

## SIEMENS (PAKISTAN) ENGINEERING CO. LTD.

**DIRECTORS' REPORT  
HALF YEAR ENDED MARCH 31<sup>st</sup>, 2022  
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

Dear Shareholders,

We, the undersigned, for and on behalf of the Board of Directors are pleased to present your company's, Siemens (Pakistan) Engineering Co. Ltd. ("**Company**"), unaudited condensed interim financial statements and a review of the Company's performance for the half year ended March 31, 2022.

**Company's Performance:** Key Performance Indicators ("**KPIs**") for the half year ended March 31, 2022, compared to corresponding period last year are summarized below:

KPIs	Rs in million	
	Six Months Ended March 31, 2022	Six Months Ended March 31, 2021
New Orders	12,124	10,204
Net sales and services	9,173	6,132
Profit before income tax	1,058	116
Net profit / (loss) after income tax	678	(129)
Earnings / (loss) per share (Rupees)	82.22	(15.62)

The Company continues to benefit from the backlog of the orders won during prior year ended September 30, 2021, mainly in the transmission business together with a healthy winning streak in short cycle distribution business. This has translated into a 50% increase in net sales revenue recorded in the current six months ended March 31, 2022, as compared to the same period last year. Further, the Company booked 20% higher new orders, with the energy business contributing to 65% of the total orders booked. Soon after the closure of the quarter we recorded a significant new contract with K-Electric of approximately Rs. 15.5 billion to build the KANUPP – K-Electric Interconnection (KKI) 500/220 kV Grid Station. The Company recorded strong financial performance for the quarter despite key challenges including the global logistics disruption and significant increase in price of inputs.

The Directors and management of the Company are confident in our ability to create value for the shareholders and all other stakeholders, which also entails being cognizant of the importance of focusing on strengths and core activities.

**Future Outlook:** We remain cognizant of the political and economic instability in the country and continue to monitor and adjust as needed. Despite a prosperous half year, we would like to caution that future growth is highly dependent upon the outcome of the current political and economic uncertainties.


**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. Finally, as notified to the market, our Board member and Chairman, Mr. Manuel Kuehn, has moved on to other responsibilities. We sincerely appreciate his guidance and leadership during his tenure and wish him all the best in his future endeavors. We welcome our new Chairman, Mr. Stefan Werner, who brings rich and varied expertise to our organization from his previous roles within Siemens.

The enclosed condensed interim financial statements are unaudited.

On behalf of the Board of Directors



**Markus Strohmeier**  
Managing Director



**Oliver Spierling**  
Director

Karachi, May 26, 2022

## INDEPENDENT AUDITORS' REVIEW REPORT

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

### Report on review of Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Siemens (Pakistan) Engineering Co. Ltd.** as at **31 March 2022** and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the three months ended 31 March 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 March 2022.

#### Scope of Review

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

#### Conclusion

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

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



**Chartered Accountants**

**Place: Karachi**

**Date: 27 May 2022**

**UDIN Number: RR202210166OLlo0Bkbh**

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Financial Position**  
**As at March 31, 2022**

