



## SIEMENS (PAKISTAN) ENGINEERING CO. LTD.

### DIRECTORS' REPORT NINE MONTHS ENDED JUNE 30<sup>TH</sup>, 2022 ON THE UN-AUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

<b>Chairman of the Board</b>	Stefan Werner
<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 Stefan Werner 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

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

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

# SIEMENS

Dear Shareholders,

We, the undersigned, for and on behalf of the Board of Directors are pleased to present your company's, Siemens (Pakistan) Engineering Co. Ltd. ("**Company**"), unaudited condensed interim financial statements and a review of the Company's performance for the nine months ended June 30, 2022.

**Company's Performance:** Key Performance Indicators ("**KPIs**") for the nine months ended June 30, 2022, compared to corresponding period last year are summarized below:

KPIs	Rs in million	
	Nine Months Ended June 30, 2022	Nine Months Ended June 30, 2021
New Orders	34,471	18,253
Net sales and services	15,028	9,493
Profit before income tax	1,914	426
Net profit for the period	1,174	72
Earnings / (loss) per share (Rupees)	142.41	8.72

The Company booked a total Rs. 34.47 billion in new orders in the nine months ended June 30, 2022, which is 89% higher than the same period last year. A major portion of this win was generated from the new contract in Transmission business with K-Electric of approximately Rs. 15.5 billion to build the KANUPP – K-Electric Interconnection (KKI) 500/220 kV Grid Station. Another major win in this quarter is the SAP implementation for NTDC of Rs. 2.2 billion recorded by our Digital Industries business. On the base of the order backlog from FY 2021 and the new orders won during the first two quarters, the Company generated 58% higher sales revenue in the current financial year to date as compared to same period last year. It has also recorded healthy profits despite unprecedented increase in logistics cost, prices of raw materials and other inputs as well as delay in supplies due to global logistics bottlenecks.

**Future Outlook:** The Board and management of the Company continue to closely monitor the political and economic situation of the country. New regulatory requirements to seek prior State Bank of Pakistan (SBP) approval for each import transaction presents a significant challenge for the Company. This regulatory action has adversely impacted industry at a wider level and progress on the approvals process is not encouraging. There is a risk that this situation will impact the Company's ability to timely procure the machinery and equipment required for execution of its orders in transmission and electrification & automation businesses. We are in close coordination with our partner banks to mitigate the anticipated delays to the best extent possible given the position of foreign reserves. While the Company has delivered good financial results for the period under review, future growth is heavily dependent upon early resolution of the political and economic situation.

**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



**Stefan Werner**  
Chairman

Munich, July 27, 2022

**SIEMENS**

**Condensed Interim Financial Statements  
for the nine months period  
ended June 30, 2022  
(Unaudited)**

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

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Financial Position**  
**As at June 30, 2022**

		June 30, 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		5,894,717	5,099,635
		6,518,909	5,723,827
<b>Total equity</b>		6,601,379	5,806,297
<b>Non-current liabilities</b>			
Long-term financing	5	-	31,441
Lease liabilities	6	59,079	80,324
Deferred liabilities	7	534,902	527,637
Retention money		7,672	3,035
		601,653	642,437
<b>Current liabilities</b>			
Trade and other payables	8	7,780,931	6,613,861
Contract liabilities	9	5,163,268	3,666,606
Current portion of non-current liabilities	10	101,595	170,958
Short-term running finances	11	18,217	-
Provisions	12	541,185	541,728
Taxation - net	13	515,964	329,418
Unclaimed dividend		34,379	33,380
		14,155,539	11,355,951
<b>Total liabilities</b>		14,757,192	11,998,388
<b>Contingencies and commitments</b>	14		
<b>Total equity and liabilities</b>		21,358,571	17,804,685
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	324,529	300,355
Right-of-use assets	16	76,244	99,958
Long-term loans and trade receivables		767,385	396,636
Long-term prepayments		1,383	3,042
Deferred tax asset	17	383,424	579,912
		1,552,965	1,379,903
<b>Current assets</b>			
Inventories	18	2,306,151	1,352,302
Trade receivables	19	10,682,104	10,358,678
Contract assets	20	3,104,951	1,553,222
Loans and advances		525,449	129,788
Deposits and short-term prepayments		472,075	104,241
Derivative financial instruments		1,074,321	245,355
Other receivables	21	225,855	278,885
Cash and bank balances	22	1,414,700	2,402,311
		19,805,606	16,424,782
<b>Total assets</b>		21,358,571	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

