabilities no longer payable written back	37	(51,031)	(11,440)
Gratuity	10.2.5	122,080	109,338
Financial expenses	40	33,697	178,571
Financial income	39	(63,621)	(7,324)
Adjustment for other items:			
Long-term loans and trade receivables		2,546	279,134
Long-term deposits and prepayments		(3,042)	175
Retention money payable		(42,308)	(12,615)
Other non-current liabilities		18,505	17,267
Working capital changes	43.1	688,599	1,077,523
		2,289,558	1,697,904

		2021	2020
	Note	(Rupees in '000)	
43.1 Working capital changes			
(Increase) / decrease in current assets			
Inventories		(529,178)	470,961
Trade receivables		(2,339,640)	914,329
Contract assets		645,302	311,288
Loans and advances		53,008	70,682
Deposits and short-term prepayments		21,595	(14,675)
Other receivables		(187,769)	329,349
		(2,336,682)	2,081,934
Increase / (decrease) in current liabilities			
Trade and other payables		976,956	(266,734)
Contract liabilities		2,125,265	(502,126)
Provisions		(76,940)	(235,551)
		3,025,281	(1,004,411)
		688,599	1,077,523
44. CASH AND CASH EQUIVALENTS			
Cash and bank balances	30	2,402,311	437,657
Short-term running finances	14	-	(1,489)
		2,402,311	436,168
45. AUDITORS' REMUNERATION			
Audit fee		5,229	5,229
Fee for certifications, review of half yearly interim financial information, code of corporate governance and audits of retirement funds		1,625	1,555
Out of pocket expenses		950	950
		7,804	7,734
46. PROVIDENT FUND			
Investments out of provident fund have been made in accordance with the provisions of the Section 218 of the Act and the rules formulated for this purpose.			
47. EMPLOYEES		2021	2020
Total number of employees as of reporting date		536	539
Average during the year		529	572

48. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration and benefits of the chief executive, directors and executives of the Company are as follows:

	Chief Executive		Executives	
	2021	2020	2021	2020
----- (Rupees in '000) -----				
Salaries and allowances - fixed	75,218	53,481	911,387	955,247
Salaries and allowances - bonus	25,141	18,632	248,173	227,623
Retirement benefits and Company's contribution to provident fund	236	960	88,459	72,579
Perquisites and benefits:				
- Medical / social security	42	-	12,768	11,358
- Share based benefits	1,273	19,490	17,281	21,755
- Education fees (children)	-	-	3,644	3,054
- Club membership	-	147	149	144
	<u>101,910</u>	<u>92,710</u>	<u>1,281,861</u>	<u>1,291,760</u>
	<u>1</u>	<u>2</u>	<u>193</u>	<u>202</u>

48.1 The Chief Executive has been provided with two cars along with security.

48.2 The aggregate amount charged in these financial statements in respect of directors' fee paid to three non-executive directors (2020: four) was Rs 5.350 million (2020: Rs 3.775 million).

48.3 Certain executives of the Company are also provided with accommodation, free use of Company's cars, security and generating set in accordance with their entitlements.

48.4 An amount of Rs 194.947 million (2020: Rs 168.116 million) was incurred on account of compensation to key management personnel, the details of which are as follows:

	2021	2020
(Rupees in '000)		
Short-term benefits	179,229	139,434
Post-employment benefits	1,736	1,679
Share based benefits	13,982	27,003
	<u>194,947</u>	<u>168,116</u>

49. SHARE BASED BENEFITS

Certain employees are entitled to participate in the share based payment plans of Siemens AG. Siemens AG grants stock awards as a form of share-based payment to the employees. These awards are subject to a restriction period of three to four years. Stock awards forfeit if the employment with the Company terminates prior to the expiration of the restriction period and can not be transferred, sold, pledged or otherwise encumbered.

The allocation of stock awards as a share-based payment has been increasingly tied to corporate performance criteria. The target achievement for the performance criteria ranges between 0% and 200%.

Further, the Share Matching Plan gives employees an opportunity to invest in Siemens AG's shares. After a holding period of three years, the Company will match every three shares bought with one free share.

These stocks are remeasured to their fair value at each reporting date. Details of stock awards are as follows:

	2021	2020
	Number of Awards	
Balance as at beginning of the year	6,762	6,353
Granted during the year	3,571	1,506
Expired / paid during the year	(1,412)	(1,097)
Balance as at end of the year	8,921	6,762

Total expenses for share based benefits during the year ended September 30, 2021 was Rs 46.837 million (2020: Rs 48.346 million). The liabilities as of September 30, 2021 aggregated to Rs 81.897 million (2020: Rs 67.881 million) and is reported under accrued and deferred liabilities.

50. 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 carried at agreed terms as approved by the Board of Directors of the Company. Transactions with related parties can be summarised as follows:

	Note	2021 (Rupees in '000)	2020
Parent company			
Sales of goods and rendering of services		13,368	30,415
Purchases of goods and receipt of services		2,090,481	1,984,106
Commission and allowances earned		-	1,268
Dividends paid		61,568	283,212
Associated companies			
Sales of goods and rendering of services		523,670	621,006
Purchases of goods and receipt of services		3,253,500	2,244,626
Commission and allowances earned		1,814	116,189
Financial expenses		26	2,991
Others			
Dividends paid		11	46
Contribution to employees' retirement benefit funds		131,484	113,625
Compensation to key management personnel	48.4	194,947	168,116

50.1 Amounts due from and due to related parties, amounts due from executives and remuneration of the Chief Executive, directors and executives are disclosed in the relevant notes to these financial statements.

50.2 During the year, the Company entered into various transactions, arrangements or agreements with related parties, including those incorporated outside Pakistan. The Company has no shareholdings in any of the below mentioned companies.

Name and Country of Incorporation

Parent Company

Siemens AG, Germany

Affiliated / Group Companies

Dresser Rand Company, USA

Dresser Rand SAS, France

KACO new energy Gmbh, Germany

Mentor Graphics, Pakistan

PT Siemens, Indonesia

Rousch (Pakistan) Power Ltd, Pakistan

Siemens Bank Gmbh, Germany

Siemens Capital Middle East Ltd., UAE

Siemens Circuit Protection, China

Siemens Demag Delaval, USA

Siemens Electrical Drives Ltd., China

Siemens Energy Global GmbH & Co. KG, Germany

Siemens Energy INC, USA

Siemens Energy Kft., Hungary

Siemens Energy Limited, Saudi Arabia

Siemens Energy LLC, Oman

Siemens Energy LLC, UAE

Siemens Energy SAE, Egypt

Siemens Energy Sdn Bhd, Malaysia

Siemens Energy WLL, Qatar

Siemens Gamesa Renewable Energy, Pakistan

Siemens Healthcare (Private) Limited, Pakistan

Siemens High Voltage Switchgear, China

Siemens Industrial LLC, UAE

Siemens Industrial, United Kingdom

Siemens Industry INC, USA

Siemens International Trading Ltd., China

Siemens LLC Dubai Br., UAE

Siemens LLC, UAE

Siemens Ltd, Saudi Arabia

Siemens Ltd, Vietnam

Siemens Ltd., China

Siemens Malaysia Sdn. Bhd, Malaysia

Siemens Pte.Ltd, Singapore

Siemens s.r.o., Czech Republic

Siemens Sanayi Ve Ticaret As, Turkey

Siemens SAS, France

Siemens SPA, Italy

Siemens Standard Motors Ltd, China

Siemens Switchgear Ltd. Shanghai, China

Siemens Technologies SAE, Egypt

Siemens Transformer (Jinan) Co, Ltd., China

Siemens Transformer Guangzhou, China

Siemens Transformer Wuhan, China

Siemens WLL, Qatar

Trench Germany Gmbh, Germany

Trench Italia SRL, Italy

	Capacity 2021	Actual Production 2021	Actual Production 2020
51. PLANT CAPACITY AND ACTUAL PRODUCTION			
Switchgears (in numbers)	2,200	873	931

51.1 The under utilisation is mainly attributed to reduced demand.

52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities mainly comprise of long-term financing, lease liabilities, trade and other payables and short-term running finances. The main purpose of financial liabilities is to raise finance for the Company's operations. The Company's financial assets comprise deposits, loans, trade and other receivables, contract assets and cash and bank balances. The Company is exposed to market risk, credit risk and liquidity risk. No changes were made to policies, procedures and objectives of the Company during the year ended September 30, 2021.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

52.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity price risks. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company manages its foreign currency risk by hedging its exposure to fluctuations on the translations into Rupees through derivatives such as forward covers against its foreign currency denominated payables and receivables, where possible in line with the regulations of State Bank of Pakistan. However, as of reporting date there were no such contracts.

The Company's exposure to foreign currency risk in major currencies at their gross values is as follows:

	2021	2020
	(AED in '000)	
Trade and other receivables	13,283	7,215
Cash and bank balances	4	2,498
Trade and other payables	(4,296)	(4,430)
	8,991	5,283
	2021	2020
	(EUR in '000)	
Trade and other receivables	7,663	6,353
Trade and other payables	(9,371)	(7,122)
	(1,708)	(769)
	2021	2020
	(USD in '000)	
Trade and other receivables	12,128	16,884
Cash and bank balances	2,552	1,347
Trade and other payables	(3,169)	(2,874)
	11,511	15,357

Sensitivity of the Company's profit / (loss) before tax to a reasonably possible change in exchange rate of currencies applied to foreign currency assets and liabilities as at September 30, 2021 keeping all other variables constant is as follows:

		2021	2020
Change in exchange rate	±	1%	1%
Effect on profit / (loss) before tax (Rs '000)	±	19,186	23,618

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's running finances.

