

SIEMENS



Annual Report 2022 **Pakistan**

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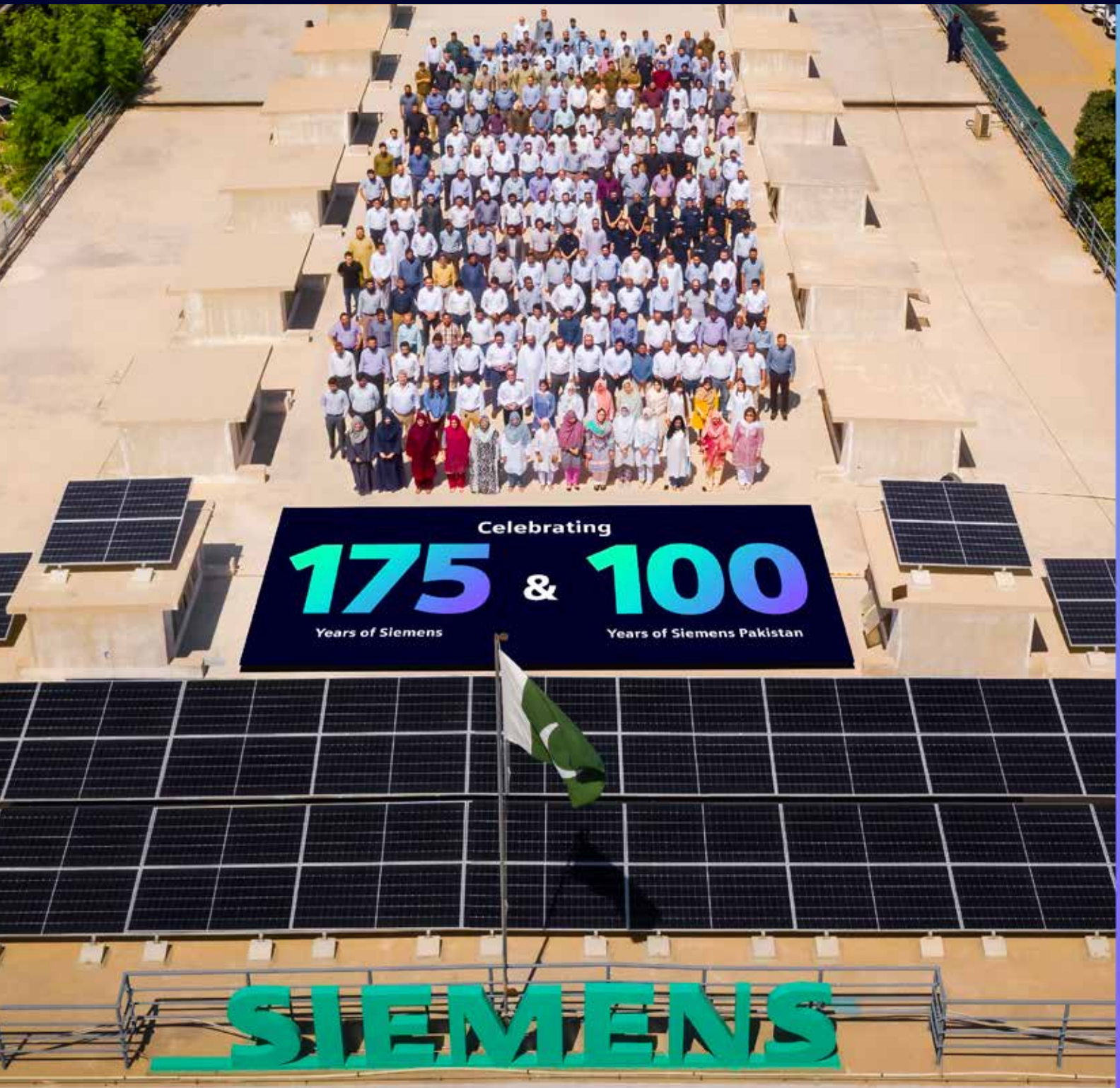
چیئرمین کی جائزہ رپورٹ

Proxy Form

پراکسی فارم

Dividend Mandate Form

Request Form for Annual Report and Notices through E-mail



Celebrating

100

Years of Siemens Pakistan



Customer impact

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



Empowered people

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



Technology with purpose

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



Growth mindset

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

Key Operating and Financial data

Six Years Summary	2022	2021	2020	2019	2018	2017
	(Rupees in '000)					
Trading Results						
New orders	39,320,527	22,251,029	12,508,542	15,849,831	23,612,363	11,964,608
Net turnover	21,484,209	14,348,950	12,805,375	16,672,924	19,522,120	14,552,923
Export of goods and services	467,389	412,742	243,602	301,025	277,070	122,049
Contracts executed outside Pakistan	30,331	189,842	794,936	1,360,682	3,415,066	1,918,556
Gross profit	4,989,358	2,424,641	890,448	2,502,658	3,301,949	2,434,092
Operating profit / (loss) - excluding gain on sale of assets classified as held for sale	2,612,529	1,112,280	(55,437)	1,431,148	2,276,409	1,315,504
Gain on sale of assets classified as held for sale - before tax	-	247,851	-	-	-	-
Profit / (loss) before tax	2,589,562	1,390,055	(226,684)	1,198,487	2,233,661	1,451,968
Profit / (loss) after tax	1,680,849	850,005	(496,015)	709,468	1,159,220	1,103,396
Earnings before interest, taxes, depreciation and amortisation (excluding gain on sale of assets classified as held for sale)	2,805,342	1,324,293	146,895	1,600,862	2,473,235	1,589,118
Final dividend	379,364	379,364	82,470	379,364	618,528	618,528
Financial Position						
Share capital	82,470	82,470	82,470	82,470	82,470	82,470
Reserves and Retained Earnings	7,109,059	5,723,827	4,886,187	5,904,974	5,695,699	5,244,134
Property, plant and equipment	326,151	300,355	279,935	378,120	388,095	312,647
Net current assets	6,321,240	5,068,831	4,125,236	4,232,193	4,329,885	3,571,478
Long-term / deferred liabilities	491,672	642,437	858,151	90,033	170,904	68,668
Investors Information						
Gross profit ratio	23.22%	16.90%	6.95%	15.01%	16.91%	16.73%
EBITDA Margin to sales	13.06%	9.23%	1.15%	9.60%	12.67%	10.92%
Return on equity / capital employed	23.37%	14.64%	-9.98%	11.85%	20.06%	20.71%
Inventory turnover ratio (in times)	3.88	4.03	3.49	2.95	3.53	3.60
Inventory turnover ratio (no. of days)	94	91	105	124	104	101
Debtor turnover ratio (in times)	1.95	1.56	1.49	1.97	3.04	3.24
Debtor turnover ratio (no. of days)	187	235	244	186	120	113
Creditor turnover ratio (in times)	2.12	1.94	2.00	2.09	2.20	1.58
Creditor turnover ratio (no. of days)	172	188	183	175	166	231
Operating cycle (no. of days)	108	137	166	135	57	(17)
Total assets turnover ratio (in times)	1.05	0.90	0.85	0.97	1.20	1.00
Fixed assets turnover ratio (in times)	68.58	49.45	38.92	43.52	55.72	52.59
Current ratio	1.41	1.45	1.51	1.41	1.36	1.39
Quick / acid test ratio	1.27	1.33	1.41	1.29	1.25	1.22
Cash dividend per share (Rs)	46	46	10	46	75	75
Dividend yield ratio	0.07	0.08	0.02	0.07	0.08	0.10
Interest cover ratio	44.66	42.25	(0.27)	6.01	28.98	89.49
Breakup value per share (Rs)	872.01	704.05	602.48	726.01	700.64	645.88
Market value per share (Rs)	700	582	585	645	902	757
Share price during the year						
High (Rs)	819	710	865	992	1,154	1,570
Low (Rs)	547	476	455	515	708	650
Earnings / (loss) per share (Rs)	203.81	103.07	(60.14)	86.03	140.56	133.79
Profit / (loss) before tax in percent to sales	12.05%	9.69%	-1.77%	7.19%	11.44%	9.98%
Profit / (loss) after tax in percent of sales	7.82%	5.92%	-3.87%	4.26%	5.94%	7.58%
Cash Flows						
Net cash flow from operating activities	(249,366)	2,017,041	890,897	942,633	(3,195,999)	(624,268)
Net cash flow from investing activities	(113,844)	176,507	(68,550)	(140,220)	(197,888)	(28,645)
Net cash flow from financing activities	(564,521)	(227,405)	(145,741)	(616,239)	(613,325)	(984,662)
Net change in cash and cash equivalents	(927,731)	1,966,143	676,606	186,174	(4,007,212)	(1,637,575)