  
**Ayla Majid**  
Director




**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Profit or Loss (Unaudited)**  
**For the nine months period ended June 30, 2022**

		Nine months period ended		Three months period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note		(Rupees in '000)			
Net sales and services	23	15,028,124	9,493,152	5,855,336	3,360,839
Cost of sales and services		(11,532,077)	(8,493,999)	(4,319,942)	(2,749,769)
Gross profit		3,496,047	999,153	1,535,394	611,070
Marketing and selling expenses		(860,905)	(619,169)	(330,336)	(214,463)
(Allowance for) / reversal of expected credit losses		(309,989)	34,690	(205,980)	(2,085)
General administrative expenses		(252,626)	(253,432)	(60,290)	(81,250)
		(1,423,520)	(837,911)	(596,606)	(297,798)
		2,072,527	161,242	938,788	313,272
Gain on disposal of assets classified as held for sale		-	247,851	-	-
Other income	24	1,409	18,833	141	2,533
Other operating expenses	25	(142,183)	(13,487)	(63,564)	(10,926)
Net other (operating expenses) / income		(140,774)	253,197	(63,423)	(8,393)
Operating profit		1,931,753	414,439	875,365	304,879
Financial income		27,867	37,661	2,906	13,761
Financial expenses		(45,432)	(26,043)	(21,778)	(8,153)
Net finance (expenses) / income		(17,565)	11,618	(18,872)	5,608
Profit before income tax		1,914,188	426,057	856,493	310,487
Income tax	26	(739,742)	(354,148)	(360,092)	(109,789)
Net profit for the period		1,174,446	71,909	496,401	200,698
Basic and diluted earnings per share (Rupees)		142.41	8.72	60.19	24.34

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

  
**Ayla Majid**  
 Director

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
**For the nine months period ended June 30, 2022**

	Nine months period ended		Three months period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----			
Net profit for the period	1,174,446	71,909	496,401	200,698
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b><u>1,174,446</u></b>	<b><u>71,909</u></b>	<b><u>496,401</u></b>	<b><u>200,698</u></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

  
**Ayla Majid**  
 Director

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Changes in Equity**  
**For the nine months period ended June 30, 2022**

	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 (loss) / profit	
						(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>
Final dividend @ Rs 10 per Ordinary share of Rs 10 each for the year ended September 30, 2020	-	-	-	-	-	-	(82,470)	(82,470)
Net profit for the nine months period ended June 30, 2021	-	-	-	-	-	-	71,909	71,909
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	71,909	71,909
<b>Balance as at June 30, 2021 - Unaudited</b>	<b>82,470</b>	<b>619,325</b>	<b>567</b>	<b>4,300</b>	<b>4,523,026</b>	<b>(350,000)</b>	<b>78,408</b>	<b>4,958,096</b>
<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>
Final dividend @ Rs 46 per Ordinary share of Rs 10 each for the year ended September 30, 2021	-	-	-	-	-	-	(379,364)	(379,364)
Net profit for the nine months period ended June 30, 2022	-	-	-	-	-	-	1,174,446	1,174,446
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	1,174,446	1,174,446
<b>Balance as at June 30, 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>1,651,586</b>	<b>6,601,379</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



**Ayla Majid**  
Director

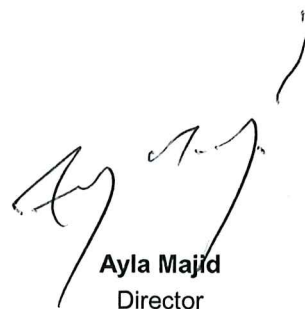
**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Cash Flows (Unaudited)**  
**For the nine months period ended June 30, 2022**