The Company's policy is to keep its short-term running finances at the lowest level by effectively utilising the positive cash and bank balances. Further, the Company also minimises the interest rate risk by investing in fixed rate investments like Term Deposit Receipts and / or bank deposits, where possible.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2021 Effective rates (%)	2020	2021 (Rupees in '000)	2020
Financial Assets				
Bank balances (PKR)	5.69	8.76	13,148	109
Financial Liabilities				
Long-term financing (PKR)	3.00	3.00	166,540	255,853
Short-term running finances (PKR)	7.81	11.70	-	1,489

A change of 100 basis points (1%) in interest rates at the reporting date would have changed the Company's profit / (loss) before tax for the year by the amount shown below, with all other variables held constant.

		2021	2020
Effect on profit / (loss) before tax (Rs '000)	±	11,512	14,092

Equity price risk

Equity price risk is the risk of loss arising from movements in prices of equity investments. The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares.

52.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted. It mainly comprise of trade and other receivables, contract assets, advances to suppliers, trade deposits and bank balances. The Company's maximum exposure to credit risk at the reporting date is as follows:

	2021	2020
	(Rupees in '000)	
Category - at amortised costs		
Advances to suppliers	99,251	149,172
Trade deposits	87,177	111,796
Trade receivables	10,754,602	8,491,586
Contract assets	1,553,222	2,208,669
Other receivables	278,885	221,854
Bank balances	2,401,677	437,442
	15,174,814	11,620,519

Concentration of credit risk

The sector wise analysis of receivables including trade receivables, contract assets, advances to suppliers, trade deposits and other receivables based on their gross values is given below:

	2021		2020	
	(Rupees in '000)	%	(Rupees in '000)	%
Government sector				
Energy	2,995,253	21	3,915,943	31
Finance	251,882	2	733,165	6
Housing	653,668	5	539,898	4
Aviation	403,977	3	511,279	4
Engineering	247,372	2	261,376	2
Civil works	322,876	2	196,033	2
Petroleum	138,582	1	97,568	1
Health and Education	7,219	0	9,569	0
Others	160,862	1	70,433	0
Sub-total	5,181,691	37	6,335,264	50
Private sector				
Energy	8,149,455	57	5,062,066	40
Civil works	208,627	1	284,856	2
Fertilizer	79,694	1	75,160	1
Housing	70,298	0	147,180	1
Steel	5,644	0	89,082	1
Dealers and agents	44,792	0	69,047	0
Sugar	61,293	0	69,374	1
Cement	11,281	0	44,383	0
Petroleum	119,740	1	45,199	0
Engineering	57,048	0	84,811	1
Others	410,607	3	350,786	3
Sub-total	9,218,479	63	6,321,944	50
Total	14,400,170	100	12,657,208	100

Trade receivables

To mitigate the credit risk against trade receivables, the Company has a system of assigning credit limits to its customers based on an extensive credit rating scorecards. Outstanding customer receivables are regularly monitored. The Company endeavors to cover the credit risks on trade receivables, where possible, by restricting credit facility to the projects which are financed by multilateral financial institutions and / or financed by special allocation of funds by the provincial / federal governments. Business with customers is also secured by way of letters of credits, where possible. As at September 30, 2021, trade receivables amounting to Rs 1,005.016 million (2020: Rs 1,356.258 million) were secured through letters of credit and bank guarantees.

The ageing of trade receivables at the reporting date is as follows:

	2021	2020
	(Rupees in '000)	
Related parties		
Not yet due	66,388	12,191
Past due 1-180 days	5,325	9,343
Past due 181-360 days	23	-
	71,736	21,534
Others		
Not yet due	8,442,394	5,937,765
Past due 1-180 days	1,675,492	1,318,329
Past due 181-360 days	369,927	317,540
Past due 361-720 days	137,849	706,024
Past due 721-1080 days	165,472	265,044
Over 1080 days	1,035,353	1,012,351
	11,826,487	9,557,053
Less: Loss allowance	(1,117,322)	(1,062,129)
Less: Discounting on long-term receivables	(26,299)	(24,872)
	(1,143,621)	(1,087,001)
	10,682,866	8,470,052
	10,754,602	8,491,586

The movement in the loss allowance in respect of trade receivables during the year was as follows:

Balance at beginning of the year	1,062,129	1,079,750
Loss allowance / (reversal of loss allowance) during the year - net	69,992	(1,643)
Write offs	(14,799)	(15,978)
Balance at end of the year	1,117,322	1,062,129

The loss allowance in respect of trade receivables include Rs 0.01 million (2020: 0.195 million) held against trade receivables due from related parties.

Contract assets

The movement in the loss allowance in respect of contract assets during the year was as follows:

	2021	2020
	(Rupees in '000)	
Balance at beginning of the year	247,304	252,326
Loss allowance / (reversal of loss allowance) during the year	10,145	(5,022)
Balance at end of the year	257,449	247,304

Trade deposits and other receivables

The movement in the loss allowance in respect of trade deposits and other receivables during the year was as follows:

	2021	2020
	(Rupees in '000)	
Balance at beginning of the year	191,312	199,237
Loss allowance / (Reversal of loss allowance) during the year - net	68,382	(7,322)
Write offs	-	(603)
Balance at end of the year	259,694	191,312

Cash and bank balances

The Company keeps its surplus funds with Standard Chartered Bank (Pakistan) Limited which currently has long term and short term rating of AAA and A1+ respectively.

52.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the Company's business, the treasury maintains flexibility in funding by maintaining availability under control committed credit lines. The facilities available to the Company have been detailed in notes 14.1 to 14.3 to these financial statements.

The table below summarises the maturity profile of the Company's financial liabilities as at the reporting date:

	Carrying amount	Less than 12 months	1 to 2 years	2 to 5 years
	(Rupees in '000)			
Financial liabilities				
2021				
Long-term financing	166,540	135,099	31,441	-
Lease liabilities	111,654	31,330	32,018	48,306
Retention money	3,035	-	1,974	1,061
Trade and other payables	6,282,812	6,282,812	-	-
	6,564,041	6,449,241	65,433	49,367
Financial liabilities				
2020				
Long-term financing	255,853	124,487	131,366	-
Lease liabilities	136,334	24,680	31,330	80,324
Retention money	45,343	-	43,683	1,660
Trade and other payables	5,416,423	5,416,423	-	-
Short-term running finances	1,489	1,489	-	-
	5,855,442	5,567,079	206,379	81,984

53. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The carrying values of all financial assets and liabilities are estimated to approximate their fair values.

54. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base.

The Company manages its capital structure by monitoring return on net assets and makes adjustment to it in the light of changes in economic conditions.

The Company is not subject to externally imposed capital requirements.

As of the date of statement of financial position, the Company's debt comprise of long-term interest bearing re-financing obtained under SBP scheme and short-term running finances. The Company has no material gearing risk in the current year nor any in the prior year.

55. INFORMATION ABOUT OPERATING BUSINESS SEGMENTS

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

55.1 INFORMATION ABOUT OPERATING BUSINESS SEGMENTS

(All rupees in '000)

Segment Business Units	Smart Infrastructure				Digital Industries			Energy			Eliminations	Company as a whole
	Distribution Systems	Digital Grid	Others	Total	Software	Others	Total	Transmission Solutions & Services	Power Gen. & services	Total		
2021												
REVENUE												
Sales to external customers	2,290,270	639,185	162,926	3,092,381	1,773,503	1,542,866	3,316,369	3,892,299	3,952,867	7,845,166	95,034	14,348,950
Inter-segment sales	453,733	475,790	-	929,523	2,736	15,804	18,540	472	-	472	-	(948,535)
Total revenue	2,744,003	1,114,975	162,926	4,021,904	1,776,239	1,558,670	3,334,909	3,892,771	3,952,867	7,845,638	95,034	14,348,950
RESULT												
Segment result	154,981	103,493	9,447	267,921	(20,077)	153,200	133,123	77,160	616,886	694,046	9,790	-
Gain on disposal of assets classified as held for sale												1,104,880
Financial expenses												247,851
Financial income												(19,940)
Income tax												57,264
Net profit for the year												(540,050)
OTHER INFORMATION												
Capital expenditure	4,510	9,654	-	14,164	3,102	15,362	18,464	11,765	31,684	43,449	37	
Depreciation, impairment and amortisation	19,199	8,554	51	27,804	7,249	8,538	15,787	24,206	25,076	49,282	650	
Non-cash expenses other than depreciation and amortisation	5,621	1,801	146	7,568	2,436	2,259	4,695	5,023	1,307	6,330	560	
ASSETS AND LIABILITIES												
Segment assets	2,411,504	645,177	56,445	3,113,126	500,135	717,247	1,217,382	8,949,624	871,273	9,820,897	388,764	-
Segment liabilities	1,658,382	720,687	105,950	2,485,019	653,716	702,976	1,356,692	4,368,000	1,582,851	5,950,851	389,302	-
2020												
REVENUE												
Sales to external customers	1,736,930	1,290,838	102,453	3,130,221	1,865,816	1,125,161	2,990,977	4,634,214	1,540,862	6,175,076	509,101	12,805,375
Inter-segment sales	183,432	357,406	1,494	542,332	-	28,181	28,181	346	-	346	-	(570,859)
Total revenue	1,920,362	1,648,244	103,947	3,672,553	1,865,816	1,153,342	3,019,158	4,634,560	1,540,862	6,175,422	509,101	12,805,375
RESULT												
Segment result	(409,100)	99,843	1,669	(307,588)	3,335	67,243	70,578	(259,208)	306,444	47,236	126,420	-
Financial expenses												(63,354)
Financial income												(164,775)
Income tax												1,445
Net loss for the year												(269,331)
OTHER INFORMATION												
Capital expenditure	4,245	15,707	-	19,952	5,257	2,023	7,280	11,990	13,020	25,010	134	
Depreciation, impairment and amortisation	21,425	9,575	242	31,242	7,657	8,104	15,761	38,777	56,947	95,724	930	
Non-cash expenses other than depreciation and amortisation	(4,091)	(1,877)	(214)	(6,182)	(2,668)	(3,166)	(5,834)	(5,614)	(856)	(6,470)	(305)	
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	-
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	-

55.2 Geographical information

	2021	2020
Revenues	(Rupees in '000)	
Pakistan	13,635,022	11,829,964
Afghanistan	189,842	794,936
United Arab Emirates	191,299	2,274
Saudi Arabia	70,400	64,676
Iraq	120,639	56,521
Oman	34,036	-
Libya	57,062	-
Others	50,650	57,004
	14,348,950	12,805,375

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

	2021	2020
Non-current assets	(Rupees in '000)	
Pakistan	799,540	807,547
United Arab Emirates	67	155
Afghanistan	384	749
	799,991	808,451

Non-current assets for this purpose consist of property, plant and equipment, intangible assets, right-of-use assets and other long-term assets except for deferred tax asset (net).