Company Information

Registered & Head Office

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

Board of Directors

Chairman of the Board

Karl Stefan Werner

Non-Executive Directors

Oliver Spierling
Adnan Afridi
Harald Griem

Independent Directors

Qazi Sajid Ali
Ayla Majid (Female Director)

Executive Director

Markus Strohmeier

Committees of the Board

Audit Committee

Ayla Majid (Chairwoman)
Karl Stefan Werner
Adnan Afridi
Harald Griem

Human Resource and Remuneration Committee

Qazi Sajid Ali (Chairman)
Oliver Spierling
Markus Strohmeier

Nomination Committee

Oliver Spierling (Chairman)
Markus Strohmeier

Management

Managing Director

Markus Strohmeier

Acting Chief Financial Officer

Syed Muhammad Ahsan Ghazali

Other Information

Company Secretary

Khurram Muhammad Siddique

Auditors

EY Ford Rhodes, Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan
Phone: +9221 35650007-11
UAN: +9221 111-113937 (EYFR)

Bankers

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

Tax Advisor

KPMG Taseer Hadi & Co.

Legal Advisor

Mr. Umer Hayat
(Chaudhary Law Associates)

Registrar and Share Transfer Agent

THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street-2
D.H.A., Phase-VII, Karachi
Pakistan
UAN: +9221 111-000-322

Trading Symbol

SIEM

Chairman's / Directors' Profile



Stefan Werner

Chairman

Mr. Stefan Werner began his career with Siemens 38 years ago where he spent 28 years working at Siemens Global and then later have moved to the middle east region, where as the CFO of Siemens Qatar then later, Saudi Arabia. He is currently the CFO of Siemens Lead Country, UAE. He has held various leadership positions throughout his career, from lead to commercial department, to head of business segments, and a CFO to different departments and sectors within Siemens.

Mr. Werner is passionate about Siemens' innovative solutions that places customers at the center and transforms their everyday, from healthcare, smart cities, to sustainable solutions. He is known to bring his athletic sports spirit of healthy competition and teamwork to his work at Siemens.

Mr. Werner completed Studies of Economics with Diploma from University Erlangen, Nuremberg in 1992



Markus Strohmeier

Managing Director

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

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

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



Harald Griem

Director

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

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

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

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



Oliver Spierling

Director

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

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

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

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



Adnan Afridi

Director

Mr. Adnan Afridi is at present Managing Director – National Investment Trust Limited.

Mr. Afridi has over 28 years' international experience in Change Management, business transformation, innovation and profitability enhancement in blue chip companies, public sector and start-up situations. He has led a distinguished career in financial services and capital markets including serving as Member SECP Policy Board, Managing Director of the Karachi Stock Exchange, CEO, Overseas Chamber of Commerce and Industry (OICCI), Chairman of National Clearing Corporation of Pakistan (NCCPL) and Board of Directors of Central Depository Company (CDC). Mr. Afridi has a degree in Economics (A.B, Magna Cum Laude, 1992) from Harvard University and a degree in Corporate Law (JD, Magna Cum Laude in 1995) from Harvard Law School. Mr. Afridi is an active supporter of charitable organizations. He has served as the President of the Old Grammarians Society & Trust and is currently Vice Chairman of the Board of Governors of the Kidney Center and a member of the Board of Governors of Shaikat Khanum Memorial Trust. He is also a Member of YPO Pakistan since 2008 and currently serving on the board of YPO-Gold Pakistan.

Other Directorships and Offices

- Bank Al Habib Limited
- Mari Petroleum Limited
- International Industries Limited
- Dynea Pakistan Limited
- Lotte Chemical Pakistan Limited
- Biafo Industries Limited
- Bulk Transport Company (Pvt) Limited
- The Kidney Centre institute
- SECP Policy Board Member
- Shaikat Khanum Memorial Trust



Qazi Sajid Ali

Independent Director

Mr. Ali worked with BASF for 29 years, which includes 8 years as Director Finance and 12 years as Managing Director and Country Head. He retired from BASF in March 2014. His educational qualification is M.A., LLB. He joined Dadex Eternit Limited as Chief Executive Officer in May 2014 and has served on the Board of Dadex for 15 years, including 8 years as Chairman Audit Committee of Dadex. He left Dadex in June 2021.

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

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

Other Directorships and Offices

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



Ayla Majid

Independent Director

Ms. Majid is the Founder & CEO of Planetive; and Managing Director Financial Advisory Services at Khalid Majid Rehman Chartered Accountants. She has over 20 years of experience in financial advisory, mergers & acquisitions, energy transition, infrastructure development and corporate governance. She is an internationally acclaimed speaker and often speaks at global platforms on: Energy Transition/Future of Energy, Emerging Market Project Funding, Sustainable & Climate Finance, Digital Transformation, Future of Work, Clean Tech, Governance, and Diversity & Inclusion.

Ms. Majid is a member of the *Global Future Council of Energy Transition of the World Economic Forum*; and *World Economic Forum's Global Taskforce on Mobilizing Investment for Clean Energy in Emerging Economies* where she is contributing to the sustainable energy transition policy, creating tools and frameworks, and advocacy realms. In addition, she is an Eisenhower Global Fellow 2021, and was selected as a Young Global Leader of the World Economic Forum in 2015.

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

Ms. Majid is at the forefront of creating agile governance platforms while serving as board member for local and international organizations.

Other Directorships and offices:

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

Chairman's Review Report



As we put behind us a challenging but rewarding year, I am pleased to present the FY 2022 Annual Report to the stakeholders of Siemens Pakistan Engineering Co. Ltd. and to comment on the Board's effectiveness in guiding the Company towards achievement of its aims and objectives.

The economy of Pakistan is passing through high inflationary and external sector pressures due to higher commodity prices both in the international & domestic market and exchange rate depreciation. Many challenges were faced by businesses worldwide during the year including those emanating from the Russia Ukraine conflict.

Besides above the Country is severely hit by floods which left approx. thirty million people affected and homeless with shortage of food, water and shelter. The Government is attempting to recuperate from the devastating situation of the economy besides fighting with the flood aftermaths.

Further, new regulatory requirements to seek prior State Bank of Pakistan (SBP) approval for each import transaction presents a significant challenge for the Company. However, despite all these obstacles, the team remained resilient and agile to honour their commitments towards all the stakeholders.

An election of directors was held on January 13, 2022 to elect new board members. I express my gratitude to the outgoing board for serving the Company to the best of their abilities. I can confirm that the current members of the Board have extensive expertise in the areas of business management, strategy, finance, corporate governance, legal and administration. Further, all members of the Board are cognizant of their fiduciary duty to the Company and its shareholders and have ensured that this obligation is always kept top of mind.

