

# SIEMENS

Siemens (Pakistan) Engg. Co. Ltd., CS, B-72, Estate Avenue, S.I.T.E., Karachi.

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Name  
Department

Syeda Mehrunnisa  
Corporate Secretariat

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[www.siemens.com.pk](http://www.siemens.com.pk)

Your letter of  
Our reference  
Date

CS/Ext/2022/028  
January 28, 2022

**Subject: Transmission of Quarterly Report for the Period Ended December 31, 2021**

Dear Sir,

- We have to inform you that the Quarterly Report of the Company for the period ended December 31, 2021 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely  
**SIEMENS (PAKISTAN) ENGINEERING CO. LTD.**



**M. Usman Ansari**  
Company Secretary

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

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

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

Siemens (Pakistan) Engg. Co. Ltd., MD : Markus-Erich Strohmaier; CFO: Umer Jalil Anwer; Company Secretary: Muhammad Usman Ansari  
CUIN Reg. No. 0000617; Reg. Address: B-72, Estate Avenue, S.I.T.E., Karachi.

SPLS 2004-03



## SIEMENS (PAKISTAN) ENGINEERING CO. LTD.

### DIRECTORS' REPORT THREE MONTHS PERIOD ENDED DECEMBER 31<sup>st</sup>, 2021 ON THE UN-AUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

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Karachi - 75700

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B-72 Estate Avenue,  
S.I.T.E., Karachi.  
Tel 92(21) 32574910-9

# SIEMENS

Dear Shareholders,

We, the undersigned, for and on behalf of the Board of Directors are pleased to present your company, Siemens (Pakistan) Engineering Co. Ltd. ("Company"), unaudited condensed interim financial statements and a review of the Company's performance for quarter ended December 31, 2021.

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

KPIs	Rs in million	
	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
New Orders	4,801	5,685
Net sales and services	4,173	3,544
Profit / (Loss) before income tax	583	(48)
Net profit / (loss) after income tax	317	(189)
Earnings / (Loss) per share (Rupees)	38.40	(22.93)

The year ended September 30, 2021 had closed with very healthy results for the company and with record new orders intake. This quarter built on the backlog of the orders won which can be seen in the 17.74% higher net sales revenue recorded than the last year for Q1. The company closed the quarter with good profits and earnings per share despite increase in fuel, steel and copper prices as well as high transport costs due to the increased burden on the global logistics network. In the same period last year, the company had recorded a net loss.

**Future Outlook:** During the quarter there was high economic uncertainty due to the multiple monetary policy reviews and delays in the revival of the IMF programme, which resulted in high volatility of the currency. This created many challenges for businesses and industries in the country. Nevertheless, adoption of the mini-budget despite severe resistance from the opposition political parties has eased some of the pressure as Pakistan moves toward the final stage of negotiation with IMF. The ever-present Covid-19 risk, however, has increased with few restrictions re-imposed in selected cities. The government continues to assure the business community and the population at large that mass lockdowns will not be re-imposed. The Company is hopeful that if the uncertainty surrounding the IMF package is resolved, there may be an increase in opportunities created during the current year. The Company will continue to closely monitor the political situation, security risk due to the changing political environment in Afghanistan, and the economic situation. The management will continue its efforts to benefit from available opportunities, while safeguarding the interests of the Company to the extent possible.

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

The enclosed condensed interim financial statements are unaudited.