55.3 Transfer prices between operating segments are on commercial terms and conditions.

55.4 Segment assets and liabilities

Reportable segments' assets are reconciled to total assets as follows:

	2021	2020
	(Rupees in '000)	
Assets for reportable segments	14,540,169	12,374,038
Corporate assets	282,293	256,851
Unallocated		
Deferred tax asset - net	579,912	890,426
Cash and bank balances	2,402,311	437,657
Total assets as per statement of financial position	17,804,685	13,958,972

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2021	2020
Liabilities for reportable segments	10,181,864	7,338,461
Corporate liabilities	406,761	362,297
Unallocated		
Long-term financing	166,540	255,853
Deferred Government grant	4,529	15,785
Trade and other payables	909,276	836,159
Short-term running finances	-	1,489
Taxation - net	329,418	180,271
Total liabilities as per statement of financial position	11,998,388	8,990,315

Segment assets include all operating assets used by a segment and consist principally of receivables, inventories and property, plant and equipment, net of impairment and provisions but do not include deferred taxes. Segment liabilities include all operating liabilities and consist principally of accounts payable, advances, lease liabilities, accrued and other liabilities.

55.5 Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit, marketing and selling expenses, profit from operations and free cash flows.

55.6 Financial income and expense (other than directly attributable to a contract) are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.

55.7 Two (2020: two) of the Company's customers contributed Rs 5,462.210 million (2020: Rs 4,230.678 million) and each customer individually exceeded 10% of the revenue.

56. OPERATIONS IN AFGHANISTAN

56.1 Results of the Afghanistan Operations

	2021	2020
	(Rupees in '000)	
Net sales and services	189,842	794,936
Cost of sales and services	(181,335)	(605,760)
Gross profit	8,507	189,176
Marketing and selling expenses	(23,712)	(69,539)
General administrative expenses	(4,330)	(19,504)
	(28,042)	(89,043)
Other operating income / (expenses) - net	6	(18)
(Loss) / profit before tax	(19,529)	100,115
Income tax		
Current	(4,103)	(48,271)
Prior year	-	93,569
	(4,103)	45,298
Net (loss) / profit for the year	(23,632)	145,413

56.2 Cash flows from the Afghanistan Operations

Net cash generated from operating activities	326,543	21,592
Net cash (used in) / generated from investing activities	(162)	6
Net cash flows from Afghanistan Operations	326,381	21,598

56.3 Assets of the Afghanistan Operations

Property, plant and equipment	384	749
Trade receivables	531,385	777,360
Contract assets	168,522	167,756
Inventories	670	1,408
Other receivables	884	648
Cash	525	122
	702,370	948,043

56.4 Liabilities of the Afghanistan Operations

	2021	2020
	(Rupees in '000)	
Other non-current liabilities	123,893	153
Trade and other payables	759,639	783,435
Provisions	74,909	81,502
	<u>958,441</u>	<u>865,090</u>

56.5 For segment reporting, operations in Afghanistan have been classified in Transmission Solutions and Services under Energy business segment (note 55).

57. The geographical location of Company's offices and plant are given below:

Karachi

Head Office & Plant
B-72 Estate Avenue, S.I.T.E

Lahore

15-A, 2nd floor
State Life Building
Davis Road

Dubai

Office No. 2006, 2nd floor
Al Waha Community Building
Nad Al Hamar Road

City Office

Office Wing Suite No. 209(b)
2nd floor, Park Towers, Clifton

Islamabad

10th floor, UBL Building
Jinnah Avenue, Blue Area

Afghanistan

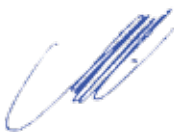
House No. 635, Street No. 11
Dar-ul-Aman Road, District 6
Kartahe Seeh
Kabul

58. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified and rearranged for the purpose of better presentation and comparison of transactions in the financial statements of the Company. However, there are no material reclassifications to report except for defined benefit plan - gratuity fund which has been reclassified from trade and other payables to deferred liabilities amounting to Rs 515.993 million.

59. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Company in the meeting held on November 25, 2021.



Markus-Erich Strohmeier
Managing Director



Umer Jalil Anwer
Chief Financial Officer



Qazi Sajid Ali
Director

Siemens (Pakistan) Engineering Co. Ltd.

Incorporation Number: CUIN 0000617

Pattern of holding of the Shares held by the Shareholders

As at September 30, 2021

Number of Shareholder	Shareholding		Total Shares Held
	From	To	
869	1	100 shares	24,844
457	101	500 shares	111,157
89	501	1,000 shares	67,935
74	1001	5,000 shares	148,781
10	5001	10,000 shares	72,025
2	10,001	15,000 shares	24,680
2	20,001	25,000 shares	49,312
1	25,001	30,000 shares	25,850
1	30,001	35,000 shares	32,700
1	70,001	75,000 shares	70,031
1	75,001	80,000 shares	75,430
1	85,001	90,000 shares	86,308
1	130,001	135,000 shares	134,700
1	145,001	150,000 shares	148,131
1	705,001	710,000 shares	705,662
1	1,015,001	1,020,000 shares	1,018,371
1	5,450,001	5,455,000 shares	5,451,120
1513			8,247,037

Siemens (Pakistan) Engineering Co. Ltd.

Categories of Shareholders

As on September 30, 2021

Particulars		Shares held	Percentage
DIRECTORS AND CHIEF EXECUTIVE		4,100	0.05%
Mr. Markus Strohmeier	3,050		
Mr. Qazi Sajid Ali	500		
Ms. Ayla Majid	550		
Associated companies, undertakings and related parties			
Siemens AG, Germany		6,156,782	74.65%
NIT and ICP			
National Investment Trust		1,042,683	12.64%
Banks		146,509	1.78%
The Bank of Punjab	134,700		
MCB Bank Ltd	11,280		
National Bank of Pakistan	529		
Insurance Companies			
Adamjee Insurance Co. Ltd		148,131	1.80%
Modarabas and Mutual Funds			
CDC-Trustees NIT-Equity Market Opportunity Fund		75,430	0.91%
Public Sector Companies			
Pakistan National Shipping Corporation		6,930	0.08%
General Public		401,211	4.86%
Local	374,451		
Foreign	26,760		
Others		265,261	3.22%
Trustee National Bank of Pakistan Employees Pension Fund	86,308		
IGI Investments (Pvt) Ltd.	70,031		
Acacia Partners LP	32,700		
Noman Abid Holdings Ltd	25,850		
Amin Tai (Private) Limited	25,000		
Acacia Conservation Master Fund-Offshore Ltd	6,682		
Premier Fashion (Pvt) Ltd.	6,500		
Acacia Institutional Partners LP	3,400		
Trustee National Bank of Pakistan Employees Benevolent Fund Trust	3,029		
Sherman Securities (Pvt) Ltd	400		
United Trading and Manufacturing Pvt Ltd	1,500		
Siza (Pvt) Ltd.	1,440		
Trustees Al-Badar Welfare Trust	864		
FDM Capital Securities (Pvt) Ltd	500		
Acacia II Partners LLP	500		
Fikree's (Pvt) Ltd.	250		
Dossa Cotton & General Trading (Pvt) Ltd	200		
Zafar Securities (Pvt) Ltd	100		
NH Capital (Pvt) Ltd.	5		
Maple Leaf Capital Ltd	1		
IGI Finex Securities Ltd	1		
Total		8,247,037	100.00%

Notice of Annual General Meeting

Notice is hereby given that the Sixty Ninth (69th) Annual General Meeting (“Meeting”) of the Members of Siemens (Pakistan) Engineering Co. Ltd. (the “Company”) will be held on **January 13, 2022, at 1:00 p.m.** virtually to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the annual general meeting held on January 14, 2021.
2. To receive, consider and adopt the audited financial statements for the financial year ended September 30, 2021, and reports of the auditors and directors thereon.
3. To consider and declare cash dividend of Rs. 46 per share (460%) for the financial year ended September 30, 2021.
4. To appoint EY Ford Rhodes, Chartered Accountants, as Auditors of the Company till conclusion of next annual general meeting and to fix their remuneration for the financial year ending September 30, 2022. The present auditors EY Ford Rhodes, Chartered Accountants, being eligible, have offered themselves for reappointment.
5. To elect seven (07) Directors of the Company as fixed by the Board of Directors in its meeting held on November 25, 2021 for a term of three (3) years commencing immediately after the conclusion of this annual general meeting. The following directors of the Company shall retire at the end of the meeting:
 - i. Mr. Manuel Kuehn
 - ii. Mr. Oliver Spierling
 - iii. Mr. Qazi Sajid Ali
 - iv. Mr. Adnan Afridi
 - v. Mr. Harald Griem
 - vi. Mr. Markus Strohmeier
 - vii. Ms. Ayla Majid
6. To transact such other ordinary business as may be placed before the meeting with the permission of the Chair.

By order of the Board of Directors

M. Usman Ansari
Company Secretary

Karachi: December 22, 2021

Notes:

Covid-19 and Video Conferencing Facility

In light of the Covid-19 situation, the Securities and Exchange Commission of Pakistan, in terms of its Circular No. 5 dated March 17, 2020, Circular No. 25 dated August 31, 2020, and Circular No. 33 dated November 5, 2020, have advised the companies to modify their usual planning for general meetings for the safety and well-being of shareholders and the public at large with minimal physical interaction. Hence members are encouraged to avail the video conferencing facility for the Meeting.