		Nine months period ended	
		June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
Note			
	<b>Cash flows from operating activities</b>		
	Cash (used in) / generated from operations	27 (17,613)	1,613,313
	Financial expenses paid	(10,235)	(19,747)
	Income tax paid	(356,708)	(8,085)
	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	(400,230)	1,567,795
	<b>Cash flows from investing activities</b>		
	Capital expenditure	(120,447)	(77,211)
	Proceeds from sale of property, plant and equipment	873	8,506
	Proceeds from sale of assets classified as held for sale - net	-	250,546
	Financial income received	22,759	32,793
	Net cash (used in) / generated from investing activities	(96,815)	214,634
	<b>Cash flows from financing activities</b>		
	Dividends paid	(378,365)	(82,134)
	Repayment of long-term financing	(103,147)	(72,221)
	Repayment of lease liabilities	(27,271)	(24,792)
	Net cash used in financing activities	(508,783)	(179,147)
	<b>Net (decrease) / increase in cash and cash equivalents</b>	(1,005,828)	1,603,282
	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 1,396,483	2,039,450

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

  
**Ayla Majid**  
 Director



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

**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 53.026 million as at June 30, 2022 (September 30, 2021: Rs 58.703 million).

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2022**

		As at June 30, 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		4,569	17,889
Payments during the period / year		(103,147)	(107,202)
Balance at end of the period / year	5.1	<u>67,962</u>	<u>166,540</u>
Less: Current maturity of long-term financing	10	<u>(67,962)</u>	<u>(135,099)</u>
		<u>-</u>	<u>31,441</u>
<b>5.1</b> 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 June 30, 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		7,862	12,842
Payments during the period / year		(27,271)	(37,522)
Balance at end of the period / year		<u>92,245</u>	<u>111,654</u>
Less: Current maturity of lease liabilities	10	<u>(33,166)</u>	<u>(31,330)</u>
		<u>59,079</u>	<u>80,324</u>
<b>7. DEFERRED LIABILITIES</b>			
Defined benefit plan - gratuity fund		494,163	459,790
Share based benefits		25,678	52,786
Others		15,061	15,061
		<u>534,902</u>	<u>527,637</u>
<b>8. TRADE AND OTHER PAYABLES</b>			
Trade creditors [including retention money of Rs 573.945 million (September 30, 2021: Rs 674.119 million)]	8.1	6,121,659	4,824,799
Accrued liabilities		1,009,826	1,187,786
Accrued interest		200,566	173,738
Workers' Welfare Fund (WWF)		215,441	176,186
Workers' Profit Participation Fund (WPPF)		102,834	15,580
Derivative financial instruments		-	20,086
Withholding tax payable		24,247	21,740
Sales tax payable		-	117,543
Other liabilities		106,358	76,403
		<u>7,780,931</u>	<u>6,613,861</u>

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2022**

8.1 These include sums aggregating to Rs 1,590.272 million (September 30, 2021: Rs 1,621.544 million) due to related parties.

		As at June 30, 2022 (Unaudited)	As at September 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
<b>9. CONTRACT LIABILITIES</b>			
Advances from customers			
- for goods		1,022,825	648,253
- for projects and services	9.1	3,504,603	2,556,249
		<u>4,527,428</u>	<u>3,204,502</u>
Unearned portion of revenue		269,762	129,915
Refund liabilities		366,078	332,189
		<u>5,163,268</u>	<u>3,666,606</u>

9.1 These include advance amount from Rousch (Pakistan) Power Limited having aggregate amount of Rs 246.677 million (September 30, 2021: Rs 228.788 million) as per the contractual payment terms.