On behalf of the Board of Directors

  
\_\_\_\_\_  
Markus Strohmeier  
Managing Director

  
\_\_\_\_\_  
Qazi Sajid Ali  
Director

Karachi, January 27, 2022

**SIEMENS**

**Condensed Interim Financial Statements  
for the three months period  
ended December 31, 2021  
(Unaudited)**

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

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

		December 31, 2021 (Unaudited)	September 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
<b>Equity and liabilities</b>			
<b>Share capital and reserves</b>			
<b>Share capital</b>			
- Authorised			
20,000,000 (September 30, 2021: 20,000,000)			
Ordinary shares of Rs 10 each		200,000	200,000
- Issued, subscribed and paid-up			
8,247,037 (September 30, 2021: 8,247,037)			
Ordinary shares of Rs 10 each		82,470	82,470
<b>Reserves</b>			
Capital		624,192	624,192
Revenue		5,416,302	5,099,635
		6,040,494	5,723,827
<b>Total equity</b>		6,122,964	5,806,297
<b>Non-current liabilities</b>			
Long-term financing	6	-	31,441
Lease liabilities	7	79,390	80,324
Deferred liabilities	8	527,294	527,637
Retention money		5,377	3,035
		612,061	642,437
<b>Current liabilities</b>			
Trade and other payables	9	6,726,755	6,613,861
Contract liabilities	10	3,249,174	3,666,606
Current portion of non-current liabilities	11	169,289	170,958
Provisions	13	540,378	541,728
Taxation - net	14	333,453	329,418
Unclaimed dividend		32,878	33,380
		11,051,927	11,355,951
<b>Total liabilities</b>		11,663,988	11,998,388
<b>Contingencies and commitments</b>	15		
<b>Total equity and liabilities</b>		17,786,952	17,804,685
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	292,262	300,355
Right-of-use assets	17	92,053	99,958
Long-term loans and trade receivables		297,570	396,636
Long-term prepayments		2,489	3,042
Deferred tax asset	18	413,419	579,912
		1,097,793	1,379,903
<b>Current assets</b>			
Inventories	19	1,791,842	1,352,302
Trade receivables	20	9,716,247	10,358,678
Contract assets	21	2,223,637	1,553,222
Loans and advances		134,507	129,788
Deposits and short-term prepayments		120,797	104,241
Other receivables	22	608,374	524,240
Cash and bank balances	23	2,093,755	2,402,311
		16,689,159	16,424,782
<b>Total assets</b>		17,786,952	17,804,685

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

  
Markus-Erich Strohmeier  
Managing Director

  
Umar Jalil Anwer  
Chief Financial Officer

  
Qazi Sajid Ali  
Director

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

	Note	Three months period ended	
		December 31, 2021	December 31, 2020
		----- (Rupees in '000) -----	
Net sales and services	24	4,173,302	3,544,490
Cost of sales and services		<u>(3,177,989)</u>	<u>(3,323,153)</u>
<b>Gross profit</b>		<b>995,313</b>	<b>221,337</b>
Marketing and selling expenses		<u>(248,151)</u>	<u>(211,306)</u>
(Allowance for) / reversal of expected credit losses		<u>(27,406)</u>	<u>18,646</u>
General administrative expenses		<u>(100,616)</u>	<u>(83,984)</u>
		<u>(376,173)</u>	<u>(276,644)</u>
		<b>619,140</b>	<b>(55,307)</b>
Other income	25	<u>199</u>	<u>8,542</u>
Other operating expenses	26	<u>(46,307)</u>	<u>(1,040)</u>
Net other (operating expenses) / income		<u>(46,108)</u>	<u>7,502</u>
<b>Operating profit / (loss)</b>		<b>573,032</b>	<b>(47,805)</b>
Financial income		<u>17,298</u>	<u>8,740</u>
Financial expenses		<u>(7,706)</u>	<u>(9,328)</u>
Net finance income / (expenses)		<u>9,592</u>	<u>(588)</u>
Profit / (loss) before income tax		<u>582,624</u>	<u>(48,393)</u>
Income tax	27	<u>(265,957)</u>	<u>(140,707)</u>
<b>Net profit / (loss) for the period</b>		<b>316,667</b>	<b>(189,100)</b>
Basic and diluted earnings / (loss) per share (Rupees)		<u>38.40</u>	<u>(22.93)</u>

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

  
**Markus-Erich Strohmeier**  
 Managing Director

  
**Umer Jalil Anwer**  
 Chief Financial Officer

  
**Qazi Sajid Ali**  
 Director

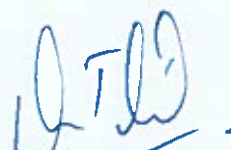
**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
**For the three months period ended December 31, 2021**

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	<u>Three months period ended</u>	
	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
	<u>----- (Rupees in '000) -----</u>	
Net profit / (loss) for the period	316,667	(189,100)
Other comprehensive income	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b><u>316,667</u></b>	<b><u>(189,100)</u></b>

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

  
**Markus-Erich Strohmeier**  
Managing Director

  
**Umer Jalil Anwer**  
Chief Financial Officer

  
**Qazi Sajid Ali**  
Director

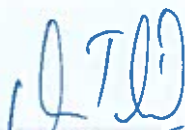
**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Cash Flows (Unaudited)**  
**For the three months period ended December 31, 2021**