To attend the meeting, members are requested to register themselves on aqib.khan@thk.com.pk by providing the following information along with valid copy of CNIC (both sides).

Name of Shareholder	CNIC Number	CDC Account No. / Folio No.	Cell Number	Email Address

Video-link and complete information necessary to access the facility will be shared with the Members/Proxies whose email containing all the above particulars are received at the given email address by the close of business on January 11, 2022.

Members who are registered, after necessary verification, will be provided with the link on the same email address with which they email the Company. The login facility will remain open from 12.45 pm till the end of the meeting.

The members can also provide their comments and questions for the agenda items of the AGM on email aqib.khan@thk.com.pk on or before January 11, 2022.

Share Transfer Book Closure:

The Share Transfer Books of the Company shall remain closed from January 6, 2022, to January 13, 2022 (both days inclusive). Transfers received in order at the offices of the Company's Share Registrar, THK Associates (Pvt.) Limited, Plot No.C-32, Jami Commercial Street-2 D.H.A., Phase-VII, Karachi and email at ops_dept3@thk.com.pk by the close of business (5:00 pm) on January 5, 2022, will be considered in time for the purpose of Annual General Meeting. Final cash dividend, if any approved in the Meeting, will be paid to Members whose name appears in the register of the Members on January 5, 2022.

Procedure and requirement for attending the Meeting and Appointing Proxies

Central Depository Company ("CDC") account holders are required to follow the guidelines as laid down in Circular No.1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan ("SECP") and shall comply with following requirements to the extent applicable.

A Member entitled to attend and vote may appoint another Member as his/her proxy to attend and vote on his/her behalf. A Member shall not be entitled to appoint more than one proxy. Duly completed Proxy forms in order to be valid must be received by the Share Registrar or at the Registered Office of the Company not less than 48 hours before the time of Meeting.

CDC account holders are also required to follow the guidelines as laid down in Circular No.1 dated January 26, 2000, issued by the SECP and shall comply with following requirements to the extent applicable:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per requirement notified by the Company.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of meeting.
- v) Corporate entities shall submit the Board of Directors' resolution/Power of Attorney with specimen signature along with proxy form.

Change of Address and Zakat Status

Members with physical shareholding are requested to promptly notify the Company's Registrar of any change in their addresses and also submit Non-deduction of Zakat form if applicable to them. Further, Members holding their shares through CDC are requested to update their address and zakat status with their participants.

Submission of CNIC, Dividend Bank Mandate and Payment of Cash Dividend (e-dividend)

In accordance with the provisions of section 242 of the Companies Act 2017, a listed Company is required to pay cash dividend only through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders are requested to provide the information on the dividend mandate form attached in the Annual Report and also uploaded on the Company's website - www.siemens.com.pk/investor.html. The Members who hold shares in dematerialized form are requested to submit the dividend bank mandate form duly filled to their participant/investor account services in the CDC.

In accordance with the directives of the SECP, the dividends of shareholders whose CNIC copies have not been received by the Company shall not be electronically credited until receipt thereof. Therefore, the individual shareholders who have not submitted their CNIC copies are requested to send the same at the earliest to the share registrar of the Company. Corporate entities are requested to provide their NTN. While providing their CNIC/NTN, shareholders must quote their respective folio numbers. The physical shareholders are requested to notify any change in their addresses to the share registrar of the Company and in case of CDC shareholders to their broker (participant).

The corporate Members having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate Members having physical shares should send a copy of their NTN certificate to the Share Registrar. The Members while sending NTN or NTN certificates, as the case may be, must quote the Company name and their respective folio numbers.

Withholding Tax on Dividend

In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for 'filer' and 'non-filer' shareholders at 15% and 30% respectively. A 'filer' is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a 'non-filer' is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 30% for non-filers.

Withholding tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the share registrar of the Company by the first day of book closure.

In order to comply with FBR clarifications vide Letter No. 1(54) Exp/2014-132872-8 dated September 24th 2014 and their subsequent letter No. C.No. 1(17) WHT/2011 dated December 1, 2014 for determining the shareholding ratio of the joint account holders for deduction of withholding tax on dividend, Members are requested to provide shareholding proportions of principal shareholder and joint holder(s) in respect of shares held by them to the Share Registrar in the following format:

Folio / CDC Account No.	Total Shares	Principal Shareholder			Joint Shareholder(s)		
		Name	CNIC	Shareholding Proportion (No. of Shares)	Name	CNIC	Shareholding Proportion (No. of Shares)

Annual Accounts of the Company

Annual accounts of the company for the financial year ended September 30, 2021 can be downloaded from the Company's website- www.siemens.com.pk/annual_report.html

Members are hereby informed that for electronic transmission of Annual Report, request form is provided in the Annual Report and also uploaded on the Company's website-www.siemens.com.pk/investor.html. Members who wish to avail this facility are requested to submit the request form duly filled to the Share Registrar.

Procedure to Contest Election of Director:

Any person who seeks to contest the election to the office of directors, whether he is retiring director or otherwise, shall file the following documents with the Company Secretary, at the Registered Office of the Company located at B-72, Estate Avenue, SITE, Karachi not later than 14 days before the date of the Meeting:

- i. Notice of his/her intention to offer himself/herself for election of directors in terms of Section 159(3) of the Act, together with the consent to act as a director in Form 28 prescribed under the Companies Act, 2017;
- ii. A detailed profile along with office address as required under SECP' SRO 1196 (I)/2019 dated October 3, 2019;
- iii. A director must be holding 500 qualification share of the Company at the time of filing of his / her consent to act as director. The aforesaid qualification shall not be applicable to persons mentioned in proviso to Section 153(i) of the Act
- iv. A declaration confirming that:
 - a. He/she is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of the Company and listing regulations of the Pakistan Stock Exchange; and
 - b. He/she is not ineligible to become a director of a listed company under any provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and any other applicable law, rules and regulations.
- v. Independent Director(s) will be elected through the process of election of director in terms of section 159 of the Act and they shall meet the criteria laid down in Section 166 of the Act, and the Companies (Manner and Selection of Independent Directors) Regulations 2018, accordingly the following additional documents are to be submitted by the candidates intending to contest election of directors as an independent director:
 - a. Declaration by Independent Director(s) under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulation 2019; and Undertaking on non-judicial stamp paper that he/she meet the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

Voting through Postal and Ballot

Members may exercise their right to vote as per provision of the Companies (Postal Ballot) Regulations, 2018, subject to the requirements of Section 143 and 144 of the Companies Act, 2017. Further details in this regard will be communicated to the shareholders within legal time frame as stipulated under these said regulations, if required.

Miscellaneous

This notice has been sent to all Members of the Company in accordance with Section 134(1)(a) of the Companies Act, 2017.

For any query/problem/information, Members may contact the Share Registrar at the following address:

THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street 2,
D.H.A., Phase VII,
Karachi-75500. Pakistan

Telephone No: 021-111-000-322 (Ext.131)
E-Mail: aqib.khan@thk.com.pk
Contact Person: Mr. Aqib Khan

کمپنی کے مستقبل کا منظر نامہ

کمپنی اپنے اسٹیک ہولڈرز کیلئے اقدار تخلیق کرنے کیلئے ہر عزم ہے۔ کمپنی نے الیکٹریسیٹیشن، آلو میٹن اور ڈیجیٹلائزیشن میں اپنی حیثیت مضبوط کرنے کے لئے مستقل حکمت عملی اپنائی ہے۔ ہمیں پاور جنریشن سے لے کر پاور ٹرانسمیشن، پاور ڈسٹری بیوٹن اور اسٹارٹ گرڈ تک برقی توانائی کے متعدد استعمال کے بارے میں مکمل معلومات اور مہارت حاصل ہے۔

دوران سال بھی Covid-19 کی وبا نے عالمی معیشت بالخصوص عالمی لاجسٹک نیٹ ورک کو شدید متاثر کیا۔ البتہ پاکستان اس وبا سے نمٹنے کے لئے موثر اقدامات جاری رکھے ہوئے ہے جس میں سخت ایس او بیس کے نفاذ اور آبادی کی بڑے پیمانے پر ویکسینیشن شامل ہیں۔ ماہرین کے مطابق وبا کا اثر سال 2022 کے دوران بھی نظر آتا رہے گا اور بیشتر صنعتیں اور کمپنیاں نئے معمول کو اپنائی رہیں گی۔


ہماری کمپنی نے گزشتہ سال کے آخری مہینوں سے اچھی رفتار جاری رکھا اور کئی نئے آرڈرز حاصل کرنے میں کامیاب ہوئی جس نے کمپنی کو نئے سال کے لیے اچھی بنیاد دی ہے۔ کمپنی ایک اچھی پانچائٹن اور مضبوط بیک لوگ کی بنا پر مالی سال 2022 میں بہتر کارکردگی کے لیے پُر امید ہے، بشرطیکہ ملک کی سیاسی اور اقتصادی صورتحال مستحکم رہے۔ گزشتہ چند ماہ میں کرنسی کی قدر میں تیزی سے کمی اور تیل کی عالمی قیمتوں میں اضافہ پاکستان پر منفی اثر ڈال رہا ہے۔ کمپنی کے مفادات کی حفاظت کو یقینی بنانے کے لئے ہم بدلتے ہوئے ملکی حالات کا قریب سے نگرانی اور جائزہ لیں گے۔

اظہار تشکر

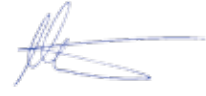
ہم اس موقع سے اپنے ان تمام قابل قدر صارفین کا شکریہ ادا کرتے ہیں جنہوں نے ہماری مصنوعات اور خدمات پر اپنا بھروسہ رکھا اور اس کمپنی کی ترقی کو یقینی بنانے میں مسلسل تعاون فراہم کیا ہے۔ لہذا کمپنی کو اپنے ملازمین کی ہر عزم اور پُر جوش کوششوں، وفاداری اور ان کی لگن پر بہت فخر ہے۔ اس طرح ہم ان تمام اسٹیک ہولڈرز کی بھی حمایت اور تعاون کی بہت قدر کرتے ہیں جو ہماری کمپنی کی ترقی میں بھرپور حصہ لے رہے ہیں۔