		March 31, 2022 (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		200,000	200,000
20,000,000 (September 30, 2021: 20,000,000) Ordinary shares of Rs 10 each			
- Issued, subscribed and paid-up		82,470	82,470
8,247,037 (September 30, 2021: 8,247,037) Ordinary shares of Rs 10 each			
<b>Reserves</b>			
Capital		624,192	624,192
Revenue		5,398,316	5,099,635
		6,022,508	5,723,827
<b>Total equity</b>		6,104,978	5,806,297
<b>Non-current liabilities</b>			
Long-term financing	5	-	31,441
Lease liabilities	6	69,106	80,324
Deferred liabilities	7	527,640	527,637
Retention money		10,201	3,035
		606,947	642,437
<b>Current liabilities</b>			
Trade and other payables	8	6,767,557	6,613,861
Contract liabilities	9	3,433,393	3,666,606
Current portion of non-current liabilities	10	133,903	170,958
Short-term running finances	11	15,511	-
Provisions	12	537,520	541,728
Taxation - net	13	333,215	329,418
Unclaimed dividend		34,714	33,380
		11,255,813	11,355,951
<b>Total liabilities</b>		11,862,760	11,998,388
<b>Contingencies and commitments</b>			
	14		
<b>Total equity and liabilities</b>		17,967,738	17,804,685
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	286,313	300,355
Right-of-use assets	16	84,149	99,958
Long-term loans and trade receivables		504,045	396,636
Long-term prepayments		1,936	3,042
Deferred tax asset	17	441,808	579,912
		1,318,251	1,379,903
<b>Current assets</b>			
Inventories	18	1,961,508	1,352,302
Trade receivables	19	9,718,319	10,358,678
Contract assets	20	3,151,856	1,553,222
Loans and advances		233,667	129,788
Deposits and short-term prepayments		112,473	104,241
Other receivables	21	669,310	524,240
Cash and bank balances	22	802,354	2,402,311
		16,649,487	16,424,782
<b>Total assets</b>		17,967,738	17,804,685

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

Markus-Erich Strohmeier  
Managing Director

Umer Jalil Anwer  
Chief Financial Officer

Qazi Sajid Ali  
Director

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Profit or Loss (Unaudited)**  
**For the six months period ended March 31, 2022**

		Six months period ended		Three months period ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note		(Rupees in '000)			
Net sales and services	23	9,172,788	6,132,313	4,999,486	2,587,823
Cost of sales and services		(7,212,135)	(5,744,230)	(4,034,146)	(2,421,077)
Gross profit		1,960,653	388,083	965,340	166,746
Marketing and selling expenses		(530,569)	(404,706)	(282,418)	(193,400)
(Allowance for) / reversal of expected credit losses		(104,009)	36,775	(76,603)	18,129
General administrative expenses		(192,336)	(172,182)	(91,720)	(88,198)
		(826,914)	(540,113)	(450,741)	(263,469)
		1,133,739	(152,030)	514,599	(96,723)
Gain on disposal of assets classified as held for sale		-	247,851	-	247,851
Other income	24	1,268	16,300	1,069	7,758
Other operating expenses	25	(78,619)	(2,561)	(32,312)	(1,521)
Net other (operating expenses) / income		(77,351)	261,590	(31,243)	254,088
Operating profit		1,056,388	109,560	483,356	157,365
Financial income		24,961	23,900	7,663	15,160
Financial expenses		(23,654)	(17,890)	(15,948)	(8,562)
Net finance income / (expenses)		1,307	6,010	(8,285)	6,598
Profit before income tax		1,057,695	115,570	475,071	163,963
Income tax	26	(379,650)	(244,359)	(113,693)	(103,652)
Net profit / (loss) for the period		678,045	(128,789)	361,378	60,311
Basic and diluted earnings / (loss) per share (Rupees)		82.22	(15.62)	43.82	7.31

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements. *em*

  
**Markus-Erich Strohmeier**  
 Managing Director

  
**Umar Jalil Anwer**  
 Chief Financial Officer

  
**Qazi Sajid Ali**  
 Director

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
**For the six months period ended March 31, 2022**

	Six months period ended		Three months period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in '000)			
Net profit / (loss) for the period	678,045	(128,789)	361,378	60,311
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>678,045</u>	<u>(128,789)</u>	<u>361,378</u>	<u>60,311</u>