During the year under review, the Board performed its duties diligently to uphold the best interests of the shareholders of the Company. The Board continued to guide the affairs of the Company in an effective and efficient manner.

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

The Board has clearly defined the terms of reference of its committees, and the members are appointed after considering their requisite skills and experience. Further, the Board and its committees met regularly during the year and exercised their governance roles after due deliberation on each matter placed before them. The Board and its committees have in place a formal process for annual self-evaluation, to ensure that the performance of the directors, collectively and individually, remains highly satisfactory.

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Karl Stefan Werner', with a stylized flourish at the end.

Karl Stefan Werner
Chairman of the Board

Directors' Report

Dear Shareholders,

We, the undersigned, for and on behalf of the Board of Directors are pleased to present the Siemens (Pakistan) Engineering Co. Ltd. ("**Company**") annual report and the audited financial statements for the financial year ended September 30, 2022 ("**FY 2022**"), together with auditors' report thereon.

The most recent financial year bode well for the Company. Despite, uncertain geo-political and economic situation, the Company, with clear expectations of market and customer, did not compromise on the commitments and made a strong societal impact by contributing in areas of intelligent infrastructure for buildings and distributed energy systems, automation and digitalization in the process and manufacturing and power generation, transmission and distribution. Some key performance trends on comparable basis with FY 2021 are mentioned below:

- Record new orders of Rs. 39.3 billion were recorded, as against the last year historic record of Rs. 22.3 billion. The Energy Transmission business contributed the majority of new orders at Rs. 22.4 billion as compared to Rs. 12.3 billion last year. A major portion of this win was contributed by energy transmission contact with K-Electric of approximately Rs. 15.5 billion to build the KANUPP - K-Electric and Interconnection (KKI) 500/220 kV Grid Station. Another major win in this year is the SAP license, implementation & maintenance contract for NTDC of Rs. 2.2 billion recorded by our Digital Industries business.
- On account of healthy order backlog from last year, the Sales for the year increased by 50% or approximately Rs.7.1 billion as compared to FY 2021 despite multiple challenges including logistics bottlenecks coupled with central bank restrictions on imports in view of precarious foreign exchange position of the country. The sales revenue was led by Energy Transmission business, which recorded an increase of Rs 4.1 billion as compared to FY 2021.
- For the year, the Company posted an overall profit before tax of Rs. 2.6 billion which includes a significant part from unrealized gain recorded on measurement of foreign currency embedded derivatives amounting to Rs 1.5 billion. The value of unrealized gain is highly sensitive to the movement of Pakistan Rupee in subsequent periods. Further, the Company's profitability was adversely impacted by the expected credit losses recognized during the year aggregating Rs. 871 million owing mainly due to peculiar geopolitical / regional factors in Energy Transmission Business.

An overview of the key indicators is presented here:

Key Performance Indicators	FY 2022	FY 2021
	Rupees in millions	
Net sales and services	21,484	14,349
Operating profit	2,613	1,360
Profit before income tax	2,590	1,390
Net profit for the year	1,681	850
Earnings per share (Rupees)	203.81	103.07

Appropriations

Following is the summary of appropriations made during FY 2022:

	(Rupees in millions)
Accumulated profits as at October 1, 2021	856
Net profit after taxation for FY 2022	1,681
Final dividend of Rs. 46 (460%) per share for FY 2021	(379)
Accumulated profits as at September 30, 2022	2,158

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

Dividend

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

Company Principle Activities and Business Segments

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

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

Risks, Uncertainties and Mitigations

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

A) Operational risks

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

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

B) Financial risks

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

C) Compliance risk

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

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

Environment, Health, and Safety (EHS)

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

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

Corporate Social Responsibility

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

As in previous years, in FY 2022 the Company has continued to work closely with the following organizations for fulfilling its Social responsibility:

- Khubaib Foundation
- The Citizens Foundation (TCF)
- Indus Hospital & Health Network

Further, during the year the Company has contributed towards several social initiatives including engaging in relief activities for flood activities, fostering health and well-being of employees and promoting secure and clean environment.

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

Adherence to best practices of Corporate Governance

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

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

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

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

Composition		Board Meeting held/ Attended	Audit Meeting held/ Attended	Human Resource and Remuneration Meeting held/ Attended	Nomination Meeting held/ Attended
Mr. Manuel Kuehn *	Non-Executive Director	2/2	2/2	N/A	N/A
Mr. Markus Strohmeier	MD - Executive Director	5/5	N/A	3/3	1/1
Mr. Qazi Sajid Ali	Independent Director	5/5	N/A	3/3 (Chairman)	N/A
Mr. Oliver Spierling	Non-Executive Director	5/5	N/A	3/3	1/1
Ms. Ayla Majid	Independent Director	5/5	4/4 (Chairwoman)	N/A	N/A
Mr. Harald Griem	Non-Executive Director	5/5	4/4	N/A	N/A
Mr. Karl Stefan Werner**	Non-Executive Director	3/3	2/2	N/A	N/A
Mr. Adnan Afridi	Non-Executive Director	4/4	3/3	N/A	N/A

* Mr. Manuel Kuehn has resigned w.e.f. April 21, 2022

** Mr. Karl Stefan Werner was appointed to the Board of Directors and Audit Committee w.e.f. May 10, 2022 in place of Mr. Manuel Kuehn.

Directors' Statements

We are pleased to state that:

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

Statement of Compliance

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

Directors' Remuneration Policy

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

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

Directors' Remuneration

Details of aggregate amount of remuneration separately of executive and non-executive directors are disclosed in note 46 to the financial statements.

Evaluation of the Board's Performance

The Board has approved a formal policy and a process has been put in place for conducting annual performance evaluation of the Board and its committees. The purpose of the evaluation is to ensure that the Board's performance is measured with reference to overall corporate objectives, governance structure of the Company, statutory and regulatory compliance, effectiveness, collaboration and value addition. Performance evaluation for FY 2022 was conducted as per the process approved by the Board, and overall performance and effectiveness of the Board is categorized as "strong". All members of the Board participated in performance evaluation and provided their feedback.

Composition of Board of Directors

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

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

The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Qazi Sajid Ali Ms. Ayla Majid
Non-Executive Directors	Mr. Adnan Afridi Mr. Oliver Spierling Mr. Manuel Kuehn* Mr. Karl Stefan Werner** Mr. Harald Griem
Executive Director	Mr. Markus Strohmeier

* Mr. Manuel Kuehn has resigned w.e.f. April 21, 2022

** Mr. Karl Stefan Werner was appointed to the Board of Directors and Audit Committee w.e.f. May 10, 2022 in place of Mr. Manuel Kuehn.

External Auditors

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

As recommended by the Audit Committee, the Board recommends their reappointment at a total remuneration of Rs. 7.6 million (exclusive of sales tax) for FY 2023.

Corporate Status

The Company is a subsidiary of Siemens Aktiengesellschaft, Germany (Siemens AG), which is incorporated under the laws of the Republic of Germany and holds 74.65% shares of the Company as at September 30, 2022.

Pattern of Shareholding

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

Investments in retirement benefits

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

	Rupees in millions		
	June 30, 2021	June 30, 2020	June 30, 2019
Provident Fund	669.301	574.432	499.715
	September 30, 2021	September 30, 2020	September 30, 2019
Gratuity Fund	217.215	209.278	201.108

Post Balance Sheet Non-Adjusting Events and Significant Developments during FY 2022

There have been no material changes or events from September 30, 2022, to the date of this report, which have an impact on the financial statements, except for the following:

- The Board of Directors of the Company in their meeting held on October 4, 2022, approved, in principle, the sale of the Company's ERP value added reselling solution and service business. The sale is subject to applicable regulatory approvals; and
- declaration of final dividend, which is subject to the approval of the Members of the Company at the forthcoming Annual General Meeting, the effect of which will be reflected in the FY 2023 financial statements.