آخر میں ہم اپنے ان تمام شیئرز ہولڈرز کا بھی تہہ دل سے شکریہ ادا کرتا چاہیں گے جنہوں نے اپنی غیر منترزل حمایت کے ساتھ ہم پر اعتماد اور بھروسے کا اظہار کیا ہے۔

بورڈ کی جانب سے



مارکس - ایک اسٹرو ہیمر
چیئنگ ڈائریکٹر



میونل کو، ہن
چیئر مین

یادداشت اور مستقبل کے حوالے سے بیانات (نوٹس اور فار وارڈ لکنگ اسٹیٹمنٹ)

اس دستاویز میں ہمارے مستقبل کے کاروبار، مالیاتی کارکردگی اور مستقبل کے واقعات یا پیشرفت سے متعلق بیانات شامل ہیں جو مستقبل کے حوالے سے بیانات کے جز ہیں۔ ان بیانات کی شناخت ان الفاظ سے کی جا سکتی ہے جیسے ”توقع“، ”متوقع“، ”عزم“، ”منصوبہ“، ”یقین“، ”تلاش“، ”تجذیب“، ”آگے بڑھنا“، ”اسی طرح ہم دیگر پورٹوں میں، چیئنگٹوں میں اور حصص یا فیکٹری / شیئرز ہولڈرز کو فراہم کردہ مواد میں مستقبل کے حوالے سے بیانات بھی دے سکتے ہیں۔ اس طرح کے بیانات موجودہ توقعات اور انتظام کے بعض ایسے مفروضوں پر مبنی ہیں جن میں سے بہت سے یمنز کے اختیار میں نہیں ہیں۔ یہ بیانات متعدد خطرات سے مشروط ہیں جن میں غیر یقینی صورتحال اور عوامل شامل ہیں لیکن ان بیانات تک محدود نہیں ہیں جو اس رپورٹ میں بیان کیے گئے ہیں۔ اگر ان میں سے ایک یا ایک سے زیادہ خطرات یا غیر یقینی صورتحال پیدا ہو جائے یا بنیادی توقعات واقع نہ ہوں یا پھر مفروضے غلط ثابت ہوں تو اصل نتائج، کارکردگی یا کامیابیاں ان سے ماوی طور پر (منفی یا مثبت) مختلف ہو سکتی ہیں جو کہ متعلقہ مستقبل کے حوالے سے بیانات پر اثر انداز ہو سکتی ہیں۔ یمنز ان پیش رفتوں کی روشنی میں جو ان متوقع بیانات سے مختلف ہیں، اپ ڈیٹ یا نظر ثانی کرنے کا ذمہ دار درج کرتا ہے اور نہ ہی کوئی ذمہ داری قبول کرتا ہے۔ راؤنڈنگ کی وجہ سے، اس میں وہ نمبرز پیش کیے جاتے ہیں جو دیگر دستاویزات کے فراہم کردہ کل میرا ان میں قطعی طور پر شامل نہیں ہو سکتے اور شرح مفصل اعداد و شمار کی واضح طور پر عکاسی نہیں کر سکتے۔

ڈائریکٹرز کا مشاہرے

ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے مشاہرے کی مجموعی رقم کی تفصیلات، مالی بیانات کے نوٹ 48 میں ظاہر کی گئی ہیں۔

بورڈ کی کارکردگی کی تشخیص

بورڈ نے ایک باضابطہ پالیسی کی منظوری دی ہے اور بورڈ اور اس کی کمیٹیوں کی سالانہ کارکردگی کا جائزہ لینے کے لیے ایک عمل شروع کر دیا گیا ہے۔ تشخیص کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی کو کارپوریٹ مقاصد، کمپنی گورننس کی ساخت، قانونی اور ریگولیٹری تقبیل، تاثیر، تعاون اور قدر میں اضافے کے حوالے سے ناپا جائے۔ کارکردگی کی جانچ، بورڈ کی طرف سے مالی سال 2021 کے لیے منظور شدہ عمل کے مطابق کی گئی اور بورڈ کی مجموعی کارکردگی اور تاثیر کو ”مضبوط“ کے ڈمرے میں رکھا گیا ہے۔ بورڈ کے تمام ممبران نے کارکردگی کی تشخیص میں حصہ لیا ہے اور اپنی رائے سے آگاہ کیا ہے۔

ڈائریکٹرز کا تربیتی پروگرام

دوران سال کمپنی کے ایک (1) ڈائریکٹر اور (1) خاتون مینجمنٹ ٹیم ممبر نے PICG کا ڈائریکٹرز تربیتی پروگرام مکمل کیا۔ اس طرح لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تجاویز کی تفصیل کی گئی۔ ڈائریکٹر کے تربیتی پروگرام کے بارے میں مزید تفصیلات کے لیے براہ کرم تقبیل کے بیان (Statement of Compliance) کا سیریل نمبر 9 ملاحظہ کریں۔

بورڈ آف ڈائریکٹرز کی تشکیل

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (7) ہے۔

مرد: 6
خاتون: 1

نام	کمیٹی
جناب قاضی ساجد علی	خود مختار ڈائریکٹرز
محترمہ عائشہ ماجد	نان ایگزیکٹو ڈائریکٹرز
جناب منظور احمد	جناب اولیو راسپیرنگ
جناب مینوئل کوہن	جناب ہیرالڈ کریم
جناب ہیرالڈ کریم	جناب مارکس۔ ایرک اسٹروہیر

© جناب منظور احمد نے 15 اکتوبر 2021 کو استعفیٰ دے دیا۔ کمپنیز ایکٹ 2017 کی شق (3) 155 کی تقبیل کرتے ہوئے خالی ہونے والی عارضی آسامی کو 90 دنوں کے اندر بھرا لیا جائے گا۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز ای وائی فورڈر ہوڈس، چارٹرڈ اکاؤنٹنٹس (ارنٹ اینڈ یوگ گلوبل لمیٹڈ کی ممبر فرم) آنے والے سالانہ اجلاس عام کے اختتام پر ریٹائر ہو رہے ہیں اور اہل ہونے کی بنیاد پر انہوں نے خود کو دوبارہ تقرر کیلئے پیش کیا ہے۔

آڈٹ کمپنی کی سفارشات کے مطابق بورڈ 7.10 ملین روپے (علاوہ سٹونگس) مشاہرے پر برائے FY 2022 ان کے دوبارہ تقرر کی سفارش کرتا ہے۔

کارپوریٹ حیثیت

کمپنی Siemens Aktiengesellschaft, Germany (سینس اے جی) کا ذیلی ادارہ ہے جو ریپبلک آف جرمنی کے قانون کے تحت قائم کیا گیا ہے اور 30 ستمبر 2021 کے مطابق کمپنی کے 74.6% شیئرز کی حامل ہے۔

شیئر ہولڈنگ کا طرز

کمپنی پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ تفصیلی طرز اور اس کے شیئر ہولڈنگ کی کیلگریز بشمول ڈائریکٹرز اور ایگزیکٹوز کے پاس موجود شیئرز، اگر کوئی ہے، سالانہ رپورٹ کے ساتھ منسلک ہے۔

ریٹائرمنٹ کے فوائد میں سرمایہ کاری

کمپنی نے اپنے مستقل ملازمین کیلئے پراویڈنٹ اور گریجویٹ فنڈز قائم کیا ہے جو متعلقہ بورڈ آف ٹرسٹیز کے زیر انتظام ہے۔

ان فنڈز کی سرمایہ کاری کی اقدار متعلقہ آڈٹ شدہ مالیاتی اسٹیٹمنٹس درج ذیل ہے:

روپے ملین میں			
30 جون، 2018	30 جون، 2019	30 جون، 2020	
441.027	499.715	574.432	پروویڈنٹ فنڈ
30 ستمبر، 2019	30 ستمبر، 2019	30 ستمبر، 2020	
176.958	201.108	209.278	گریجویٹ فنڈ

پوسٹ بیلنس شیٹ ایونٹ اور اہم پیشرفت برائے مالی سال 2021

30 ستمبر 2021 سے اس رپورٹ کی تاریخ تک کوئی ایسی ماڈی تبدیلیاں یا واقعات نہیں ہوئے جن کا اثر مالی بیانات (financial statements) پر پڑے، سوائے حتمی منافع منقسمہ کے اعلان کے، جو کہ آئندہ سالانہ اجلاس عام میں کمپنی کے اراکین کی منظوری سے مشروط ہے اور جس کا اثر مالی سال 2022 کے مالی بیانات (financial statements) میں ظاہر ہو گا۔

بورڈ اور اس کی کمیٹیوں کی تشکیل، بورڈ اور اس کی کمیٹیوں کے اجلاسوں کی تعداد، اور حاضری کی تفصیل درج ذیل ہے:

ترتیب / کمپوزیشن	بورڈ اجلاس منعقد ہوئے / شرکت کی گئی	آڈٹ میٹنگ منعقد ہوئی / شرکت کی گئی	انسانی وسائل اور معاوضے کا اجلاس منعقد کیا گیا / شرکت کی گئی	نازدگی کا اجلاس منعقد ہوا / شرکت کی گئی
جناب مینوئل کوہن	5/5 (چیز مین)	4/4	N/A	N/A
جناب مارکس-ایرک اسٹرومیر	5/5	N/A	2/2	N/A
جناب قاضی ساجد علی	5/5	N/A	2/2 (چیز مین)	N/A
جناب منظور احمد	5/5	4/4	N/A	N/A
جناب اولیور اسپیرنگ	5/5	N/A	2/2	N/A
محترمہ عائکہ ماجد	5/5	4/4 (چیز وومن)	N/A	N/A
جناب ہیرالڈ گریم	4/5**	3/4**	N/A	N/A
جناب غم ڈیوڈ سکی	0/5***	0/5***	N/A	N/A