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements. *Ern*

  
**Markus-Erich Strohmeier**  
 Managing Director

  
**Umer Jalil Anwer**  
 Chief Financial Officer

  
**Qazi Sajid Ali**  
 Director

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

	Issued, subscribed and paid-up share capital	Capital reserves			Revenue reserves			Total
		Share premium	Treasury shares reserve	Other capital reserve	General reserves	Remeasurement loss on defined benefit plan - net of tax	Accumulated (loss) / profit	
<b>Balance as at September 30, 2020 - Audited</b>								
Final dividend @ Rs 10 per Ordinary share of Rs 10 each for the year ended September 30, 2020	82,470	619,325	567	4,300	4,523,026	(350,000)	88,969	4,968,657
Net loss for the six months period ended March 31, 2021	-	-	-	-	-	-	(82,470)	(82,470)
Other comprehensive income for the period	-	-	-	-	-	-	(128,789)	(128,789)
Total comprehensive loss for the period	-	-	-	-	-	-	(128,789)	(128,789)
<b>Balance as at March 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>(350,000)</b>	<b>(122,290)</b>	<b>4,757,398</b>
<b>Balance as at September 30, 2021 - Audited</b>								
Final dividend @ Rs 46 per Ordinary share of Rs 10 each for the year ended September 30, 2021	82,470	619,325	567	4,300	4,523,026	(279,895)	856,504	5,806,297
Net profit for the six months period ended March 31, 2022	-	-	-	-	-	-	(379,364)	(379,364)
Other comprehensive income for the period	-	-	-	-	-	-	678,045	678,045
Total comprehensive income for the period	-	-	-	-	-	-	678,045	678,045
<b>Balance as at March 31, 2022 - 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>1,155,185</b>	<b>6,104,978</b>

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**Umer Jaail Anwer**  
Chief Financial Officer


  
Qazi Sajid Ali  
Director

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Cash Flows (Unaudited)**  
**For the six months period ended March 31, 2022**

		Six months period ended	
		March 31, 2022	March 31, 2021
	Note	----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	27	(869,305)	1,155,603
Financial expenses paid		(1,361)	(18,125)
Income tax (paid) / refund		(237,749)	16,350
Payment to Workers' Profit Participation Fund (WPPF)		(15,580)	-
Payment to Workers' Welfare Fund (WWF)		(94)	(17,686)
Net cash (used in) / generated from operating activities		(1,124,089)	1,136,142
<b>Cash flows from investing activities</b>			
Capital expenditure		(50,139)	(39,647)
Proceeds from sale of property, plant and equipment		654	5,202
Proceeds from sale of assets classified as held for sale - net		-	250,546
Financial income received		22,046	20,505
Net cash (used in) / generated from investing activities		(27,439)	236,606
<b>Cash flows from financing activities</b>			
Dividends paid		(378,030)	(82,019)
Repayment of long-term financing		(69,191)	(38,051)
Repayment of lease liabilities		(16,719)	(15,200)
Net cash used in financing activities		(463,940)	(135,270)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,615,468)</b>	<b>1,237,478</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>	28	<b>786,843</b>	<b>1,673,646</b>

The annexed notes 1 to 31 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 six months period ended March 31, 2022

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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. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements of the Company for the six months period ended March 31, 2022 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.

These condensed interim financial statements are unaudited but subject to limited scope review by the auditors. The figures for the quarter ended March 31, 2022 and March 31, 2021 appearing in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and notes forming part thereof have not been subject to limited scope review by the auditors, as the scope of the review covered only the cumulative figures for the half year ended March 31, 2022 and March 31, 2021.

#### 2.2 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.

### 3. ACCOUNTING POLICIES

- 3.1 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.
- 3.2 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were either not relevant or did not have any material impact on the accounting policies of the Company.

### 4. OPERATIONS IN AFGHANISTAN

Effective December 31, 2015, the Company ceased to participate in further business in Afghanistan due to withdrawal of sales rights by Siemens AG for the Afghanistan territory. However, the Company will continue to execute the orders in hand amounting to Rs 54.985 million as at March 31, 2022 (September 30, 2021: Rs 58.703 million).