		As at June 30, 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	67,962	135,099
Current maturity of lease liabilities	6	33,166	31,330
Current portion of deferred Government grant	10.1	467	4,529
		<u>101,595</u>	<u>170,958</u>

**10.1 Deferred Government grant**

Balance at beginning of the period / year	4,529	15,785
Government grant amortised during the period / year	(4,062)	(11,256)
Balance at end of the period / year	<u>467</u>	<u>4,529</u>

**11. SHORT-TERM RUNNING FINANCES**

Secured	11.1	<u>18,217</u>	-
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11.1 These facilities arranged with commercial banks in Pakistan aggregated to Rs 3,931 million (September 30, 2021: Rs 4,900 million) at interest rate ranges between 8.00% to 14.71% 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 139.273 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 2.20% (September 30, 2021: 0.91% to 1.56% per annum). As of reporting date, this remained fully unutilized by the Company.



**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2022**

	Warranties	Losses on sales contracts	Total
	----- (Rupees in '000) -----		
<b>12. PROVISIONS</b>			
Balance as at September 30, 2021 (Audited)	504,477	37,251	541,728
Additional provisions	110,181	2,903	113,084
Cost incurred	(38,977)	(14,142)	(53,119)
Reversal of unutilised amounts	(51,184)	(9,324)	(60,508)
Balance as at June 30, 2022 (Unaudited)	<u>524,497</u>	<u>16,688</u>	<u>541,185</u>

	As at June 30, 2022 (Unaudited)	As at September 30, 2021 (Audited)
	----- (Rupees in '000) -----	
<b>13. TAXATION - NET</b>		
Provision for taxation	2,023,696	1,757,480
Advance tax	(1,507,732)	(1,428,062)
	<u>515,964</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 June 30, 2022 (Unaudited)	As at September 30, 2021 (Audited)
	----- (Rupees in '000) -----	
Guarantees		
- limit	16,538,283	16,413,125
- utilised portion	15,049,163	12,944,617
- unutilised portion	<u>1,489,120</u>	<u>3,468,508</u>

**14.2 Commitments**

(i) As at June 30, 2022, capital expenditure contracted for but not incurred amounted to Rs 35.690 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 June 30, 2022 (Unaudited)	As at September 30, 2021 (Audited)
	----- (Rupees in '000) -----	
(iii) Letters of credit		
- limit	5,000,000	1,214,412
- utilised portion	4,098,913	1,212,298
- unutilised portion	<u>901,087</u>	<u>2,114</u>

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

	As at June 30, 2022 (Unaudited)	As at September 30, 2021 (Audited)
	----- (Rupees in '000) -----	
- Not later than one year	<u>2,158</u>	<u>4,318</u>



**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2022**

			As at June 30, 2022 (Unaudited) ----- (Rupees in '000) -----	As at September 30, 2021 (Audited)
<b>15. PROPERTY, PLANT AND EQUIPMENT</b>	<b>Note</b>			
Operating assets - at net book value	15.1		299,450	244,418
Capital-work-in-progress			25,079	55,937
			<u>324,529</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		151,305	104,303
			<u>395,723</u>	<u>363,331</u>
Disposals during the period / year	15.2		(27,330)	(84,830)
Accumulated depreciation on disposals			26,612	82,301
Depreciation for the period / year			(95,555)	(116,384)
			<u>(96,273)</u>	<u>(118,913)</u>
Closing net book value			<u>299,450</u>	<u>244,418</u>

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

	Additions		Disposals	
	For the nine months period ended		For the nine months period ended	
	June 30, 2022 ----- (Unaudited) -----	June 30, 2021	June 30, 2022 ----- (Unaudited) -----	June 30, 2021
	----- (Rupees in '000) -----			
Leasehold improvements	41,998	-	-	-
Plant and machinery	23,758	-	3,899	1,937
Furniture and fixtures	23,343	5,815	6,207	12,716
Office equipment	35,802	17,452	12,056	11,127
Vehicles	17,886	19,518	162	18,409
Tools and patterns	8,518	19,348	5,006	5,414
	<u>151,305</u>	<u>62,133</u>	<u>27,330</u>	<u>49,603</u>

**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 June 30, 2022 (Unaudited) ----- (Rupees in '000) -----	As at September 30, 2021 (Audited)
Opening net book value	99,958	131,577
Depreciation for the period / year	(23,714)	(31,619)
Closing net book value	<u>76,244</u>	<u>99,958</u>