The Company's Future Outlook

Despite two strong consecutive years the Board and management of the Company continues to closely monitor significant risks that can impede the pace of progress including 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. There is a risk that this situation may 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 Country's foreign exchange reserves. Further, the rapid devaluation of the currency over the past year is negatively impacting economy.

While the Company has delivered good financial results for the year, future growth is heavily dependent upon improvement of the economic situation. The Company is placed on a good footing for the upcoming year. With a solid backlog for revenue and pipeline for sustained performance, the Company is optimistic for FY 2023 if the economic situation of the country is stabilized. We continue to closely monitor the situation to ensure that appropriate decisions are taken to safeguard our business.

Acknowledgement

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

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

On behalf of the Board



Qazi Sajid Ali
Director



Markus Strohmeier
Managing Director

Karachi, November 24, 2022

Notes and Forward Looking Statement

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

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

Terms of Reference of Audit Committee

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

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

Terms of Reference of Human Resources and Remuneration Committee

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

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

Terms of Reference of the Nomination Committee

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

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

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



Sustainability and Corporate Citizenship at Siemens



Sustainability and Corporate Citizenship at Siemens

Sustainability at Siemens



As a sustainable company, we aim to ensure profitable, long-term growth, lasting value for all our stakeholders, and a positive impact on the economy, society, and the environment. We are convinced that sustainability, with its various challenges throughout the world, creates many new business opportunities for Siemens. Managing sustainability within Siemens includes both the sustainable development of Siemens and of the countries and societies in which we operate, as well as the environment. It comes down to do business in a responsible manner by evaluating business decisions at an early stage so that possible risks can be mitigated responsibly, and potential opportunities can be supported. This is a company-wide endeavor that is embedded in our business purpose, our corporate culture, our code of business conduct (Business Conduct Guidelines). Our decisions and activities are designed to create long-term value for present and future generations.

Corporate Citizenship at Siemens

Good corporate citizenship has been an integral component of the Company philosophy since Werner von Siemens founded the company in 1847. We have three focus areas for our corporate citizenship Access to Technology, Access to Education and Sustaining Communities. They emerged from our business strategy, core competencies, global targets for the betterment of society, global megatrends (Demographics, urbanization, climate change, globalization, and digitalization), and stakeholder dialogue. Our activities in Corporate Citizenship also contribute to advances in the SDGs across the board.

Corporate Citizenship at Siemens Pakistan

As in the previous years, in FY 2022 Siemens Pakistan has continued to work closely with Organizations like Khubaib Foundation, The Citizens Foundation (TCF) & Indus Hospital & Health Network for fulfilling its social responsibility.

Khubaib Foundation



Khubaib Foundation is committed to quality care and education of orphan children for which state of the art hostel facilities and schools/Colleges have been established at Skardu, Gilgit, Rara, (Muzaffarabad AJ&K), Haripur, Sargodha, Rawalpindi, Islamabad, and Muzaffargarh. There is no alternative to home, but efforts are made to create a homely atmosphere by providing all essential facilities in the hostels. Over 1,250 Orphans and other 5,000 deserving students are getting an education on regular basis.

Philosophy of education hinges on three core components Academic, Spiritual and Physical Training. Siemens Pakistan has joined Khubaib Foundation in their mission to patronize deserving children and to see them grow up as good citizens and useful members of the society, leading a dignified and prosperous life.

Flood Relief Support



Since mid-June 2022, Pakistan has been hit by the torrential monsoon rains that has resulted in massive floods in most parts of the country. According to official figures provided by National Disaster Management Authority, Pakistan (NDMA) the massive floods have so far claimed around 1,033 lives and injured 1,527 people. The estimated number of affected people is around 30 million, and around 1 million houses are totally or partially damaged leaving behind millions in need of urgent shelter and other life's essentials.

As part of our commitment to benefit and contribute to the society, we are determined to play our part in alleviating the current catastrophic situation in the country. To address the issue Siemens Pakistan collaborated with following NGOs to cater to immediate needs of the people.

The Citizen Foundation



TCF is a non-profit organization, and one of the largest privately owned networks of low-cost formal schools in Pakistan. The Foundation operates a network of 1,833 school units, educating 280,000 students through over

13,000 teachers and principals, and over 17,400 employees. Approximately 94% of the Foundation's expenditure is allocated to the Education program.

TCF has also played an active role in the recent catastrophe, many of its schools were flooded or served as refuge for displaced families; scores of students, staff members and neighbors who had lost their homes and livelihoods and needed massive contribution to deal with the situation. Siemens Pakistan as part of its commitment to the society, played part in alleviating the catastrophic situation in the country by supporting TCF in the flood relief drive.

Indus Hospital & Health Network



IHHN is providing emergency medical aid to the flood-affected community in all over Pakistan, along with essential medicines, primary healthcare, and an array of medical services, the units provide continuous counseling to the displaced population who are suffering from a barrage of illnesses, including mental health issues, malaria, diarrhea, skin infections, urinary tract Infections, acute respiratory infections, and gastroenteritis. Siemens feels a social responsibility to help flood victims and stand side by side in their hardships.

To support people in dire need and to accomplish our commitment to corporate citizenship, employees of Siemens Pakistan arranged a collection drive at all three locations of Siemens premises. Employees donated cash and other essential items like clean clothing, Non-perishable food items, clean drinking water, Medicines, blankets, hygiene kits and tents.

Charitable association, Siemens Caring Hands also supported Indus hospital in the flood relief campaigns.

Financial Report 2022





INDEPENDENT AUDITORS' REVIEW REPORT

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

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Siemens (Pakistan) Engineering Co. Ltd.** for the year ended **30 September 2022** in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended **30 September 2022**.



Chartered Accountants
Place: Karachi
Date: 06 December 2022
UDIN: CR202210120aNKlwSC16

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

For the year ended September 30, 2022

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

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

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

2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Qazi Sajid Ali Ms. Ayla Majid (Female Director)
Non-Executive Directors	Mr. Adnan Afridi Mr. Oliver Spierling Mr. Stefan Werner Mr. Harald Griem
Executive Director	Mr. Markus Strohmeier

NOTE: For the purpose of the rounding up of the fraction, the Company has not rounded up the fraction as one, since as it currently stands, the Board has adequate skill set.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- The Company has prepared a Code of Conduct called "Business Conduct Guidelines" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.
- The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Companies Act, 2017 and these Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- Five directors are duly certified from approved institutions as per the Directors' Training requirements.
- The Board has approved the appointment of Head of internal audit including her remuneration and terms and conditions as well as change in remuneration of Chief Financial Officer and Company Secretary. The Board has complied with relevant requirements of the Regulations.
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

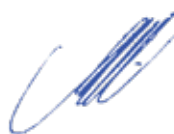
12. The Board has formed following Committees comprising of members given below:

Members of Audit Committee	Designation
Ms. Ayla Majid	Chairwoman (Independent Director)
Mr. Adnan Afridi	Non-Executive Director
Mr. Stefan Werner	Non-Executive Director
Mr. Harald Griem	Non-Executive Director
Members of Human Resource and Remuneration Committee	Designation
Mr. Qazi Sajid Ali	Chairman (Independent Director)
Mr. Oliver Spierling	Non-Executive Director
Mr. Markus Strohmeier	Executive Director
Members of Nomination Committee	Designation
Mr. Oliver Spierling	Chairman (Non-Executive Director)
Mr. Markus Strohmeier	Executive Director

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings of the Committees were as per following:
- Audit Committee: Four quarterly meetings during FY 2022 ended 30 September 2022
 - Human Resource and Remuneration Committee: Three meetings during FY 2022 ended 30 September 2022
 - Nomination Committee: One meeting during FY 2022 ended 30 September 2022
15. The Board has outsourced the internal audit function to Siemens AG who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, the Codes or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Listed Companies (Code of Corporate Governance), 2019 have been complied with.