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the six months period ended March 31, 2022**

		As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
<b>5. LONG-TERM FINANCING</b>			
Balance at beginning of the period / year		166,540	255,853
Accretion of interest during the period / year		3,899	17,889
Payments during the period / year		(69,191)	(107,202)
Balance at end of the period / year	5.1	101,248	166,540
Less: Current maturity of long-term financing	10	(101,248)	(135,099)
		<u>-</u>	<u>31,441</u>

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

		As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
<b>6. LEASE LIABILITIES</b>			
Balance at beginning of the period / year		111,654	136,334
Accretion of interest during the period / year		5,445	12,842
Payments during the period / year		(16,719)	(37,522)
Balance at end of the period / year		100,380	111,654
Less: Current maturity of lease liabilities	10	(31,274)	(31,330)
		<u>69,106</u>	<u>80,324</u>
<b>7. DEFERRED LIABILITIES</b>			
Defined benefit plan - gratuity fund		482,705	459,790
Share based benefits		29,874	52,786
Others		15,061	15,061
		<u>527,640</u>	<u>527,637</u>

**8. TRADE AND OTHER PAYABLES**

Trade creditors [including retention money of Rs 603.419 million (September 30, 2021: Rs 674.119 million)]	8.1	5,365,935	4,824,799
Accrued liabilities		850,260	1,187,786
Accrued interest		189,835	173,738
Workers' Welfare Fund (WWF)		197,879	176,186
Workers' Profit Participation Fund (WPPF)		56,832	15,580
Derivative financial instruments		-	20,086
Withholding tax payable		24,091	21,740
Sales tax payable		-	117,543
Other liabilities		82,725	76,403
		<u>6,767,557</u>	<u>6,613,861</u>

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the six months period ended March 31, 2022**

8.1 These include sums aggregating to Rs 1,356.398 million (September 30, 2021: Rs 1,621.544 million) due to related parties.

		As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
<b>9. CONTRACT LIABILITIES</b>			
Advances from customers			
- for goods		709,575	648,253
- for projects and services	9.1	2,186,751	2,556,249
		2,896,326	3,204,502
Unearned portion of revenue		199,105	129,915
Refund liabilities		337,962	332,189
		3,433,393	3,666,606

9.1 These include advance amount from Rousch (Pakistan) Power Limited having aggregate amount due of Rs 233.715 million (September 30, 2021: Rs 228.788 million) as per the contractual payment terms.

		As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
<b>10. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Current maturity of long-term financing	5	101,248	135,099
Current maturity of lease liabilities	6	31,274	31,330
Current portion of deferred Government grant	10.1	1,381	4,529
		133,903	170,958

**10.1 Deferred Government grant**

Balance at beginning of the period / year	4,529	15,785
Government grant amortised during the period / year	(3,148)	(11,256)
Balance at end of the period / year	1,381	4,529

**11. SHORT-TERM RUNNING FINANCES**

Secured	11.1	15,511	-
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11.1 These facilities arranged with commercial banks in Pakistan aggregated to Rs 4,039 million (September 30, 2021: Rs 4,900 million) at interest rate ranges between 8.00% to 11.04% 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.

11.2 Facility for unsecured bank overdraft arranged with commercial bank in the United Arab Emirates (UAE) aggregated to Rs 125.373 million (September 30, 2021: Rs 116.567 million) at interest rate ranges between 3.70% to 3.74% per annum. As of reporting date, this remained fully unutilized by the Company.

11.3 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
	(Rupees in '000)		
12. PROVISIONS			
Balance as at September 30, 2021 (Audited)	504,477	37,251	541,728
Additional provisions	79,708	2,602	82,310
Cost incurred	(26,844)	(11,489)	(38,333)
Reversal of unutilised amounts	(38,861)	(9,324)	(48,185)
Balance as at March 31, 2022 (Unaudited)	<u>518,480</u>	<u>19,040</u>	<u>537,520</u>

	As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
13. TAXATION - NET	(Rupees in '000)	
Provision for taxation	1,721,988	1,757,480
Advance tax	(1,388,773)	(1,428,062)
	<u>333,215</u>	<u>329,418</u>

## 14. CONTINGENCIES AND COMMITMENTS

## 14.1 Contingencies

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

	As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
Guarantees	(Rupees in '000)	
- limit	17,470,488	16,413,125
- utilised portion	15,028,959	12,944,617
- unutilised portion	<u>2,441,529</u>	<u>3,468,508</u>

## 14.2 Commitments

- (i) As at March 31, 2022, capital expenditure contracted for but not incurred amounted to Rs 51.116 million (September 30, 2021: Rs 50.848 million).
- (ii) Post dated cheques issued to the Collector of Customs against import duty aggregate to Rs nil (September 30, 2021: Rs 14.995 million).