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
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		As at June 30, 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		291,123	434,869
Remeasurement loss on defined benefit plan		48,932	58,450
Discounting of long-term receivables		18,300	4,533
Decelerated tax depreciation and amortisation		25,069	27,405
		<u>383,424</u>	<u>579,912</u>
<b>18. INVENTORIES</b>			
Raw materials and components		542,321	522,555
Work-in-process		1,153,165	621,990
Finished goods		231,201	186,323
		<u>1,926,687</u>	<u>1,330,868</u>
Less: Provision for slow moving and obsolete items		<u>(176,324)</u>	<u>(189,513)</u>
		<u>1,750,363</u>	<u>1,141,355</u>
Goods-in-transit		555,788	210,947
		<u>2,306,151</u>	<u>1,352,302</u>
<b>19. TRADE RECEIVABLES</b>			
Considered good			
Due from related parties	19.1	148,222	71,725
Due from others		10,533,882	10,286,953
		<u>10,682,104</u>	<u>10,358,678</u>
Considered doubtful		1,174,002	1,067,770
		<u>11,856,106</u>	<u>11,426,448</u>
Less: Loss allowance		<u>(1,174,002)</u>	<u>(1,067,770)</u>
		<u>10,682,104</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 18.970 million (September 30, 2021: Rs 10.085 million), Rs 1.293 million (September 30 2021: Rs 3.973 million) and Rs 127.959 million (September 30, 2021: Rs 57.667 million) respectively.		
		As at June 30, 2022 (Unaudited)	As at September 30, 2021 (Audited)
		----- (Rupees in '000) -----	
<b>20. CONTRACT ASSETS</b>			
Considered good		3,104,951	1,553,222
Considered doubtful		362,362	257,449
		<u>3,467,313</u>	<u>1,810,671</u>
Less: Loss allowance		<u>(362,362)</u>	<u>(257,449)</u>
		<u>3,104,951</u>	<u>1,553,222</u>

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2022**

		As at June 30, 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		147,661	194,841
Sales tax refundable		3,262	-
Interest accrued		53,180	48,072
Others		21,725	35,925
		<u>225,855</u>	<u>278,885</u>
<b>Considered doubtful</b>			
Costs reimbursable from customers		14,628	15,230
Sales tax refundable		116,361	116,361
Others		88,289	88,658
		<u>219,278</u>	<u>220,249</u>
		445,133	499,134
Less: Loss allowance		<u>(219,278)</u>	<u>(220,249)</u>
		<u>225,855</u>	<u>278,885</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 June 30, 2022 (Unaudited)	As at September 30, 2021 (Audited)
	----- (Rupees in '000) -----	
<b>22. CASH AND BANK BALANCES</b>		
With banks in		
Current accounts	430,333	209,666
Deposit accounts	984,210	2,181,508
	<u>1,414,543</u>	<u>2,391,174</u>
Cheque in hand	-	10,503
Cash in hand	157	634
	<u>1,414,700</u>	<u>2,402,311</u>

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2022**

		For the nine months period ended	
		June 30,	June 30,
		2022	2021
		(Unaudited)	(Unaudited)
		----- (Rupees in '000) -----	
<b>23.</b>	<b>NET SALES AND SERVICES</b>		
	<b>Sales disaggregation by type of contracts</b>		
	Execution of contracts	7,250,385	4,414,698
	Sale of goods	5,500,032	3,040,971
	Rendering of services	2,277,707	2,037,483
		<u>15,028,124</u>	<u>9,493,152</u>
	Sales tax	1,991,899	1,195,591
	Gross sales and services	<u>17,020,023</u>	<u>10,688,743</u>
	Less: Sales tax	<u>(1,991,899)</u>	<u>(1,195,591)</u>
		<u><u>15,028,124</u></u>	<u><u>9,493,152</u></u>
<b>24.</b>	<b>OTHER INCOME</b>		
	Gain on sale of property, plant and equipment	155	6,401
	Liabilities no longer payable written back	1,050	3,889
	Insurance and other claims	204	8,543
		<u>1,409</u>	<u>18,833</u>
<b>25.</b>	<b>OTHER OPERATING EXPENSES</b>		
	Workers' Profit Participation Fund (WPPF)	102,834	9,586
	Workers' Welfare Fund (WWF)	39,349	3,901
		<u>142,183</u>	<u>13,487</u>
<b>26.</b>	<b>INCOME TAX</b>		
	Current		
	For the year	490,554	235,300
	For prior year	52,700	-
		<u>543,254</u>	<u>235,300</u>
	Deferred	196,488	118,848
		<u>739,742</u>	<u>354,148</u>