	Note	Three months period ended	
		December 31, 2021	December 31, 2020
		----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	28	(150,989)	1,089,491
Financial expenses paid		(330)	(19,773)
Income tax (paid) / refund		(95,429)	93,569
Payment to Workers' Profit Participation Fund (WPPF)		(15,580)	-
Net cash (used in) / generated from operating activities		(262,328)	1,163,287
<b>Cash flows from investing activities</b>			
Capital expenditure		(24,511)	(17,575)
Proceeds from sale of property, plant and equipment		187	631
Financial income received		16,551	6,801
Net cash used in investing activities		(7,773)	(10,143)
<b>Cash flows from financing activities</b>			
Dividends paid		(502)	-
Repayment of long-term financing		(35,238)	-
Repayment of lease liabilities		(2,715)	(2,468)
Net cash used in financing activities		(38,455)	(2,468)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(308,556)</b>	<b>1,150,676</b>
Cash and cash equivalents at beginning of the period		2,402,311	436,168
<b>Cash and cash equivalents at end of the period</b>	29	<b>2,093,755</b>	<b>1,586,844</b>

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



**Markus-Erich Strohmeier**  
 Managing Director



**Umer Jalil Anwer**  
 Chief Financial Officer



**Qazi Sajid Ali**  
 Director

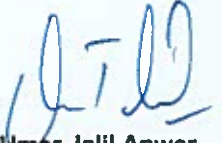


**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Changes in Equity**  
**For the three months period ended December 31, 2021**

	Issued, subscribed and paid-up share capital	Capital reserves			General reserves	Revenue reserves		Total
		Share premium	Treasury shares reserve	Other capital reserve		Remeasurement loss on defined benefit plan - net of tax	Accumulated profit / (loss)	
	(Rupees in '000)							
<b>Balance as at September 30, 2020 - Audited</b>	<b>82,470</b>	<b>619,325</b>	<b>567</b>	<b>4,300</b>	<b>4,523,026</b>	<b>(350,000)</b>	<b>88,969</b>	<b>4,968,657</b>
Net loss for the three months period ended December 31, 2020	-	-	-	-	-	-	(189,100)	(189,100)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(189,100)	(189,100)
<b>Balance as at December 31, 2020 - Unaudited</b>	<b>82,470</b>	<b>619,325</b>	<b>567</b>	<b>4,300</b>	<b>4,523,026</b>	<b>(350,000)</b>	<b>(100,131)</b>	<b>4,779,557</b>
<b>Balance as at September 30, 2021 - Audited</b>	<b>82,470</b>	<b>619,325</b>	<b>567</b>	<b>4,300</b>	<b>4,523,026</b>	<b>(279,895)</b>	<b>856,504</b>	<b>5,806,297</b>
Net profit for the three months period ended December 31, 2021	-	-	-	-	-	-	316,667	316,667
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	316,667	316,667
<b>Balance as at December 31, 2021 - Unaudited</b>	<b>82,470</b>	<b>619,325</b>	<b>567</b>	<b>4,300</b>	<b>4,523,026</b>	<b>(279,895)</b>	<b>1,173,171</b>	<b>6,122,964</b>

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

  
**Markus-Erich Strohmeier**  
 Managing Director

  
**Umer Jalil Anwer**  
 Chief Financial Officer

  
**Qazi Sajid Ali**  
 Director

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

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**1. LEGAL STATUS AND OPERATIONS**

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

**2. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS**

The Company continued its operations despite slowdown of economic activities due to spread of COVID-19 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 condensed interim 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 condensed interim financial statements.

**3. BASIS OF PREPARATION**

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

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

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2021.

**3.2 Functional and presentation currency**

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

**4. ACCOUNTING POLICIES**

- 4.1 The accounting policies and the methods of computations adopted and significant judgements, estimates and assumptions used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended September 30, 2021.
- 4.2 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were either not relevant or did not have any material impact on the accounting policies of the Company.

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

**5. OPERATIONS IN AFGHANISTAN**

Effective December 31, 2015, the Company ceased to participate in further business in Afghanistan due to withdrawal of sales rights by Siemens AG for the Afghanistan territory. However, the Company will continue to execute the orders in hand amounting to Rs 56.364 million as at December 31, 2021 (September 30, 2021: Rs 58.703 million).

	As at December 31, 2021 (Unaudited)	As at September 30, 2021 (Audited)
<b>6. LONG-TERM FINANCING</b>	<b>Note</b>	<b>(Rupees in '000)</b>
Balance at beginning of the period / year	166,540	255,853
Accretion of interest during the period / year	2,833	17,889
Payments during the period / year	<u>(35,238)</u>	<u>(107,202)</u>
Balance at end of the period / year	6.1 134,135	166,540
Less: Current maturity of long-term financing	11 <u>(134,135)</u>	<u>(135,099)</u>
	<u>-</u>	<u>31,441</u>

6.1 This represents re-finance loan obtained from Standard Chartered Bank of (Pakistan) Limited at subsidised interest rate of 3.00% per annum under the State Bank of Pakistan (SBP) refinance scheme to support payment of salaries and wages. This is secured against the joint hypothecation charges over inventories and trade receivables of the Company.