	As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
(iii) Letters of credit	(Rupees in '000)	
- limit	4,300,000	1,214,412
- utilised portion	4,277,981	1,212,298
- unutilised portion	<u>22,019</u>	<u>2,114</u>

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

	As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
- Not later than one year	2,846	4,318

Siemens (Pakistan) Engineering Co. Ltd.  
Notes to the Condensed Interim Financial Statements (Unaudited)  
For the six months period ended March 31, 2022

		As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
		----- (Rupees in '000) -----	
<b>15. PROPERTY, PLANT AND EQUIPMENT</b>	<b>Note</b>		
Operating assets - at net book value	15.1	265,445	244,418
Capital-work-in-progress		20,868	55,937
		<u>286,313</u>	<u>300,355</u>
<b>15.1 Operating assets</b>			
Opening net book value		244,418	259,028
Additions during the period / year	15.2	85,208	104,303
		<u>329,626</u>	<u>363,331</u>
Disposals during the period / year	15.2	(17,409)	(84,830)
Accumulated depreciation on disposals		16,818	82,301
Depreciation for the period / year		<u>(63,590)</u>	<u>(116,384)</u>
		<u>(64,181)</u>	<u>(118,913)</u>
Closing net book value		<u>265,445</u>	<u>244,418</u>

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

	Additions		Disposals	
	For the six months period ended		For the six months period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- (Unaudited) -----		----- (Unaudited) -----	
	----- (Rupees in '000) -----			
Leasehold improvements	41,998	-	-	-
Plant and machinery	-	-	1,672	1,937
Furniture and fixtures	15,064	1,570	3,795	11,487
Office equipment	12,485	6,605	6,809	6,050
Vehicles	9,940	9,761	162	16,322
Tools and patterns	5,721	19,348	4,971	989
	85,208	37,284	17,409	36,785

**16. 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 / year:

	As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
	----- (Rupees in '000) -----	
Opening net book value	99,958	131,577
Depreciation for the period / year	(15,809)	(31,619)
Closing net book value	<u>84,149</u>	<u>99,958</u>

Siemens (Pakistan) Engineering Co. Ltd.  
Notes to the Condensed Interim Financial Statements (Unaudited)  
For the six months period ended March 31, 2022

		As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
		----- (Rupees in '000) -----	
<b>17. DEFERRED TAX ASSET</b>	<b>Note</b>		
Debit balances arising in respect of:			
Unadjusted tax credits / tax losses		-	54,655
Provisions		355,263	434,869
Remeasurement loss on defined benefit plan		49,563	58,450
Discounting of long-term receivables		11,027	4,533
Decelerated tax depreciation and amortisation		25,955	27,405
		<u>441,808</u>	<u>579,912</u>
<b>18. INVENTORIES</b>			
Raw materials and components		541,491	522,555
Work-in-process		968,969	621,990
Finished goods		242,668	186,323
		<u>1,753,128</u>	<u>1,330,868</u>
Less: Provision for slow moving and obsolete items		(173,667)	(189,513)
		<u>1,579,461</u>	<u>1,141,355</u>
Goods-in-transit		382,047	210,947
		<u>1,961,508</u>	<u>1,352,302</u>
<b>19. TRADE RECEIVABLES</b>			
Considered good			
Due from related parties	19.1	203,581	71,725
Due from others		9,514,738	10,286,953
		<u>9,718,319</u>	<u>10,358,678</u>
Considered doubtful		1,101,630	1,067,770
		<u>10,819,949</u>	<u>11,426,448</u>
Less: Loss allowance		(1,101,630)	(1,067,770)
		<u>9,718,319</u>	<u>10,358,678</u>
<b>19.1</b>	Represents amounts due from Rousch (Pakistan) Power Limited, Mentor Graphics Pakistan Development (Private) Limited and Siemens Energy affiliates having aggregate amounts of Rs 9.441 million (September 30, 2021: Rs 10.085 million), Rs 1.912 million (September 30 2021: Rs 3.973 million) and Rs 192.228 million (September 30, 2021: Rs 57.667 million) respectively.		
		As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
		----- (Rupees in '000) -----	
<b>20. CONTRACT ASSETS</b>			
Considered good		3,151,856	1,553,222
Considered doubtful		294,941	257,449
		<u>3,446,797</u>	<u>1,810,671</u>
Less: Loss allowance		(294,941)	(257,449)
		<u>3,151,856</u>	<u>1,553,222</u>