**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2022**

			For the nine months period ended	
			June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
			----- (Rupees in '000) -----	
<b>27.</b>	<b>CASH (USED IN) / GENERATED FROM OPERATIONS</b>	<b>Note</b>		
	Profit before tax for the period		1,914,188	426,057
	<b>Adjustments for non-cash items:</b>			
	Depreciation and amortisation		119,269	109,223
	Reversal of provision for slow moving and obsolete items of inventories - net		(13,189)	(29,942)
	Loss allowance / (reversal of loss allowance) on trade receivables - net		205,770	(34,769)
	Loss allowance / (reversal of loss allowance) on contract assets		104,913	(2,555)
	(Reversal) / loss allowance on deposit and other receivables - net		(694)	2,634
	Discounting of long-term loans and trade receivables - net		101,123	(6,429)
	Provision for Workers' Welfare Fund (WWF)		39,349	3,901
	Provision for Workers' Profit Participation Fund (WPPF)		102,834	9,586
	Liabilities no longer payable written back		(1,050)	(3,889)
	Gain on sale of property, plant and equipment		(155)	(6,401)
	Gain on sale of assets classified as held for sale		-	(247,851)
	Financial expenses		45,432	26,043
	Financial income		(27,867)	(37,661)
	<b>Adjustment for other items:</b>			
	Long-term loans and trade receivables		(571,410)	(25,618)
	Long-term prepayments		1,659	(3,595)
	Retention money		4,637	(37,411)
	Other non-current liabilities		7,265	7,870
	Working capital changes	27.1	(2,049,687)	1,464,120
			<u>(17,613)</u>	<u>1,613,313</u>
<b>27.1</b>	<b>Working capital changes</b>			
	<b>(Increase) / decrease in current assets:</b>			
	Inventories		(940,660)	(774,758)
	Trade receivables		(429,658)	769,660
	Contract assets		(1,656,642)	267,163
	Loans and advances		(395,661)	62,329
	Deposits and short-term prepayments		(368,111)	(12,063)
	Derivative financial instruments		(828,966)	32,997
	Other receivables		59,109	(186,276)
			<u>(4,560,589)</u>	<u>159,052</u>
	<b>Increase / (decrease) in current liabilities:</b>			
	Trade and other payables		1,014,783	166,767
	Contract liabilities		1,496,662	1,161,518
	Provisions		(543)	(23,217)
			<u>2,510,902</u>	<u>1,305,068</u>
			<u>(2,049,687)</u>	<u>1,464,120</u>