	As at December 31, 2021 (Unaudited)	As at September 30, 2021 (Audited)
<b>7. LEASE LIABILITIES</b>	<b>Note</b>	<b>(Rupees in '000)</b>
Balance at beginning of the period / year	111,654	136,334
Accretion of interest during the period / year	2,882	12,842
Payments during the period / year	<u>(2,715)</u>	<u>(37,522)</u>
Balance at end of the period / year	111,821	111,654
Less: Current maturity of lease liabilities	11 <u>(32,431)</u>	<u>(31,330)</u>
	<u>79,390</u>	<u>80,324</u>

**8. DEFERRED LIABILITIES**

Defined benefit plan - gratuity fund	471,248	459,790
Share based benefits	40,985	52,786
Others	<u>15,061</u>	<u>15,061</u>
	<u>527,294</u>	<u>527,637</u>

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

9. TRADE AND OTHER PAYABLES	Note	As at December	As at September
		31, 2021 (Unaudited)	30, 2021 (Audited)
		----- (Rupees in '000) -----	
Trade creditors [including retention money of Rs 649.594 million (September 30, 2021: Rs 674.119 million)]	9.1	5,130,024	4,824,799
Accrued liabilities		974,537	1,187,786
Accrued interest		177,205	173,738
Workers' Welfare Fund (WWF)		188,962	176,186
Workers' Profit Participation Fund (WPPF)		33,404	15,580
Derivative financial instruments		125	20,086
Withholding tax payable		123,368	21,740
Sales tax payable		-	117,543
Other liabilities		99,130	76,403
		<b>6,726,755</b>	<b>6,613,861</b>

9.1 These include sums aggregating to Rs 1,541.920 million (September 30, 2021: Rs 1,621.544 million) due to related parties.

10. CONTRACT LIABILITIES	Note	As at December	As at September
		31, 2021 (Unaudited)	30, 2021 (Audited)
		----- (Rupees in '000) -----	
Advances from customers			
- for goods		553,322	648,253
- for projects and services	10.1	2,316,479	2,556,249
		2,869,801	3,204,502
Unearned portion of revenue		49,258	129,915
Refund liabilities		330,115	332,189
		<b>3,249,174</b>	<b>3,666,606</b>

10.1 These include advance amounts due from Rousch (Pakistan) Power Limited and Siemens Energy Affiliate having aggregate amounts due of Rs 232.917 million (September 30, 2021: Rs 228.788 million) and Rs 1.513 million (September 30, 2021: Rs 1.513 million) respectively as per the contractual payment terms.

11. CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	As at December	As at September
		31, 2021 (Unaudited)	30, 2021 (Audited)
		----- (Rupees in '000) -----	
Current maturity of long-term financing	6	134,135	135,099
Current maturity of lease liabilities	7	32,431	31,330
Current portion of deferred Government grant	11.1	2,723	4,529
		<b>169,289</b>	<b>170,958</b>

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

	As at December 31, 2021 (Unaudited)	As at September 30, 2021 (Audited)
<b>11.1 Deferred Government grant</b>	----- (Rupees in '000) -----	
Balance at beginning of the period / year	4,529	15,785
Government grant amortised during the period / year	(1,806)	(11,256)
Balance at end of the period / year	<u>2,723</u>	<u>4,529</u>

**12. SHORT-TERM RUNNING FINANCES**

**12.1** Facilities for secured bank overdraft arranged with commercial banks in Pakistan aggregated to Rs 4,687 million (September 30, 2021: Rs 4,900 million) while interest rate ranges between 8.00% to 9.92% per annum (September 30, 2021: 7.61% to 8.01% 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.

**12.2** Facilities for unsecured bank overdraft arranged with commercial bank in the United Arab Emirates (UAE) aggregated to Rs 120.487 million (September 30, 2021: Rs 116.567 million) at interest rate ranges between 3.70% to 3.75% per annum. As of reporting date, these remained fully unutilized by the Company.

**12.3** Facility is available from Siemens Financial Services (SFS) of Siemens AG, in respect of the projects in the United Arab Emirates (UAE). The mark-up on this facility ranges between 0.88% to 1.85% (September 30, 2021: 0.91% to 1.56% per annum). As of reporting date, this remained fully unutilized by the Company.