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**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the six months period ended March 31, 2022**

		As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
		----- (Rupees in '000) -----	
<b>21. OTHER RECEIVABLES</b>	<b>Note</b>		
<b>Considered good</b>			
Due from related parties	21.1	27	47
Costs reimbursable from customers		104,613	194,841
Sales tax refundable		50,255	-
Interest accrued		50,987	48,072
Derivative financial instruments		440,097	245,355
Others		23,331	35,925
		<u>669,310</u>	<u>524,240</u>
<b>Considered doubtful</b>			
Costs reimbursable from customers		13,939	15,230
Sales tax refundable		116,361	116,361
Others		88,233	88,658
		<u>218,533</u>	<u>220,249</u>
		887,843	744,489
Less: Loss allowance		<u>(218,533)</u>	<u>(220,249)</u>
		<u>669,310</u>	<u>524,240</u>

**21.1** Represents amount due from Siemens Gamesa Renewable Energy (Private) Limited and Siemens Healthcare (Private) Limited having aggregate amounts due of Rs 0.027 million (September 30, 2021: Rs 0.008 million) and Rs nil (September 30, 2021: Rs 0.039 million) respectively.

	As at March 31, 2022 (Unaudited)	As at September 30, 2021 (Audited)
	----- (Rupees in '000) -----	
<b>22. CASH AND BANK BALANCES</b>		
With banks in		
Current accounts	390,370	209,666
Deposit accounts	411,859	2,181,508
	<u>802,229</u>	<u>2,391,174</u>
Cheque in hand	-	10,503
Cash in hand	125	634
	<u>802,354</u>	<u>2,402,311</u>

Siemens (Pakistan) Engineering Co. Ltd.  
Notes to the Condensed Interim Financial Statements (Unaudited)  
For the six months period ended March 31, 2022

		For the six months period ended	
		March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
		----- (Rupees in '000) -----	
23.	NET SALES AND SERVICES		
	Sales disaggregation by type of contracts		
	Execution of contracts	4,388,012	2,929,010
	Sale of goods	3,399,085	2,016,922
	Rendering of services	1,385,691	1,186,381
		9,172,788	6,132,313
	Sales tax	1,089,952	714,484
	Gross sales and services	10,262,740	6,846,797
	Less: Sales tax	(1,089,952)	(714,484)
		9,172,788	6,132,313
24.	OTHER INCOME		
	Gain on sale of property, plant and equipment	63	3,868
	Liabilities no longer payable written back	1,050	3,890
	Insurance and other claims	155	8,542
		1,268	16,300
25.	OTHER OPERATING EXPENSES		
	Workers' Profit Participation Fund (WPPF)	56,832	-
	Workers' Welfare Fund (WWF)	21,787	2,561
		78,619	2,561
26.	INCOME TAX		
	Current	241,546	142,922
	Deferred	138,104	101,437
		379,650	244,359

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Siemens (Pakistan) Engineering Co. Ltd.  
Notes to the Condensed Interim Financial Statements (Unaudited)  
For the six months period ended March 31, 2022