Karl Stefan Werner
Chairman of the Board



Markus Strohmeier
Managing Director

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of **Siemens (Pakistan) Engineering Co. Ltd.** (the Company), which comprise the statement of financial position as at **30 September 2022**, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
Accounting for construction and engineering contracts	
<p>The Company earns a significant portion of its revenue from construction and engineering contracts which is recognized in accordance with IFRS 15 'Revenue from Contracts with Customers', generally over the time under the percentage-of-completion method.</p> <p>The recognition of revenue on construction and engineering contracts, therefore, involves significant estimate with respect to stage of completion of contracts and measurement of the amount of revenue considering the scope of deliveries, total estimated contract costs, remaining costs to completion and total estimated contract revenues etc. and its allocation to various components of performance obligation. In addition, revenues, total estimated contract costs and profit recognition may deviate significantly from original estimates based on new knowledge about the cost overruns and changes in project scope over the term of a contract.</p> <p>We have identified this as a key audit matter due to involvement of significant management's estimate and judgements in the determination of percentage-of-completion and related revenue recognition.</p> <p>Refer notes 2.4, 3.15, 11, 20, 23, 24 and 30 to the financial statements.</p>	<p>Our key audit procedures amongst others included the following:</p> <p>We obtained an understanding of the Company's processes and tested the design and operating effectiveness of controls for project management in the bid and execution phase of construction and engineering contracts including project reviews and controls addressing the timely assessment of changes in cost estimates and complete / timely recognition of such changes in project calculation.</p> <p>We evaluated management's estimates and assumptions of a sample of contracts by inspecting the terms and conditions of the contracts selected including contractually agreed milestones. Further, we also carried out inquiries of project management with respect to the development and amendments of the projects, reasons for deviations between planned and actual costs, and the current estimated costs to complete the contracts.</p> <p>We checked whether revenue was recognized in the correct accounting period for the sample of projects selected for testing. We analyzed billable revenues and corresponding cost of sales to be recognized considering the extent of progress towards completion and examined the accounting for the associated items in the statement of financial position.</p> <p>We considered the adequacy of the Company's disclosures in accordance with applicable financial reporting framework in Pakistan.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditors' report is **Omer Chughtai**.



Chartered Accountants

Place: Karachi

Date: 06 December 2022

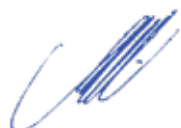
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Statement of Financial Position

As at September 30, 2022

	Note	2022 (Rupees in '000)	2021
Equity and liabilities			
Share capital and reserves			
Share capital			
- Authorised 20,000,000 (2021: 20,000,000) Ordinary shares of Rs 10 each		200,000	200,000
- Issued, subscribed and paid-up	5	82,470	82,470
Reserves			
Capital	6	624,192	624,192
Revenue	6	6,484,867	5,099,635
		7,109,059	5,723,827
Total equity		7,191,529	5,806,297
Non-current liabilities			
Long-term financing	7	-	31,441
Lease liabilities	8	48,307	80,324
Deferred liabilities	9	440,103	527,637
Retention money		3,262	3,035
		491,672	642,437
Current liabilities			
Trade and other payables	10	8,970,865	6,613,861
Contract liabilities	11	5,205,139	3,666,606
Current portion of non-current liabilities	12	66,240	170,958
Provisions	13	649,152	541,728
Taxation - net	14	574,729	329,418
Unclaimed dividend		28,892	33,380
		15,495,017	11,355,951
Total liabilities		15,986,689	11,998,388
Contingencies and commitments			
	16		
Total equity and liabilities		23,178,218	17,804,685
Assets			
Non-current assets			
Property, plant and equipment	17	326,151	300,355
Right-of-use assets	18	68,339	99,958
Long-term loans and trade receivables	20	609,767	396,636
Long-term prepayments		830	3,042
Deferred tax asset - net	21	356,874	579,912
		1,361,961	1,379,903
Current assets			
Inventories	22	2,165,764	1,352,302
Trade receivables	23	11,641,930	10,354,705
Contract assets	24	3,424,503	1,553,222
Loans and advances	25	490,183	129,788
Deposits and short-term prepayments	26	522,588	104,241
Derivative financial instruments	27	1,780,775	245,355
Other receivables	28	315,934	282,858
Cash and bank balances	29	1,474,580	2,402,311
		21,816,257	16,424,782
Total assets		23,178,218	17,804,685

The annexed notes 1 to 58 form an integral part of these financial statements.



Markus Strohmeier
Managing Director



Syed Muhammad Ahsan Ghazali
Chief Financial Officer




Qazi Sajid Ali
Director

Statement of Profit or Loss

For the year ended September 30, 2022

		2022	2021
	Note	(Rupees in '000)	
Net sales and services	30	21,484,209	14,348,950
Cost of sales and services	31	(16,494,851)	(11,924,309)
Gross profit		4,989,358	2,424,641
Marketing and selling expenses	32	(1,004,699)	(828,269)
Allowance for expected credit losses	33	(871,479)	(149,946)
General administrative expenses	34	(340,533)	(313,909)
		(2,216,711)	(1,292,124)
Gain on disposal of assets classified as held for sale		-	247,851
Other income	35	32,252	65,075
Other operating expenses	36	(192,370)	(85,312)
Net other (operating expenses) / income		(160,118)	227,614
Operating profit		2,612,529	1,360,131
Financial income	37	36,351	63,621
Financial expenses	38	(59,318)	(33,697)
Net finance (expense) / income		(22,967)	29,924
Profit before income tax		2,589,562	1,390,055
Income tax	39	(908,713)	(540,050)
Net profit for the year		1,680,849	850,005
Basic and diluted earnings per share (Rupees)	40	203.81	103.07

The annexed notes 1 to 58 form an integral part of these financial statements.



Markus Strohmeier
Managing Director



Syed Muhammad Ahsan Ghazali
Chief Financial Officer




Qazi Sajid Ali
Director

Statement of Comprehensive Income

For the year ended September 30, 2022

	2022	2021
	(Rupees in '000)	
Net profit for the year	1,680,849	850,005
Other comprehensive income for the year that will not be reclassified to statement of profit or loss in subsequent periods:		
Recognition of remeasurement gain on defined benefit plan	107,405	101,521
Deferred tax thereon	(23,658)	(31,416)
Other comprehensive income for the year - net of tax	83,747	70,105
Total comprehensive income for the year	1,764,596	920,110

The annexed notes 1 to 58 form an integral part of these financial statements.