	Warranties	Losses on sales contracts	Total
<b>13. PROVISIONS</b>	----- (Rupees in '000) -----		
Balance as at September 30, 2021 (Audited)	504,477	37,251	541,728
Additional provisions	30,269	2,602	32,871
Cost incurred	(12,245)	(150)	(12,395)
Reversal of unutilised amounts	(18,096)	(3,730)	(21,826)
Balance as at December 31, 2021 (Unaudited)	<u>504,405</u>	<u>35,973</u>	<u>540,378</u>

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

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

**For the three months period ended December 31, 2021**

	As at December 31, 2021 (Unaudited)	As at September 30, 2021 (Audited)
<b>14. TAXATION - NET</b>	----- (Rupees in '000) -----	
Provision for taxation	1,579,905	1,757,480
Advance tax	(1,246,452)	(1,428,062)
	<u>333,453</u>	<u>329,418</u>

**15. CONTINGENCIES AND COMMITMENTS**

**15.1 Contingencies**

There has been no major change in the status of contingencies as stated in the note 17.1 to the annual financial statements of the Company for the year ended September 30, 2021.

**15.2 Commitments**

- (i) As at December 31, 2021, capital expenditure contracted for but not incurred amounted to Rs 50.584 million (September 30, 2021: Rs 50.848 million).
- (ii) Post dated cheques issued to the Collector of Customs against import duty aggregate to Rs 12.784 million (September 30, 2021: Rs 14.995 million).

	As at December 31, 2021 (Unaudited)	As at September 30, 2021 (Audited)
<b>(iii) Letters of credit</b>	----- (Rupees in '000) -----	
- limit	1,449,789	1,214,412
- utilised portion	<u>1,449,789</u>	<u>1,212,298</u>
- unutilised portion	<u>-</u>	<u>2,114</u>

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

	As at December 31, 2021 (Unaudited)	As at September 30, 2021 (Audited)
	----- (Rupees in '000) -----	
Not later than one year	<u>3,590</u>	<u>4,318</u>

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

16. PROPERTY, PLANT AND EQUIPMENT	Note	As at December	As at September
		31, 2021 (Unaudited)	30, 2021 (Audited)
		----- (Rupees in '000) -----	
Operating assets - at net book value	16.1	277,636	244,418
Capital-work-in-progress		14,626	55,937
		<u>292,262</u>	<u>300,355</u>
<b>16.1 Operating assets</b>			
Opening net book value		244,418	259,028
Additions during the period / year	16.2	65,822	104,303
		<u>310,240</u>	<u>363,331</u>
Disposals during the period / year	16.2	(8,837)	(84,830)
Accumulated depreciation on disposals		8,523	82,301
Depreciation for the period / year		(32,290)	(116,384)
		<u>(32,604)</u>	<u>(118,913)</u>
Closing net book value		<u>277,636</u>	<u>244,418</u>

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

	Additions		Disposals	
	For the three months period ended		For the three months period ended	
	December 31, 2021 (Unaudited)	December 31, 2020	December 31, 2021 (Unaudited)	December 31, 2020
----- (Rupees in '000) -----				
Leasehold improvements	41,998	-	-	-
Plant and machinery	-	-	469	-
Furniture and fixtures	6,738	846	1,083	4,067
Office equipment	3,061	3,091	2,460	3,153
Vehicles	9,911	-	-	1,159
Tools and patterns	4,114	2,219	4,825	968
	<u>65,822</u>	<u>6,156</u>	<u>8,837</u>	<u>9,347</u>

17. RIGHT-OF-USE ASSETS

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

	As at December	As at September
	31, 2021 (Unaudited)	30, 2021 (Audited)
----- (Rupees in '000) -----		
Opening net book value	99,958	131,577
Depreciation for the period / year	(7,905)	(31,619)
Closing net book value	<u>92,053</u>	<u>99,958</u>