		For the six months period ended	
		March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
		----- (Rupees in '000) -----	
27.	<b>CASH (USED IN) / GENERATED FROM OPERATIONS</b>		
	Profit before tax for the period	1,057,695	115,570
	<b>Adjustments for non-cash items:</b>		
	Depreciation and amortisation	79,399	71,170
	Reversal of provision for slow moving and obsolete items of inventories - net	(15,846)	(18,277)
	Loss allowance / (reversal of loss allowance) on trade receivables - net	68,016	(35,705)
	Loss allowance / (reversal of loss allowance) on contract assets	37,492	(1,187)
	(Reversal) / loss allowance on deposit and other receivables - net	(1,499)	117
	Discounting of long-term loans and trade receivables - net	49,440	(1,325)
	Provision for Workers' Welfare Fund (WWF)	21,787	2,561
	Provision for Workers' Profit Participation Fund (WPPF)	56,832	-
	Liabilities no longer payable written back	(1,050)	(3,890)
	Gain on sale of property, plant and equipment	(63)	(3,868)
	Gain on sale of assets classified as held for sale	-	(247,851)
	Financial expenses	23,654	17,890
	Financial income	(24,961)	(23,900)
	<b>Adjustment for other items:</b>		
	Long-term loans and trade receivables	(191,005)	(14,636)
	Long-term prepayments	1,106	(4,148)
	Retention money	7,166	(41,300)
	Other non-current liabilities	3	4,994
	Working capital changes	(2,037,471)	1,339,388
		<b>(869,305)</b>	<b>1,155,603</b>
27.1	<b>Working capital changes</b>		
	<b>(Increase) / decrease in current assets:</b>		
	Inventories	(593,360)	(430,859)
	Trade receivables	606,499	362,247
	Contract assets	(1,636,126)	335,723
	Loans and advances	(103,879)	47,143
	Deposits and short-term prepayments	(8,449)	(1,256)
	Other receivables	(140,439)	39,208
		<b>(1,875,754)</b>	<b>352,206</b>
	<b>Increase / (decrease) in current liabilities:</b>		
	Trade and other payables	75,704	137,608
	Contract liabilities	(233,213)	859,637
	Provisions	(4,208)	(10,063)
		<b>(161,717)</b>	<b>987,182</b>
		<b>(2,037,471)</b>	<b>1,339,388</b>

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the six months period ended March 31, 2022**

	As at March 31, 2022 (Unaudited)	As at March 31, 2021 (Unaudited)
<b>28. CASH AND CASH EQUIVALENTS</b>	----- (Rupees in '000) -----	
Cash and bank balances	802,354	1,673,646
Short-term running finances	(15,511)	-
	<u>786,843</u>	<u>1,673,646</u>

**29. 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 six months period ended	
	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
<b>Note</b>	----- (Rupees in '000) -----	
<b>Parent company</b>		
Sale of goods and rendering of services	3,431	-
Purchases of goods and receipt of services	1,278,890	817,948
Dividends paid	283,212	61,568
<b>Associated companies</b>		
Sale of goods and rendering of services	354,335	272,466
Purchases of goods and receipt of services	2,089,202	1,683,149
Commission and allowances earned	-	1,814
Financial expenses	2	4
<b>Others</b>		
Dividends paid	481	11
Contribution to employees' retirement benefit funds	86,577	86,559
Compensation to key management personnel	29.1 113,238	104,168

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

Short-term benefits	98,306	83,036
Post-employment benefits	875	840
Share based benefits	14,057	20,292
	<u>113,238</u>	<u>104,168</u>

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

Siemens (Pakistan) Engineering Co. Ltd.  
Notes to the Condensed Interim Financial Statements (Unaudited)  
For the six months period ended March 31, 2022

30. 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.