Markus Strohmeier
Managing Director



Syed Muhammad Ahsan Ghazali
Chief Financial Officer




Qazi Sajid Ali
Director

Statement of Cash Flows

For the year ended September 30, 2022

	Note	2022 (Rupees in '000)	2021
Cash flows from operating activities			
Cash generated from operations	41	458,601	2,289,558
Payment to gratuity fund		(69,176)	(76,762)
Payment to Workers' Profit Participation Fund (WPPF)		(145,581)	(46,000)
Payment to Workers' Welfare Fund (WWF)		(94)	(17,686)
Financial expenses paid		(29,094)	(20,264)
Income tax paid		(464,022)	(111,805)
Net cash (used in) / generated from operating activities		(249,366)	2,017,041
Cash flows from investing activities			
Capital expenditure incurred		(156,433)	(139,333)
Proceeds from sale of property, plant and equipment		13,562	8,030
Proceeds from sale of assets classified as held for sale - net		-	250,546
Financial income received		29,027	57,264
Net cash (used in) / generated from investing activities		(113,844)	176,507
Cash flows from financing activities			
Dividends paid		(383,852)	(82,681)
Repayment of long-term financing	7	(139,395)	(107,202)
Repayment of lease liabilities	8	(41,274)	(37,522)
Net cash used in financing activities		(564,521)	(227,405)
Net (decrease) / increase in cash and cash equivalents		(927,731)	1,966,143
Cash and cash equivalents at beginning of the year		2,402,311	436,168
Cash and cash equivalents at end of the year	42	1,474,580	2,402,311

The annexed notes 1 to 58 form an integral part of these financial statements.



Markus Strohmeier
Managing Director



Syed Muhammad Ahsan Ghazali
Chief Financial Officer



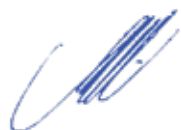
Qazi Sajid Ali
Director

Statement of Changes in Equity

For the year ended September 30, 2022

	Issued, subscribed and paid-up share capital	Capital reserves			Revenue reserves		Total
	Share premium	Treasury shares reserve	Other capital reserve	General reserves	Remeasurement loss on defined benefit plan - net of tax	Accumulated profits	
	(Rupees in '000)						
Balance as at September 30, 2020	82,470	619,325	567	4,300	4,523,026	(350,000)	4,968,657
Final dividend @ Rs 10/- per Ordinary share of Rs 10/- each for the year ended September 30, 2020	-	-	-	-	-	(82,470)	(82,470)
Net profit for the year ended September 30, 2021	-	-	-	-	-	850,005	850,005
Other comprehensive income for the year	-	-	-	-	70,105	-	70,105
Total comprehensive income for the year	-	-	-	-	70,105	850,005	920,110
Balance as at September 30, 2021	82,470	619,325	567	4,300	4,523,026	(279,895)	5,806,297
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 year ended September 30, 2022	-	-	-	-	-	1,680,849	1,680,849
Other comprehensive income for the year	-	-	-	-	83,747	-	83,747
Total comprehensive income for the year	-	-	-	-	83,747	1,680,849	1,764,596
Balance as at September 30, 2022	82,470	619,325	567	4,300	4,523,026	(196,148)	7,191,529

The annexed notes 1 to 58 form an integral part of these financial statements.



Markus Strohmeier
Managing Director



Syed Muhammad Ahsan Ghazali
Chief Financial Officer



Qazi Sajid Ali
Director

Notes to the Financial Statements

For the year ended September 30, 2022

1. LEGAL STATUS AND OPERATIONS

Siemens (Pakistan) Engineering Co. Ltd. (the Company) was incorporated in Pakistan in the year 1953 under the Companies Act, 1913 (now Companies Act, 2017). The Company is a public limited company and its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the execution of projects under contracts and in manufacturing, sale and installation of electronic and electrical capital goods. The Company's registered office is situated at B-72, Estate Avenue, S.I.T.E., Karachi. The geographical location of other offices and plant is given in note 55 to these financials statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates, assumptions and judgements

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

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

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

- Contract liabilities (note 3.2)
- Provision for warranty obligations (note 3.3)
- Contingent liabilities (note 3.3)
- Method of depreciation and amortisation, residual values, useful lives and impairment on property, plant and equipment, right-of-use assets and intangible assets (notes 3.5 to 3.7)
- Allowance for expected credit losses (loss allowance) on doubtful contract assets, deposits, trade and other receivables (note 3.8.1)
- Provision for taxation and deferred taxation (note 3.9)
- Provisions against inventories (note 3.10)
- Actuarial assumptions for the gratuity scheme and provision thereagainst (note 9.1)
- Costs of completion of contracts in progress (notes 3.15 and 30.1); and
- Derivative financial instruments (note 3.17)
- Share based payment transactions (note 3.19)
- Determining the lease term of contracts and estimating the incremental borrowing rate (note 3.22)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Employees' retirement benefits

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

3.1.1 Defined Benefit Plans

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

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

3.1.2 Defined Contribution Plan

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

3.2 Contract liabilities

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

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

3.3 Provisions and contingent liabilities

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

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

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

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.4 Non-current assets (or disposal group) classified as held for sale and Discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets (or disposal groups) are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of the Company's business that has been discontinued or disposed off or is held-for-sale. Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative profit and loss account is restated as if the operation had been discontinued from the start of the comparative period.

3.5 Property, plant and equipment

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

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

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

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

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

3.6 Right-of-use assets

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

3.7 Intangible assets

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

3.8 Impairment

3.8.1 Financial assets

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

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

3.8.2 Non-Financial assets

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

3.9 Taxation

3.9.1 Current

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

3.9.2 Deferred

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

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

3.10 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of finished goods, both manufactured and purchased, raw material and components is determined on weighted average basis. The cost of work-in-process and finished goods includes direct materials, labour and applicable production overheads. Inventories in transit are stated at invoice price plus directly attributable charges incurred thereon up to the reporting date.

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

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

3.11 Contract assets

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

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

3.12 Cash and cash equivalents

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

3.13 Segment reporting

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

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

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

3.14 Foreign currencies

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

3.15 Revenue recognition

(a) Revenue from contract with customers

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

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

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

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

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

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

(b) Other revenues

Commission income is recognised as it accrues. Financial income is recognised as it accrues, using the effective mark-up rates.

3.16 Financial assets and liabilities

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

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

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

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

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

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

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

3.17 Derivative financial instruments

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

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

3.18 Dividends

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

3.19 Share based payment transactions

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

3.20 Government grants

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

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

3.21 Ijarah contracts

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

3.22 Lease liabilities

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

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

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

3.23 Amendments to approved accounting standards effective during the year

The company has adopted the following amendments to IFRSs for financial reporting which became effective for the current year:

Amendments to approved accounting standards

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Amendments)

IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of the above amendments to the approved accounting standards did not have any material effect on the Company's financial statements.

3.24 Amendments and improvements to approved accounting standards that are not yet effective

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

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

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

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

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

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

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRSs
IFRS 17	Insurance Contracts

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 as at September 30, 2022 amounting to Rs 52.737 million (2021: Rs 58.703 million). Information relating to Afghanistan operations is presented in note 54 to these financial statements.

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

Ordinary shares of Rs 10/- each

2022	2021
(No. of shares)	

2022	2021		2022	2021
(No. of shares)			(Rupees in '000)	
6,217,780	6,217,780	Issued for cash	62,178	62,178
81,700	81,700	Issued for consideration other than cash	817	817
1,526,800	1,526,800	Issued as bonus shares	15,268	15,268
(56,683)	(56,683)	Treasury shares	(567)	(567)
477,440	477,440	Issued under a scheme of amalgamation	4,774	4,774
<u>8,247,037</u>	<u>8,247,037</u>		<u>82,470</u>	<u>82,470</u>

5.1 Siemens Aktiengesellschaft (Siemens AG, the parent company) held 6,156,782 Ordinary shares (2021: 6,156,782 Ordinary shares) of Rs 10/- each of the Company as at September 30, 2022.

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

5.3 Dividends and other appropriations

The Board of Directors have, in their meeting held on November 24, 2022 proposed a final cash dividend of Rs 46 per Ordinary share of Rs 10/- each (2021: Rs 46/- per share), amounting to Rs 379.364 million (2021: Rs 379.364 million). This is subject to the approval of the Members of the Company at the forthcoming Annual General Meeting, the effect of which will be reflected in the Financial Statements for the year ending September 30, 2023.