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

		As at December 31, 2021 (Unaudited)	As at September 30, 2021 (Audited)
		----- (Rupees in '000) -----	
<b>18.</b>	<b>DEFERRED TAX ASSET</b>		
		<i>Note</i>	
	Debit balances arising in respect of:		
	Unadjusted tax credits / tax losses	-	54,655
	Provisions	337,062	434,869
	Remeasurement loss on defined benefit plan	47,270	58,450
	Discounting of long-term receivables	5,348	4,533
	Decelerated tax depreciation and amortisation	23,739	27,405
		<u>413,419</u>	<u>579,912</u>
<b>19.</b>	<b>INVENTORIES</b>		
	Raw materials and components	499,218	522,555
	Work-in-process	854,950	621,990
	Finished goods	206,659	186,323
		1,560,827	1,330,868
	Less: Provision for slow moving and obsolete items	(186,537)	(189,513)
		<u>1,374,290</u>	<u>1,141,355</u>
	Goods-in-transit	417,552	210,947
		<u>1,791,842</u>	<u>1,352,302</u>
<b>20.</b>	<b>TRADE RECEIVABLES</b>		
	Considered good		
	Due from related parties	20.1 178,254	71,725
	Due from others	9,537,993	10,286,953
		<u>9,716,247</u>	<u>10,358,678</u>
	Considered doubtful	1,080,743	1,067,770
		<u>10,796,990</u>	<u>11,426,448</u>
	Less: Loss allowance	(1,080,743)	(1,067,770)
		<u>9,716,247</u>	<u>10,358,678</u>
<b>20.1</b>	Represents amounts due from Rousch (Pakistan) Power Limited, Mentor Graphics Pakistan Development (Private) Limited and Siemens Energy affiliates having aggregate amounts of Rs 2.876 million (September 30, 2021: Rs 10.085 million), Rs 0.577 million (September 30 2021: Rs 3.973 million) and Rs 174.801 million (September 30, 2021: Rs 57.667 million) respectively.		
		As at December 31, 2021 (Unaudited)	As at September 30, 2021 (Audited)
		----- (Rupees in '000) -----	
<b>21.</b>	<b>CONTRACT ASSETS</b>		
	Considered good	2,223,637	1,553,222
	Considered doubtful	271,772	257,449
		<u>2,495,409</u>	<u>1,810,671</u>
	Less: Loss allowance	(271,772)	(257,449)
		<u>2,223,637</u>	<u>1,553,222</u>



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

		As at December 31, 2021 (Unaudited)	As at September 30, 2021 (Audited)
		----- (Rupees in '000) -----	
<b>22. OTHER RECEIVABLES</b>	<b>Note</b>		
<b>Considered good</b>			
Due from related parties	22.1	166	47
Other costs reimbursable from customers		63,869	194,841
Sales tax refundable		94,659	-
Interest accrued		48,819	48,072
Derivative financial instruments		381,637	245,355
Others		19,224	35,925
		<u>608,374</u>	<u>524,240</u>
<b>Considered doubtful</b>			
Costs reimbursable from customers		12,619	15,230
Sales tax refundable		116,361	116,361
Others		88,173	88,658
		<u>217,153</u>	<u>220,249</u>
		<u>825,527</u>	<u>744,489</u>
Less: Loss allowance		<u>(217,153)</u>	<u>(220,249)</u>
		<u>608,374</u>	<u>524,240</u>

**22.1** Represents amount due from Siemens Gamesa Renewable Energy (Private) Limited and Siemens Healthcare (Private) Limited having aggregate amounts due of Rs 0.166 million (September 30, 2021: Rs 0.008 million) and Rs nil (September 30, 2021: Rs 0.039 million) respectively.

		As at December 31, 2021 (Unaudited)	As at September 30, 2021 (Audited)
		----- (Rupees in '000) -----	
<b>23. CASH AND BANK BALANCES</b>			
<b>With banks in</b>			
Current accounts		698,662	209,666
Deposit accounts		1,395,002	2,181,508
		<u>2,093,664</u>	<u>2,391,174</u>
Cheque in hand		-	10,503
Cash in hand		91	634
		<u>2,093,755</u>	<u>2,402,311</u>

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

	For the three months period ended	
	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
----- (Rupees in '000) -----		
<b>24. NET SALES AND SERVICES</b>		
<b>Sales disaggregation by type of contracts</b>		
Execution of contracts	1,766,683	2,074,862
Sale of goods	938,311	822,594
Rendering of services	1,468,308	647,034
	<u>4,173,302</u>	<u>3,544,490</u>
Sales tax	447,843	261,042
Gross sales and services	<u>4,621,145</u>	<u>3,805,532</u>
Less: Sales tax	(447,843)	(261,042)
	<u><u>4,173,302</u></u>	<u><u>3,544,490</u></u>
<b>25. OTHER INCOME</b>		
Liability no longer payable written back	44	-
Insurance and other claims	155	8,542
	<u>199</u>	<u>8,542</u>
<b>26. OTHER OPERATING EXPENSES</b>		
Loss on sale of property, plant and equipment	127	8
Workers' Profit Participation Fund (WPPF)	33,404	1,032
Workers' Welfare Fund (WWF)	12,776	-
	<u>46,307</u>	<u>1,040</u>
<b>27. INCOME TAX</b>		
Current	99,463	83,446
Deferred	166,494	57,261
	<u>265,957</u>	<u>140,707</u>