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

Segment	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			
Business Units													

For the six months period ended March 31, 2022 (Unaudited)

REVENUE	1,664,117	309,584	126,506	2,100,207	876,051	584,181	1,460,232	2,963,551	2,645,582	5,609,133	3,216	-	9,172,788
Sales to external customers	178,631	175,698	2,686	357,015	-	10,288	10,288	-	-	-	-	(367,303)	-
Inter-segment sales	1,842,748	485,282	129,192	2,457,222	876,051	594,469	1,470,520	2,963,551	2,645,582	5,609,133	3,216	(367,303)	9,172,788
Total revenue													
RESULT	37,597	22,466	7,604	67,667	(13,624)	(28,769)	(42,393)	301,950	722,354	1,024,304	2,545	-	1,052,123
Segment result													(16,474)
Financial expenses													22,046
Financial income													(379,650)
Income tax expense													678,045
Net profit for the period													

OTHER INFORMATION

Capital expenditure	5,079	(440)	147	4,786	516	10,245	10,761	6,552	3,082	9,634	-		
Depreciation	8,851	4,043	12	12,906	2,808	5,246	8,054	11,601	13,028	24,629	265		
Non-cash expenses other than depreciation	(2,004)	(1,129)	(127)	(3,260)	(4,150)	(3,494)	(7,644)	(6,773)	(117)	(6,890)	(566)		

As at March 31, 2022 (Unaudited)

ASSETS AND LIABILITIES

Segment assets	3,103,740	869,080	64,492	4,037,312	380,424	752,639	1,133,063	8,858,853	2,060,823	10,919,676	375,522		16,465,573
Segment liabilities	592,566	172,872	(7,031)	758,407	567,506	160,128	727,634	3,885,123	2,138,375	6,023,498	287,432		7,796,971

Siemens (Pakistan) Engineering Co. Ltd.  
Notes to the Condensed Interim Financial Statements (Unaudited)  
For the six months period ended March 31, 2022

Segment	(All rupees in '000)											
	Smart Infrastructure			Digital Industries			Energy			Eliminations	Company as a whole	
	Distribution Systems	Digital Grid	Others	Total	Software	Others	Total	Transmission Solutions & Services	Power Gen. & Services			Total
----- For the six months period ended March 31, 2021 (Unaudited) -----												
REVENUE												
Sales to external customers	739,954	309,414	82,256	1,131,624	697,391	739,013	1,436,404	1,249,923	2,295,994	3,545,917	18,368	6,132,313
Inter-segment sales	323,380	54,364	-	377,744	2,736	-	2,736	472	-	472	-	(380,952)
Total revenue	1,063,334	363,778	82,256	1,509,368	700,127	739,013	1,439,140	1,250,395	2,295,994	3,546,389	18,368	6,132,313
RESULT												
Segment result	138,941	(9,947)	936	129,930	(49,614)	99,700	50,086	(523,971)	210,223	(313,748)	(8,023)	(141,755)
Gain on disposal of assets classified as held for sale												247,851
Financial expenses												(11,030)
Financial income												20,504
Income tax expense												(244,359)
Net loss for the period												(128,789)
OTHER INFORMATION												
Capital expenditure	1,816	7,696	-	9,512	1,608	6,923	8,531	5,267	18,007	23,274	35	
Depreciation and amortisation	9,517	4,015	41	13,573	3,970	4,232	8,202	12,000	10,154	22,154	379	
Non-cash expenses other than depreciation and amortisation	(7,764)	(4,239)	(148)	(12,151)	(5,051)	(4,880)	(9,941)	(9,849)	(3,775)	(13,624)	(751)	
----- As at September 30, 2021 (Audited) -----												
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	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

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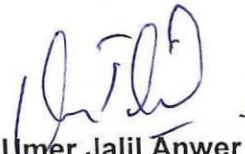
30.2 Geographical information	For the six months period ended	
	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
Sales to external customers	----- (Rupees in '000) -----	
Pakistan	8,911,760	5,744,002
Afghanistan	9,937	136,128
Others	251,091	252,183
	<u>9,172,788</u>	<u>6,132,313</u>

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

31. 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 May 26, 2022 *per*

  
Markus-Erich Strohmeier  
Managing Director

  
Umer Jalil Anwer  
Chief Financial Officer

  
Qazi Sajid Ali  
Director