- * جناب منظور احمد نے 15 اکتوبر 2021 کو استعفیٰ دے دیا۔ کمپنیز ایکٹ 2017 کی شق (3) 155 کی تعمیل کرتے ہوئے خالی ہونے والی ماضی آسامی 90 دنوں کے اندر بھر لیا جائے گا۔
- ** جناب ہیرالڈ گریم کو بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی میں جناب غم ڈیوڈ سکی کی جگہ 17 دسمبر 2020 مقرر کیا گیا تھا۔
- *** جناب غم ڈیوڈ سکی نے 14 اکتوبر 2020 کو استعفیٰ دیا تھا۔

ڈائریکٹرز کا اسٹیٹمنٹ

ہم بحسب ت بیان کرتے ہیں کہ:

- (الف) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی تفصیلات (Financial Statements) میں کمپنی کے معاملات، آپریشنز کے نتائج، نقد قومات کے بہاؤ اور انکیٹی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے۔
- (ب) کمپنی کی جانب سے حساب کتاب اور کھاتوں کو درست طور پر مرتب کیا گیا ہے۔
- (ج) مالیاتی اسٹیٹمنٹ کی تیاری میں درست اکاؤنٹنگ پالیسیز کا مربوط طور پر اطلاق کیا گیا ہے۔
- (د) بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) کی بنیاد پر تیار کئے گئے ہیں۔
- (ر) داخلی کنٹرول کا نظام مع مالیاتی رپورٹنگ پر اندرونی کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور موثر طور پر نافذ اور مانٹر کیا جاتا ہے۔
- (س) داخلی کنٹرول کا نظام، بشمول مالیاتی رپورٹنگ پر اندرونی کنٹرول، ڈیزائن کے لحاظ سے درست ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- (ش) کمپنی کے موجودہ صلاحیت کے ساتھ کام جاری رکھنے میں کسی رکاوٹ کا کوئی شبہ نہیں ہے۔
- (ص) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریکولیشنز 2019 میں درج تفصیلات کے مطابق کارپوریٹ گورننس کے بہترین معمولات سے کوئی مادی اعراض نہیں کیا گیا ہے۔

کمپلائنس کا بیانیہ

کمپنی نہایت سختی سے کارپوریٹ گورننس کے اصولوں کی پابندی کرتی ہے اور تمام مجوزہ شرائط نافذ کی گئی ہیں۔ اس کا خلاصہ منسلک لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریکولیشنز 2019 کے ساتھ منسلک اسٹیٹمنٹ آف کمپلائنس میں موجود ہے جس کا بیرونی آڈیٹر نے باقاعدہ جائزہ لیا ہے۔

ڈائریکٹرز کے مشاہرے کی پالیسی

بورڈ نے ڈائریکٹرز کے مشاہرے کی منظوری دے دی ہے جس میں پالیسی کے مقاصد اور انفرادی طور پر ڈائریکٹرز کے بورڈ اور اس کی کمیٹیوں کے اجلاس میں شرکت کیلئے مشاہرے کے جیکبج کے تعین کیلئے شفاف طریقہ بیان کیا گیا ہے۔ ڈائریکٹرز کے مشاہرے کی پالیسی کی دیگر تفصیلات کے علاوہ خاص خاص نکات درج ذیل ہیں:

- مشاہرے کی سطح کاروباری ضروریات کے مطابق، حکمت عملی کی سمت میں اور کمپنی اور اس کے شیئرز ہولڈرز کے بہترین مفاد میں ہوگی۔
- مشاہرے کی سطح مسابقتی کمپنیز / صنعت کی مارکیٹ کے معمولات کے مطابق ہوگی۔
- مشاہرے کا تعین کرتے وقت جنس کے لحاظ سے کوئی امتیاز نہیں برتا جائے گا۔
- مشاہرہ اس سطح کا ہو جو افراد کی کمپنی کو کامیابی کے ساتھ چلانے کی اہلیت اور قابلیت کے پیش نظر ان کیلئے پرکشش اور ان کو کمپنی کے ساتھ جڑا رکھنے کیلئے کافی ہو۔
- مشاہرہ اس وقت اور مہارت کے لحاظ سے منصفانہ ہو جو ڈائریکٹرز اپنی ذمہ داریاں پوری کرنے کیلئے صرف کرتے ہیں۔
- مشاہرہ اقتدار میں اضافے کی حوصلہ افزائی کیلئے کافی ہو۔
- مشاہرہ اس سطح کا نہ ہو جو ڈائریکٹرز کو خود مختاری سے محروم کرنے کا احساس دلائے۔
- چیٹنگ ڈائریکٹرز / چیف ایگزیکٹو آفیسر، ایگزیکٹو ڈائریکٹرز اور شیئرز ہولڈرز کی اکثریت کی نمائندگی کرنے والے ڈائریکٹرز کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مطابق کسی مشاہرے کے اہل نہیں ہیں۔
- مشاہرہ بورڈ کی مکمل مدت تک کیلئے مقرر ہو گا جو ڈائریکٹرز کے ہر انتخاب سے پہلے تک ہو گا (ہر تین سال میں ایک بار)۔
- مشاہرے کی سطح مقرر کرنے کیلئے حد کے تعین کے سلسلے میں خود مختار مشیروں کی سفارشات حاصل کر لی جائیں۔

(ج)

عمل درآمد کے خدشات

کمپنی کی مقررہ سرگرمیوں اور رویوں پر عمل درآمد نہ کرنے کیلئے صفر عدم برداشت کی پالیسی موجود ہے۔

کمپنی یہ بھی سمجھتی ہے کہ قوانین اور ضوابط پر عمل درآمد نہ کرنے کے نتیجے میں جرمانہ، اخراج، بلیک لسٹنگ، لائسنس کی منسوختی وغیرہ کا سامنا ہو سکتا ہے۔ ایسے خدشات کے خاتمے کیلئے کمپنی نے ایک جامع اور موثر عمل درآمد کا طریقہ کار نافذ کیا ہے۔

اس کے علاوہ بزنس کنڈکٹ گائیڈ لائنز (BCG) میں کمپنی کی ڈائریکٹرز، ایگزیکٹوز اور کمپنی کے دیگر ملازمین اور جن کے ساتھ کمپنی کاروبار کرتی ہے، ان سے توقعات واضح طور پر بیان کی گئی ہیں۔ کمپنی ملازمین اور کاروباری پارٹنرز سے کسی خلاف ورزی کی اطلاع دینے کی حوصلہ افزائی کرتی ہے اور ان کو یقینی دلاتی ہے کہ اس خلاف ورزی کا اہتمام سے مقابلہ کرنے سے ان پر کوئی برا اثر نہیں پڑے گا۔ طریقہ کار میں سہولت کیلئے مختلف چینلز جیسے کمپنی کی ویب سائٹ پر کسٹمر اینس ہیلپ ڈیسک "Tell Us" قائم کی گئی ہے۔

ماحولیات، صحت، اور حفاظت (EHS)

ماحول اور قدرتی وسائل کا تحفظ، اپنے ملازمین کی صحت اور ان کی کارکردگی کو فروغ دینا، نیز ان کے کام کرنے کے ماحول کا تحفظ، یمنز میں ہماری سماجی اور کاروباری وابستگی کا ایک بنیادی حصہ ہے۔ وبا سے درپیش دُشواریوں سے نمٹنے اور آئندہ نسلوں کے لیے معیار زندگی کو بہتر بنانے کے لیے 'نیا معمول' کو اپنایا ہے۔ ہم نے اس مالی سال کے آغاز سے ڈگری فریم ورک اور یمنز ای ایچ ایس کے لوازمات، جیسے بجلی کے خطرات سے آگاہی، ملازمین کی فلاح و بہبود اور ٹریفک قوانین کی پابندی پر توجہ مرکوز کی ہے۔

یہ تمام متعلقین یعنی صارفین، سپلائرز، سرمایہ کاروں، لوگوں، معاشروں اور ہماری زمین کے لیے 360 ڈگری زاویہ سے اہمیت رکھتا ہے۔ یہ نکات "صفر ضرر کلچر" اور "HealthandSafety@Siemens" کے نفاذ کے لیے ہم کردار ادا کرتے ہیں۔ ہم یہ سمجھتے ہیں کہ پائیدار ترقی اور نظم و ضبط برقرار رکھنے کے لیے صحت اور حفاظت کے اصولوں پر عمل کرنا لازم ہے۔

اجتماعی سماجی ذمہ داری

اچھی اجتماعی سماجی ذمہ داری کمپنی کی فلاسفی کا اس وقت سے لازمی عنصر ہے جب 1847 میں درز دوں سیمنس نے اس کمپنی کی بنیاد رکھی تھی۔ ہماری سماجی ذمہ داریوں کے کاموں میں تین مرکزی توجہ کے ایریاز ہیں: یٹنا لوجی تک رسائی، تعلیم تک رسائی اور پائیدار کمیونٹیز۔ یہ ہماری کاروباری حکمت عملی، بنیادی اہلیت، معاشرے کی فلاح کیلئے عالمی اہداف، عالمی سطح کے بڑے رجحانات (ڈیو گر افکس، شہر کاری، ماحولیاتی تبدیلی، عالمگیریت اور ڈیجیٹائزیشن) اور اسٹیک ہولڈرز کے ساتھ ڈائیلاگ میں نمایاں رہتے ہیں۔ سماجی شہری ذمہ داریوں میں ہماری سرگرمیاں پورے دفتر میں SDGs میں پیش رفت میں شامل رہتی ہیں۔ سیمنس ماحولیاتی اور موسمی تحفظ کو انتہائی اہمیت دیتا ہے اور اپنے ملازمین کی جانب سے وسائل کی زیادہ ذمہ داری کے ساتھ استعمال کیلئے حوصلہ افزائی کی جاتی ہے۔

FY2021 میں کمپنی نے سماجی ذمہ داری کی ادائیگی کے سلسلے میں درج ذیل اداروں کے ساتھ قریبی تعلق سے کام کیا:

- فیملی ایجوکیشنل سروسز فاؤنڈیشن (FESF)
- دی سٹیورنٹ فاؤنڈیشن (TCF)

مزید برآں، کمپنی Build4Skills کے عالمی منصوبے کے تعاون اور جرمن وفاقی وزارت برائے اقتصادی تعاون اور ترقی کی سرمایہ کاری سے "شانہ نشانہ اقدام" کے ذریعے صنفی عدم مساوات کو کم کرنے اور پیشہ ورانہ تعلیم و تربیت کے فروغ کے لئے کام کر رہی ہے۔ اس ہی سلسلے میں گزشتہ سال 10 خواتین کو یمنز پاکستان میں انٹرن شپ کے لیے منتخب کیا گیا، جن میں سے ایک جرمنی کے شہر میونخ میں اعلیٰ تعلیم حاصل کر رہی ہیں۔

مزید تفصیلات کے لیے براہ کرم سالانہ رپورٹ کی پائیداری اور کارپوریٹ شہریت (Sustainability and Corporate Citizenship) کے سیکشن سے رجوع کریں۔

کارپوریٹ گورننس کے بہترین طریقوں کی پابندی

کمپنی اپنے تمام قانونی اور اخلاقی تقاضوں کو پورا کرنے اور جہاں بھی ممکن ہو، ان سے سہولت لے جانے اور کاروبار کو اعلیٰ ترین معیارات اور طریقوں کے مطابق چلانے کے لیے پُر عزم ہے۔ اس طرح بورڈ موجودہ عمل کو مسلسل چیلنج کرتے ہوئے مسلسل کے ساتھ بہتری کی راہ متعین کرتا ہے۔ اس عمل کو کمپنی سے تہذیبی قبول کرنے کی بھی ضرورت ہے، تاکہ جب نئے مواقع پیدا ہوں تو کمپنی اچھی پوزیشن میں آجائے۔ اس کا مطلب یہ بھی ہے کہ بازار کی جگہ سے بہترین ٹیلنٹ اپنی طرف متوجہ کرنا اور اسے ایسی مہارتیں اور مواقع فراہم کرنا ہے جو ایک بہترین کارکردگی کے لیے درکار ہوتی ہیں۔

بورڈ نے شق 5.6.4 کے مقصد کے لیے PSX کی رول بک کے تحت لفظ "ایگزیکٹیو" کی تعریف اس طرح ترتیب دی ہے "مینجنگ ڈائریکٹر، چیف فنانسینشل آفیسر، کمپنی سیکرٹری، MD، CFO اور کمپنی سیکرٹری کی تمام براہ راست رپورٹس، متعلقہ Corporate Financial Reporting عملہ جو کلوننگ اور رپورٹنگ سرگرمیوں سے متعلق ہوں اور وہ تمام ملازمین جن کی بنیادی تنخواہ ایک مالی سال میں 3.6 ملین روپے سے زیادہ ہے۔"

ڈائریکٹر رپورٹ

عزیز شیئر ہولڈرز،

ہم، زیر دستگی، بورڈ آف ڈائریکٹر کیلئے اور ان کی جانب سے بمسرت سیمنس (پاکستان) انجینئرنگ کمپنی لمیٹڈ ("کمپنی") کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے برائے مالی سال منقسم 30 ستمبر 2021 ("FY 2021") مع ان پر آڈٹ رپورٹ پیش کرتے ہیں۔

- سال کے دوران FY 2020 کے مقابلے میں:
- فروخت میں 12% اضافہ دیکھا گیا جو کہ تقریباً 1.54 بلین روپے تھا۔ یہ Covid-19 کے بعد کچھ حد تک معاشی بحالی کی نشاندہی کرتا ہے۔ صرف انرجی بزنس میں 1.6 بلین روپے اضافہ ہوا۔
- 22.3 بلین روپے کے نئے آرڈرز ریکارڈ کیے گئے جو کہ مالی سال 2020 کے مقابلے میں تقریباً دو گنا تھے جب ہم نے صرف 12.5 بلین روپے کے نئے آرڈرز ریکارڈ کیے تھے۔ اس میں سے اکثریت انرجی ٹرانسمیشن بزنس نے ریکارڈ کیا جو کہ تقریباً 15 ارب روپے تھی جب کہ پچھلے سال اس بزنس نے 5.6 بلین روپے کے نئے آرڈرز حاصل کیے تھے۔
- اس سال کمپنی نے 1.4 بلین روپے کے ٹیکس سے قبل مجموعی منافع حاصل کیا جس میں 227 ملین روپے کی خالص دیگر آمدنی بھی شامل ہے۔ یہ زیادہ فروخت، بہتر مجموعی منافع کے مارجنز اور مارکیٹنگ اور انتظامی اخراجات کی نسبتاً کمی کے باعث حاصل کیا۔

بنیادی اشاریوں کا عمومی جائزہ درج ذیل ہے:

مالی سال 2021	مالی سال 2020	کارکردگی کے اہم اشاریے (انڈیکسز)
		(Rupees in '000)
12,805	14,349	خالص فروخت اور خدمات
(55)	1,360	آپریٹنگ منافع / (تفصیل)
(227)	1,390	قبل از ٹیکس منافع / (تفصیل)
(496)	850	سال کے لیے خالص منافع / (تفصیل)
(60.14)	103.07	ٹی شیئر آمدنی / (تفصیل) (روپے)
تخصیصات		
مالی سال 2021 کے دوران کی گئیں تخصیصات کا خلاصہ درج ذیل ہے:		
		(Rupees in '000)
89		کل اکتوبر تک جمع شدہ منافع
850		مالی سال 2021 کے لیے ٹیکس کے بعد خالص منافع
(82)		مالی سال 2020 کے لیے ٹی شیئر 10 روپے (100%) کا حتمی منافع
857		30 ستمبر 2021 تک جمع شدہ منافع

دوسرے ریزروز میں نقل و حرکت کی تفصیلات کیلئے برائے مہربانی مالیاتی گوشوارے میں ایکویٹی میں تبدیلیوں کا اسٹیٹمنٹ ملاحظہ کریں۔

منافع منقسمہ

کمپنی کی مالیاتی کارکردگی اور مستقبل میں نقد بہاؤ کی ضروریات کے پیش نظر بورڈ بمسرت 46 روپے فی عمومی شیئر کے حساب سے حتمی نقد منافع منقسمہ کی سفارش کرتا ہے۔

کمپنی کی بنیادی سرگرمیاں اور کاروباری شعبہ جات

کمپنی کے جاری کاروباری پورٹ فولیو میں انرجی، اسمارٹ انفراسٹرکچر اور ڈیجیٹل انڈسٹریز شامل ہے جس میں پاور جنریشن اور ڈسٹری بیوٹن، سمارٹ ملنگز اور سمارٹ گریڈز اور مینوفیکچرنگ میں آٹومیشن اور ڈیجیٹلائزیشن پر توجہ مرکوز رکھی جاتی ہے۔ اسمارٹ انفراسٹرکچر خود کارانہ طور پر توانائی کے نظام، عمارتوں اور صنعتوں کو مربوط رکھتا ہے تاکہ زیادہ کارکردگی اور پائیداری کے ذریعے ہمارے رہنے اور کام کرنے کے طریقے کو بہتر بنایا جاسکے۔ ڈیجیٹل انڈسٹریز اپنے صارفین کو ایک پارٹنر کے طور پر اپنی مکمل صلاحیتوں کو استعمال کرنے میں مدد کرتی ہے جو تجربہ اور زیر تعمیر صنعتوں کی آٹومیشن اور ڈیجیٹلائزیشن کے لیے انہیں جدید ٹیکنالوجیز فراہم کرتی ہے۔

خدشات، غیر یقینی کیفیت اور خاتمہ

کمپنی کو درج ذیل عمومی خدشات کا سامنا رہتا ہے جن کو خصوصی اسنادی پروگرام کے ذریعہ ختم کیا جاتا ہے:

- آپریٹنگ خدشات (الف)
- آپریٹنگ خدشات کا تعلق پروڈکٹ منیجمنٹ (جیسے وقت پر پروڈکٹس کی تکمیل اور ٹیمپل لاگت میں ردوبدل)، EHS اور سپلائی چین منیجمنٹ شامل ہیں۔ کمپنی ان خدشات کا اندازہ کاروباری عمل کے دوران میں خصوصی وسائل مع مطلوبہ صلاحیت اور مہارت کے ساتھ کرتی ہے۔ انتظامیہ ایسے خدشات کیلئے خدشات کی جوابی حکمت عملی کا تعین کرتی ہے جس میں "مگر"، منتقلی، کمی یا قبول کرنا کی حکمت عملی شامل ہے۔
- مالیاتی خدشات (ب)
- مالیاتی خدشات کو منسلک مالیاتی گوشواروں کے نوٹ 49 میں تفصیلاً بیان کیا گیا ہے جس میں مارکیٹ، کریڈٹ اور لیکویڈٹی خدشات شامل ہیں۔

چیئر مین کی جائزہ رپورٹ

ایک مشکل لیکن منافع بخش سال کے اختتام پر مجھے سیمنس پاکستان انجینئرنگ کمپنی لمیٹڈ کے اسٹیک ہولڈرز کے سامنے مالی سال 2021 کی سالانہ رپورٹ اور کمپنی کے عراض و مقاصد کے حصول میں بورڈ کی عمدہ رہنمائی پر تبصرہ کرتے ہوئے خوشی محسوس ہو رہی ہے۔