6. RESERVES

	Note	2022 (Rupees in '000)	2021
Capital			
Share premium	6.1	619,325	619,325
Treasury shares reserve	6.2	567	567
Other capital reserve		4,300	4,300
		<u>624,192</u>	<u>624,192</u>
Revenue			
General reserves		4,523,026	4,523,026
Remeasurement loss on defined benefit plan - net of tax		(196,148)	(279,895)
Accumulated profits		2,157,989	856,504
		<u>6,484,867</u>	<u>5,099,635</u>

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

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

7. LONG-TERM FINANCING	Note	2022 (Rupees in '000)	2021
Balance at beginning of the year		166,540	255,853
Accretion of interest during the year		7,077	17,889
Payments during the year		(139,395)	(107,202)
Balance at end of the year	7.1	34,222	166,540
Less: Current maturity of long-term financing	12	(34,222)	(135,099)
		-	31,441

- 7.1 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.

8. LEASE LIABILITIES	Note	2022 (Rupees in '000)	2021
Balance at beginning of the year		111,654	136,334
Accretion of interest during the year		9,945	12,842
Payments during the year		(41,274)	(37,522)
Balance at end of the year		80,325	111,654
Less: Current maturity of lease liabilities	12	(32,018)	(31,330)
		48,307	80,324

9. DEFERRED LIABILITIES

Defined benefit plan - gratuity fund	9.1	397,966	459,790
Share based benefits	47	26,004	52,786
Others		16,133	15,061
		440,103	527,637

9.1 Defined benefit plan - gratuity fund

As stated in note 3.1.1 to these financial statements, the Company operates two retirement benefit plans (the plans) namely approved funded gratuity scheme for all its permanent employees in Pakistan and an unfunded gratuity scheme for all its permanent employees in Afghanistan.

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

The latest actuarial valuation was carried out on September 30, 2022 using the Projected Unit Credit Method, using the following significant financial assumptions:

- Discount rate of 13% per annum compound (2021: 10.4%).
- Expected rate of increase in salaries 11.5% per annum (2021: 11.5%).
- For Pakistan SLIC (2001-05) mortality table was considered whereas, for Afghanistan because of the nature of the benefit which is a lump sum payable on exit due to any cause, a combined single decrement rate has been used.

The amounts recognised in the statement of financial position are as follows:

		2022			2021		
		Pakistan	Afghanistan	Total	Pakistan	Afghanistan	Total
		Funded	Unfunded		Funded	Unfunded	
Note		(Rupees in '000)					
Fair value of plan assets	9.1.1	326,041	-	326,041	278,196	-	278,196
Present value of defined benefit obligation	9.1.2	(708,472)	(15,535)	(724,007)	(724,910)	(13,076)	(737,986)
Deficit - recognised as liability in the statement of financial position	9.1.3	(382,431)	(15,535)	(397,966)	(446,714)	(13,076)	(459,790)
9.1.1 Movement in the fair value of plan assets							
Opening balance		278,196	-	278,196	238,858	-	238,858
Interest income		29,328	-	29,328	23,947	-	23,947
Contributions made by the Company		69,176	-	69,176	73,365	-	73,365
Benefits paid		(40,408)	-	(40,408)	(70,776)	-	(70,776)
Remeasurement (loss) / gain	9.1.4	(10,251)	-	(10,251)	12,802	-	12,802
		326,041	-	326,041	278,196	-	278,196
9.1.2 Movement in the present value of defined benefit obligation							
Opening balance		724,910	13,076	737,986	738,750	16,101	754,851
Current service cost		69,176	1,491	70,667	73,365	1,841	75,206
Interest expense		72,106	1,312	73,418	69,296	1,525	70,821
Benefits paid		(40,408)	-	(40,408)	(70,776)	(3,397)	(74,173)
Remeasurement gain	9.1.4	(117,312)	(344)	(117,656)	(85,725)	(2,994)	(88,719)
		708,472	15,535	724,007	724,910	13,076	737,986
9.1.3 Movement in net liability in the statement of financial position is as follows:							
Opening balance of liability		446,714	13,076	459,790	499,892	16,101	515,993
Expense recognised for the year	9.1.5	111,954	2,803	114,757	118,714	3,366	122,080
Contributions made by the Company		(69,176)	-	(69,176)	(73,365)	-	(73,365)
Benefits paid		-	-	-	-	(3,397)	(3,397)
Net remeasurement gain for the year recognised in OCI	9.1.4	(107,061)	(344)	(107,405)	(98,527)	(2,994)	(101,521)
		382,431	15,535	397,966	446,714	13,076	459,790
9.1.4 Remeasurement (gain) / loss recognised in statement of other comprehensive income:							
Remeasurement of present value of defined benefit obligation							
Financial assumptions		(132,759)	(2,990)	(135,749)	(32,658)	(794)	(33,452)
Experience adjustments		15,447	(1,125)	14,322	(53,067)	(2,709)	(55,776)
Effect of changes in foreign exchange rates		-	3,771	3,771	-	509	509
		(117,312)	(344)	(117,656)	(85,725)	(2,994)	(88,719)
Remeasurement of fair value of plan assets		10,251	-	10,251	(12,802)	-	(12,802)
		(107,061)	(344)	(107,405)	(98,527)	(2,994)	(101,521)
9.1.5 The following amounts have been charged in the statement of profit or loss in respect of these benefits:							
Current service cost		69,176	1,491	70,667	73,365	1,841	75,206
Interest expense		72,106	1,312	73,418	69,296	1,525	70,821
Interest income on plan assets		(29,328)	-	(29,328)	(23,947)	-	(23,947)
		111,954	2,803	114,757	118,714	3,366	122,080

9.1.6 Major categories / composition of plan assets are as follows:

	Pakistan - Funded		Afghanistan - Unfunded	
	2022	2021	2022	2021
	-----%			
Treasury bills	-	78	-	-
Cash and cash equivalents	100	22	-	-
	100	100	-	-

9.1.7 Sensitivity analysis for actuarial assumptions

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

Assumptions	Impact on defined benefit obligation			
	Pakistan		Afghanistan	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
	----- (Rupees in '000) -----			
Effect of change in discount rate	(21,261)	22,495	(600)	645
Effect of change in future salary increases	22,702	(21,634)	651	(610)

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

9.1.9 During the year ending September 30, 2023, the Company plans to contribute to the defined benefit plan of Pakistan as per the recommendation of the actuary amounting to Rs 66.730 million.

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

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

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

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

9.1.11 The weighted average duration of the defined benefit obligations is 6 years.

10. TRADE AND OTHER PAYABLES	Note	2022 (Rupees in '000)	2021
Trade creditors [including retention money of Rs 581.729 million (2021: Rs 674.119 million)]	10.1	6,907,944	4,610,223
Accrued liabilities		1,384,543	1,402,362
Accrued interest		191,469	173,738
Workers' Profit Participation Fund (WPPF)		9,112	15,580
Workers' Welfare Fund (WWF)		229,349	176,186
Derivative financial instruments		-	20,086
Withholding tax payable		27,244	21,740
Sales tax payable		121,534	117,543
Other liabilities		99,670	76,403
		8,970,865	6,613,861

10.1 These include sums aggregating to Rs 1,518.889 million (2021: Rs 1,621.544 million) due to related parties.

11. CONTRACT LIABILITIES	Note	2022 (Rupees in '000)	2021
Advances from customers			
- for goods	11.1	1,355,811	648,253
- for projects and services	11.2	3,275,911	2,556,249
		4,631,722	3,204,502
Unearned portion of revenue		185,861	129,915
Refund liabilities		387,556	332,189
		5,205,139	3,666,606

11.1 This includes advance amounts due from a related party, Rousch (Pakistan) Power Limited having aggregate amount due of Rs 264.223 million (2021: Rs 228.788 million) as per the contractual payment terms.