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

		<u>For the three months period ended</u>	
		December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
		————— (Rupees in '000) —————	
<b>28.</b>	<b>CASH (USED IN) / GENERATED FROM OPERATIONS</b>		
		<i>Note</i>	
	Profit / (loss) before tax for the period	582,624	(48,393)
	<b>Adjustments for non-cash items:</b>		
	Depreciation and amortisation	40,195	33,363
	Reversal of provision for slow moving and obsolete items of inventories - net	(2,976)	(20,946)
	Loss allowance / (reversal of loss allowance) on trade receivables - net	16,039	(25,288)
	Loss allowance on contract assets (Reversal) / loss allowance on deposit and other receivables - net	14,323	5,921
		(2,956)	721
	Discounting of long-term loans and trade receivables - net	12,139	(3,105)
	Provision for Workers' Welfare Fund (WWF)	12,776	-
	Provision for Workers' Profit Participation Fund (WPPF)	33,404	1,032
	Liability no longer payable written back	(44)	-
	Loss on sale of property, plant and equipment	127	8
	Financial expenses	7,706	9,328
	Financial income	(17,298)	(8,740)
	<b>Adjustment for other items:</b>		
	Long-term loans and trade receivables	83,861	122,407
	Long-term prepayments	553	-
	Retention money	2,342	17,302
	Other non-current liabilities	(343)	(8,991)
	Working capital changes	(933,461)	1,014,872
		28.1	
		<u>(150,989)</u>	<u>1,089,491</u>
<b>28.1</b>	<b>Working capital changes</b>		
	<b>(Increase) / decrease in current assets:</b>		
	Inventories	(436,564)	(127,694)
	Trade receivables	629,458	724,737
	Contract assets	(684,738)	(141,690)
	Loans and advances	(4,719)	47,547
	Deposits and short-term prepayments	(16,896)	(34,577)
	Other receivables	(80,291)	(63,103)
		<u>(593,550)</u>	<u>405,220</u>
	<b>Increase / (decrease) in current liabilities:</b>		
	Trade and other payables	78,871	(46,448)
	Contract liabilities	(417,432)	652,765
	Provisions	(1,350)	3,335
		<u>(339,911)</u>	<u>609,652</u>
		<u>(933,461)</u>	<u>1,014,872</u>

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

	As at December 31, 2021 (Unaudited)	As at December 31, 2020 (Unaudited)
	----- (Rupees in '000) -----	
<b>29. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	2,093,755	1,591,481
Short-term running finances	-	(4,637)
	<u>2,093,755</u>	<u>1,586,844</u>

**30. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of Siemens AG (parent company), its subsidiaries and associates and other companies with common directorship with significant influence on other companies, employees retirement benefit funds and key management employees. Transactions with related parties are carried at agreed terms as approved by the Board of Directors of the Company. Transactions with related parties can be summarised as follows:

	For the three months period ended	
	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
	----- (Rupees in '000) -----	
<b>Parent company</b>		
Sale of goods and rendering of services	3,431	-
Purchases of goods and receipt of services	630,674	332,995
<b>Associated companies</b>		
Sale of goods and rendering of services	189,093	182,036
Purchases of goods and receipt of services	493,920	1,365,823
Commission and allowances earned	-	1,741
Financial expenses	1	4
<b>Others</b>		
Contribution to employees' retirement benefit funds	32,067	31,759
Compensation to key management personnel	30.1 58,683	50,131

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

Short-term benefits	53,936	44,200
Post-employment benefits	416	406
Share based benefits	4,331	5,525
	<u>58,683</u>	<u>50,131</u>

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

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

**31. INFORMATION ABOUT 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.

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

(All rupees in '000)