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2022**

	As at June 30, 2022 (Unaudited)	As at June 31, 2021 (Unaudited)
	----- (Rupees in '000) -----	
<b>28. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	1,414,700	2,040,954
Short-term running finances	(18,217)	(1,504)
	<u>1,396,483</u>	<u>2,039,450</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 nine months period ended	
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
	----- (Rupees in '000) -----	
<b>Parent company</b>		
Sale of goods and rendering of services	5,984	11,834
Purchases of goods and receipt of services	1,906,108	1,362,611
Dividends paid	283,212	61,568
<b>Associated companies</b>		
Sale of goods and rendering of services	471,562	394,431
Purchases of goods and receipt of services	3,417,358	2,732,924
Commission and allowances earned	-	1,814
Financial expenses - net	-	15
Financial income - net	24	-
<b>Others</b>		
Dividends paid	481	11
Contribution to employees' retirement benefit funds	130,115	129,596
Compensation to key management personnel	159,567	153,134
<b>29.1</b>		
The details of compensation to key management personnel are as follows:		
Short-term benefits	148,041	128,035
Post-employment benefits	1,383	1,290
Share based benefits	10,143	23,809
	<u>159,567</u>	<u>153,134</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 nine months period ended June 30, 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		
For the nine months period ended June 30, 2022 (Unaudited)												
REVENUE												
Sales to external customers	2,244,166	721,857	160,426	3,126,449	1,671,195	887,146	2,558,341	4,751,714	4,588,404	9,340,118	3,216	15,028,124
Inter-segment sales	241,163	263,480	2,821	507,464	-	10,996	10,996	-	-	-	-	(518,460)
Total revenue	2,485,329	985,337	163,247	3,633,913	1,671,195	898,142	2,569,337	4,751,714	4,588,404	9,340,118	3,216	15,028,124
RESULT												
Segment result	(54,907)	100,784	9,317	55,194	(4,456)	(29,386)	(33,842)	656,462	1,255,946	1,912,408	(7,509)	1,926,251
Financial expenses												(34,822)
Financial income												22,759
Income tax expense												(739,742)
Net profit for the period												1,174,446

**ASSETS AND LIABILITIES**

-----As at June 30, 2022 (Unaudited)-----

Segment assets	2,739,527	1,178,045	55,030	3,972,602	509,240	801,608	1,310,848	10,589,065	2,965,264	13,554,329	375,496	19,213,275
Segment liabilities	1,815,981	861,266	103,807	2,781,054	1,036,167	675,603	1,711,770	5,236,437	2,750,252	7,986,689	280,626	12,760,139



**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2022**

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	Others
Business Units														
----- For the nine months period ended June 30, 2021 (Unaudited) -----														
REVENUE														
Sales to external customers	414,472	1,072,590	126,852	1,613,914	1,282,798	1,109,021	2,391,819	3,067,825	5,465,441	21,978	-	9,493,152		
Inter-segment sales	337,451	179,271	-	516,722	2,736	612	3,348	472	472	-	(520,542)	-		
Total revenue	751,923	1,251,861	126,852	2,130,636	1,285,534	1,109,633	2,395,167	3,067,825	5,465,913	21,978	(520,542)	9,493,152		
RESULT														
Segment result	118,020	9,824	2,813	130,657	13,575	143,517	157,092	360,190	(101,895)	(24,688)	-	161,166		
Gain on disposal of assets classified as held for sale												247,851		
Financial expenses								(462,085)				(15,753)		
Financial income												32,793		
Income tax expense												(354,148)		
Net loss for the period												71,909		
OTHER INFORMATION														
Capital expenditure	3,289	8,096	-	11,385	2,521	9,332	11,853	6,579	21,725	28,304	35			
Depreciation and amortisation	14,478	6,339	51	20,868	5,727	6,409	12,136	18,323	17,145	35,468	515			
Non-cash expenses other than depreciation and amortisation	(6,134)	(3,262)	(93)	(9,489)	(3,668)	(3,292)	(6,960)	(7,090)	(2,600)	(9,690)	(569)			
----- 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		



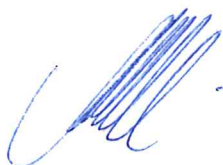
**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the nine months period ended June 30, 2022**

		For the nine months period ended	
		June 30,	June 30,
		2022	2021
		(Unaudited)	(Unaudited)
		----- (Rupees in '000) -----	
30.2	Geographical information		
	Sales to external customers		
	Pakistan	14,658,927	9,012,384
	Afghanistan	20,003	158,890
	Others	349,194	321,878
		<u>15,028,124</u>	<u>9,493,152</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 July 27, 2022.



**Markus-Erich Strohmeier**  
Managing Director



**Umer Jalil Anwer**  
Chief Financial Officer



**Ayla Majid**  
Director