Covid-19 کی وبا سے نجات کی اُمید کے ساتھ سال 2021 کا ابتداء ہوا جس نے گزشتہ سال پوری دنیا کو اچانک اپنی لپیٹ میں لیا تھا۔ سال بھر تمام ممالک SOPs، Vaccination Drives اور سمارٹ لاک ڈاؤن کے ذریعے وبا کے خاتمے کی کوشش کرتے رہے۔ ان غیر معمولی حالات سے نمٹنے کے لئے ہم سب نے اپنی تیز زندگی میں کئی تبدیلیاں کی اور مسلسل رکاوٹوں کا سامنا کیا۔ ایک جانب عالمی لاجسٹکس نیٹ ورک پر بے انتہا بوجھ رہا تو دوسری طرف صنعتوں، کمپنیوں اور افراد نے ”نیا معمول“ کو اپنایا۔ سال بھر کام اور کاروبار کرنے کے ساتھ بہت سی کامیابیاں حاصل کی گئی۔ ہماری کمپنی بھی معیشت کی بحالی کے ساتھ آنے والے مواقع سے اپنے مضبوط گورننس سسٹم کے بل بوتے پر، مستفید ہونے کے لیے تیار رہی۔ میں یہ کہنے میں غر محسوس کرتا ہوں کہ بورڈ کی سرپرستی میں کمپنی نے اپنے قیمتی اسٹیک ہولڈرز کو پاپس نہیں کیا اور انتھک محنت اور کاوشوں کے ذریعے کئی مواقع سے فائدہ اٹھایا۔

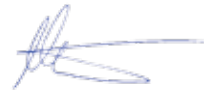
زیر نظر سال کے دوران اسٹیک ہولڈرز کے بہترین مفاد کو برقرار رکھنے کے لیے بورڈ نے اپنے فرائض بخوبی انجام دیے۔ میں اس بات کی تصدیق کرتا ہوں کہ بورڈ کے موجودہ ممبران کاروباری انتظام، منصوبہ بندی، مالیات، کارپوریٹ گورننس، قانونی اور انتظامی امور میں خاطر خواہ مہارت رکھتے ہیں۔ مزید برآں بورڈ کے تمام ممبران، کمپنی اور اس کے شیئر ہولڈرز کی جانب وفاداری اور سمجھداری سے فرائض کی انجام دہی کے قابل ہیں۔ اور اپنی ذمہ داری کو ہمیشہ پیش نظر رکھتے ہیں۔ اس سال بورڈ کی رکنیت مضبوط رہی اور بورڈ نے کمپنی کے معاملات موثر اور نتیجہ خیز انداز میں آگے بڑھایا۔ سال کے اختتام کے کچھ دن بعد جناب منظور احمد مستعفی ہو گئے۔ جناب منظور احمد نے کئی سال بے حد خلوص سے کمپنی کے مفاد کے لیے اپنی خدمات پیش کیں۔

بورڈ کے چیئر مین کی حیثیت سے میں تصدیق کرتا ہوں کہ تمام ممبران کی جانب سے حکمت عملی اور گورننس کے موضوعات پر اپنی رائے اور خیالات کے اظہار کی حوصلہ افزائی کی جاتی ہے۔ کسی بھی فیصلہ کی منظوری سے پہلے خود مختار ڈائریکٹرز، اقلیتی شیئر ہولڈرز کے نمائندہ ڈائریکٹر اور مطالقہ تجربہ رکھنے والے ڈائریکٹرز کی رائے اور مشوروں کو بھی شامل کیا جاتا ہے۔ مزید یہ کہ بورڈ اور اس کی کمیٹیوں نے چیف ایگزیکٹو، چیف فنانس آفیسر اور کمپنی سیکرٹری کے کام کی تشخیص اور مشاہرے کے تعین اور انٹرئل آڈٹ سربراہ کی کارکردگی کی جانچ پر تال کو بھی یقینی بنایا ہے۔

بورڈ نے اپنی کمیٹیوں کی وسعت اور حدود (ٹرمس آف ریفرنس) واضح طور پر بیان کر دی ہیں۔ ممبران کا تقرر ان کی مطلوبہ مہارت اور تجربہ کی بنیاد پر کیا گیا ہے۔ سال کے دوران بورڈ اور اس کی کمیٹیوں کی باقاعدگی سے ملاقات ہوتی ہیں جس کے دوران ہر مد نظر معاملے پر ضروری غور و خوض کے بعد فیصلہ کیا جاتا ہے۔ بورڈ اور اس کی کمیٹیاں سالانہ اپنی کارکردگی کا خود جائزہ لیتی ہیں جس کے ذریعے یہ اطمینان کیا جاتا ہے کہ ممبران کی انفرادی اور مجموعی کارکردگی تسلی بخش رہی۔ یہ بورڈ اپنی تین سالہ مدد پوری کر چکا ہے جس کے بعد جنوری 2022 میں نئے بورڈ کو منتخب کیا جائے گا۔ مجھے یقین ہے کہ نیا بورڈ بھی اپنے فرائض و مقاصد کو بخوبی پورا کرے گا۔

میں بورڈ کی جانب سے اپنے ملازمین، شیئر ہولڈرز، صارفین اور دیگر اسٹیک ہولڈرز کا ان کی پر خلوص حمایت، لگن اور مسلسل محنت کا شکریہ ادا کرتا ہوں۔

مخلص،



مینیوئل کوہن
چیئر مین بورڈ

Proxy Form

I/We _____
of _____ in the district of _____ being a member
of **Siemens (Pakistan) Engineering Co. Ltd.** hereby appoint

_____ of _____
or failing him _____ of _____

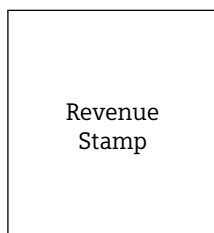
as my/our proxy to vote for me/us and my/our behalf at the Annual General Meeting of the company to be held at Karachi on January 13, 2022
and at any adjournment thereof.

Dated this _____ day of _____

Signature of the shareholder _____

Folio No: _____

CDS Account No: _____



Witnesses:

1. Signature: _____

Name: _____

Address: _____

CNIC No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

2. Signature: _____

Name: _____

Address: _____

CNIC No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Notes:

1. This proxy form duly completed and signed across five rupees revenue stamp must be deposited at the company's registered office not less than 48 hours before the time for holding the meeting.
2. Witnessed by two persons for CDC account holder only.
3. CDC account holder shall also submit attested copies of their CNIC/passport and that of the proxy.
4. The proxy of CDC account holder shall produce his/her original CNIC/passport at the time of the meeting.
5. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the proxy shall be submitted along with this form.

میں/ہم

ضلع

متعلقہ

سیمنس (پاکستان) انجینئرنگ کمپنی لمیٹڈ کے ممبر ہونے کی حیثیت سے

متعلقہ

متعلقہ

کو یا

کو اپنا متبادل / کو اپنا متبادل مقرر کرتا ہوں / کرتے ہیں جو کراچی میں مورخہ 13 جنوری 2022ء کو یا کسی تبدیلی کے ساتھ منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں میری / ہماری جگہ ووٹ دیں گے۔

متعلقہ دن

آج بتاریخ

دستخط سینئر ہولڈرز

فولیو نمبر:

CDS اکاؤنٹ نمبر:

گواہان:

۱۔ دستخط

نام:

پتہ:

قومی شناختی کارڈ نمبر:

ریونیو اسٹمپ

۲۔ دستخط

نام:

پتہ:

قومی شناختی کارڈ نمبر:

نوٹس:

- ۱۔ یہ پراکسی فارم مکمل طور سے پُر کر کے پانچ روپے کی رسیدی ٹکٹ پر دستخط کے ساتھ کمپنی کے رجسٹرڈ دفتر میں اجلاس کے شروع ہونے کے وقت سے کم از کم 48 گھنٹے قبل لازمی طور پر جمع کرایا جائے۔
- ۲۔ صرف CDS اکاؤنٹ ہولڈرز کے لئے دو افراد کے بحیثیت گواہ دستخط ہونا ضروری ہے۔
- ۳۔ CDS اکاؤنٹ ہولڈرز کو اپنے اور اپنے پراکسی کے قومی شناختی کارڈ / پاسپورٹ کی فوٹوکاپی بھی جمع کرانی ہوگی۔
- ۴۔ CDC اکاؤنٹ ہولڈر کے پراکسی کو اجلاس میں شرکت کے وقت اپنا اصل قومی شناختی کارڈ / پاسپورٹ پیش کرنا ہوگا۔
- ۵۔ کارپوریٹ ادارے ہونے کی صورت میں بورڈ کی قرارداد / پاور آف اٹارنی مع پراکسی کے دستخط کا نمونہ اس فارم کے ہمراہ جمع کرانے ہوں گے۔

Dividend Mandate Form

THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street 2,
D.H.A., Phase VII,
Karachi-75500. Pakistan

I, Mr./Mrs./Ms. _____ S/O,W/O,D/O _____
hereby authorize **Siemens (Pakistan) Engineering Co. Ltd.** to directly credit cash dividend declared by it, if any, in the below mentioned bank account:

i) Personal Information	
Name of shareholder	
Folio No. /CDC Participant ID A/C No.	
CNIC No*	
Passport No, (in case of foreign shareholder)**	
Land Line Phone Number	
Cell Number	
E mail address	

ii) Bank Details	
Title of Bank Account	
Name of Bank	
Branch Name and Address	
IBAN	
ISO Country code	
IBAN Check Digits	
BBAN	
Bank Identifier	
Account Number	
SEPA Member	

Signature of the Shareholder

Date: _____

Request Form for Annual Report and Notices through E-mail

THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street 2,
D.H.A., Phase VII,
Karachi-75500. Pakistan

Date: _____

Dear Sirs

I hereby instruct you to send from now onwards the Annual Report of **Siemens (Pakistan) Engineering Co. Ltd.** and all notices under Companies Act, 2017 at my E-mail address given below:

(E-mail address of the shareholder)

The above E-mail address will be recorded in the members register maintained under section 119 of the Companies Act, 2017. I will inform the Company and the Registrar about any change in my E-mail address immediately. Henceforth, I will receive the Accounts and Notices only on the above E-mail address, unless a hard copy has been specifically requested by me.

(Signature)

Name of the shareholder:

Folio No: _____

(In case of physical shareholding)

CDC Account No.: _____








Note: Individual CDC Account holders should submit copy of their Computerized National Identity Card (CNIC) along with this request form.










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