Segment  Business Units	Smart Infrastructure			Digital Industries			Energy			Others	Eliminations	Company as a whole	
	Distribution Systems	Digital Grid	Others	Total	Software	Others	Total	Transmission Solutions & Services	Power Gen. & Services				Total
-----For the three months period ended December 31, 2021 (Unaudited)-----													
<b>REVENUE</b>													
Sales to external customers	699,468	118,723	53,193	871,384	587,026	335,971	922,997	1,219,301	1,156,411	2,375,712	3,209	-	4,173,302
Inter-segment sales	93,880	119,186	1,329	214,395	-	9,869	9,869	-	-	-	-	(224,264)	-
Total revenue	<u>793,348</u>	<u>237,909</u>	<u>54,522</u>	<u>1,085,779</u>	<u>587,026</u>	<u>345,840</u>	<u>932,866</u>	<u>1,219,301</u>	<u>1,156,411</u>	<u>2,375,712</u>	<u>3,209</u>	<u>(224,264)</u>	<u>4,173,302</u>
<b>RESULT</b>													
Segment result	28,904	9,487	1,215	39,606	(1,744)	(8,755)	(10,499)	142,112	416,804	558,916	(14,991)	-	573,032
Financial expenses													(7,706)
Financial income													17,298
Income tax expense													(265,957)
Net profit for the period													<u>316,667</u>
<b>OTHER INFORMATION</b>													
Capital expenditure	3,589	-	-	3,589	154	7,683	7,837	2,604	1,742	4,346	-		
Depreciation	4,684	2,133	-	6,817	1,394	2,445	3,839	8,177	5,569	13,746	134		
Non-cash expenses other than depreciation	1,635	1,391	45	3,071	2,466	1,721	4,187	(56)	3,551	3,495	641		
-----As at December 31, 2021 (Unaudited)-----													
<b>ASSETS AND LIABILITIES</b>													
Segment assets	2,753,602	820,786	68,942	3,643,330	615,890	766,676	1,382,566	8,334,998	1,158,384	9,493,382	398,790		14,918,068
Segment liabilities	1,438,362	705,759	136,965	2,281,086	547,811	606,242	1,154,053	4,410,680	1,576,759	5,987,439	372,097		9,794,675

Siemens (Pakistan) Engineering Co. Ltd.  
Notes to the Condensed Interim Financial Statements (Unaudited)  
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Segment  Business Units	(All rupees in '000)												
	Smart Infrastructure			Digital Industries			Energy			Others	Eliminations	Company as a whole	
	Distribution Systems	Digital Grid	Others	Total	Software	Others	Total	Transmission Solutions & Services	Power Gen. & Services				Total
----- For the three months period ended December 31, 2020 (Unaudited) -----													
<b>REVENUE</b>													
Sales to external customers	280,435	142,214	31,748	454,397	434,772	347,196	781,968	617,446	1,679,218	2,296,664	11,461	-	3,544,490
Inter-segment sales	237,888	1,120	-	239,008	-	-	-	472	-	472	-	(239,480)	-
<b>Total revenue</b>	<b>518,323</b>	<b>143,334</b>	<b>31,748</b>	<b>693,405</b>	<b>434,772</b>	<b>347,196</b>	<b>781,968</b>	<b>617,918</b>	<b>1,679,218</b>	<b>2,297,136</b>	<b>11,461</b>	<b>(239,480)</b>	<b>3,544,490</b>
<b>RESULT</b>													
Segment result	46,312	(16,789)	518	30,041	(21,945)	39,403	17,458	(201,920)	112,210	(89,710)	(7,123)	-	(49,334)
Financial expenses													(5,860)
Financial income													6,801
Income tax expense													(140,707)
<b>Net loss for the period</b>													<b>(189,100)</b>
-----													
<b>OTHER INFORMATION</b>													
Capital expenditure	717	7,517	-	8,234	699	6,821	7,520	516	2,379	2,895	134		
Depreciation and amortisation	4,629	2,038	20	6,687	1,997	1,905	3,902	5,840	3,257	9,097	185		
Non-cash expenses other than depreciation and amortisation	1,069	(766)	(22)	281	(1,413)	(1,690)	(3,103)	(963)	622	(341)	-		
-----													
<b>ASSETS AND LIABILITIES</b>													
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	-	14,540,169
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	-	10,181,864

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

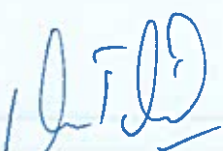
31.2 Geographical information	For the three months period ended	
	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)
<b>Sales to external customers</b>	----- (Rupees in '000) -----	
Pakistan	4,057,588	3,313,354
Afghanistan	3,962	53,522
Others	111,752	177,614
	<u>4,173,302</u>	<u>3,544,490</u>

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

**32. DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in the meeting held on January 27, 2022.

  
**Markus-Erich Strohmeier**  
 Managing Director

  
**Umer Jalil Anwer**  
 Chief Financial Officer

  
**Qazi Sajid Ali**  
 Director