11.2 This includes billings in excess of Rs 1,279.149 million (2021: Rs 104.876 million) as per the contractual milestones.

12. CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	2022 (Rupees in '000)	2021
Current maturity of long-term financing	7	34,222	135,099
Current maturity of lease liabilities	8	32,018	31,330
Current portion of deferred Government grant	12.1	-	4,529
		66,240	170,958

12.1 Deferred Government grant

Balance at beginning of the year	4,529	15,785
Government grant amortised during the year	(4,529)	(11,256)
	-	4,529

	Warranties	Losses on sales contracts	Total
13. PROVISIONS	(Rupees in '000)		

2022

Balance at beginning of the year	504,477	37,251	541,728
Additional provision	132,000	132,708	264,708
Cost incurred	(47,113)	(14,443)	(61,556)
Reversal of unutilised amounts	(86,404)	(9,324)	(95,728)
Balance at end of the year	502,960	146,192	649,152

2021

Balance at beginning of the year	509,318	33,303	542,621
Additional provision	136,370	14,642	151,012
Cost incurred	(73,914)	(3,026)	(76,940)
Reversal of unutilised amounts	(67,297)	(7,668)	(74,965)
Balance at end of the year	504,477	37,251	541,728

14. TAXATION - NET	2022 (Rupees in '000)	2021
Provision for taxation	2,189,776	1,757,480
Advance tax	(1,615,047)	(1,428,062)
	574,729	329,418

15. SHORT-TERM RUNNING FINANCES

- 15.1** Facilities for secured bank overdraft arranged with commercial banks in Pakistan aggregated to Rs 3,695 million (2021: Rs 4,900 million) while interest rate ranges between 8.00% to 16.01% per annum (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.
- 15.2** Facility for unsecured bank overdraft arranged with commercial bank in the United Arab Emirates (UAE) aggregated to Rs 155.283 million (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.
- 15.3** 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 4.53% and 5.06% per annum (2021: 0.91% and 1.56% per annum). As of reporting date, this remained fully unutilized by the Company.

16. CONTINGENCIES AND COMMITMENTS**16.1 Contingencies**

The Company is defending various suits filed against it in various courts in Pakistan for sums aggregating to Rs 103.635 million (2021: Rs 284.518 million) related to its business operations. The Company's management is confident, based on the advice of its legal advisors, that these suits will be decided in Company's favour and, accordingly, no provision has been made for any liability against these law suits in these financial statements.

16.2 Commitments

- 16.2.1** As at September 30, 2022, capital expenditure contracted for but not incurred amounted to Rs 38.140 million (2021: Rs 50.848 million).

- 16.2.2** Post dated cheques issued to the Collector of Customs against import duty aggregate to nil (2021: Rs 14.995 million).

	2022	2021
	(Rupees in '000)	
16.2.3 Guarantees		
- limit	18,916,372	16,413,125
- utilised portion	16,580,399	12,944,617
- unutilised portion	2,335,973	3,468,508

16.2.4 Letters of credit

- limit	5,200,000	1,214,412
- utilised portion	4,444,805	1,212,298
- unutilised portion	755,195	2,114

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

	2022	2021
	(Rupees in '000)	
Note		
- Not later than one year	5,761	4,318

17. PROPERTY, PLANT AND EQUIPMENT

Operating assets	17.1	296,280	244,418
Capital-work-in-progress		29,871	55,937
		326,151	300,355

17.1 Operating assets

	As at October 1, 2021			During the year ended September 30, 2022			As at September 30, 2022			Depreciation rates
	Cost	Accumulated depreciation	Net book value	Additions / (deletions)	Depreciation / (on deletions)	Net book value of disposals	Cost	Accumulated depreciation	Net book value	
	(Rupees in '000)									%
Leasehold improvements	31,227	24,637	6,590	41,998	12,079	-	73,225	36,716	36,509	20 & 25
Plant and machinery	314,819	229,932	84,887	26,118 (4,320)	15,232 (4,320)	-	336,617	240,844	95,773	10 & 100
Furniture and fixtures	160,128	128,575	31,553	35,910 (9,756)	24,551 (9,716)	40	186,282	143,410	42,872	20, 25 & 100
Office equipment	216,015	173,987	42,028	43,258 (82,179)	29,940 (76,425)	5,754	177,094	127,502	49,592	20 & 33.33
Vehicles	198,422	149,634	48,788	25,806 (6,116)	20,452 (6,116)	-	218,112	163,970	54,142	25
Tools and patterns	398,544	367,972	30,572	9,409 (6,319)	22,589 (6,319)	-	401,634	384,242	17,392	20, 50 & 100
2022	1,319,155	1,074,737	244,418	182,499 (108,690)	124,843 (102,896)	5,794	1,392,964	1,096,684	296,280	

	As at October 1, 2020			During the year ended September 30, 2021			As at September 30, 2021			Depreciation rates
	Cost	Accumulated depreciation	Net book value	Additions / (deletions)	Depreciation / (on deletions)	Net book value of disposals	Cost	Accumulated depreciation	Net book value	
										%
					(Rupees in '000)					
Leasehold improvements	31,227	21,307	9,920	-	3,330	-	31,227	24,637	6,590	20
Plant and machinery	316,756	215,984	100,772	-	15,486 (1,937)	399 (1,538)	314,819	229,932	84,887	10 & 100
Furniture and fixtures	161,076	122,147	38,929	13,039 (13,987)	19,880 (13,452)	535	160,128	128,575	31,553	20, 25 & 100
Office equipment	224,613	175,345	49,268	24,592 (33,190)	30,846 (32,204)	986	216,015	173,987	42,028	20 & 33.33
Vehicles	182,961	165,542	17,419	43,451 (27,990)	11,473 (27,381)	609	198,422	149,634	48,788	25
Tools and patterns	383,049	340,329	42,720	23,221 (7,726)	35,369 (7,726)	-	398,544	367,972	30,572	20, 50 & 100
2021	1,299,682	1,040,654	259,028	104,303 (84,830)	116,384 (82,301)	2,529	1,319,155	1,074,737	244,418	

17.1.1 Operating fixed assets include items having an aggregate cost of Rs 883.210 million (2021: Rs 794.277 million) which have been fully depreciated and are still in use of the Company.

17.2 The details of operating assets having net book value of Rs 500,000 and above sold during the year are as follows:

	Original cost	Accumulated depreciation	Net book value	Sale proceed	Gain	Mode of disposal	Name and address of purchaser
----- (Rupees in '000) -----							
Office Equipment							
IT server	2,185	1,602	583	1,068	485	Negotiation	ATOS

18. RIGHT-OF-USE ASSETS

Note

2022
(Rupees in '000)

2021

Opening net book value	99,958	131,577
Depreciation for the year	(31,619)	(31,619)
Closing net book value	68,339	99,958

18.2

18.1 Gross carrying value basis

Cost	131,577	159,574
Accumulated depreciation	(63,238)	(59,616)
Net book value	68,339	99,958
Depreciation rates per annum	16% - 31%	16% - 31%

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

19. Depreciation and amortisation have been allocated as follows:

Note

2022
(Rupees in '000)

2021

Cost of sales and services	31.1	121,158	122,803
Marketing and selling expenses	32	29,197	23,068
General administrative expenses	34	6,107	2,521
		156,462	148,392

20. LONG-TERM LOANS AND TRADE RECEIVABLES

Loans

Due from non-executive employees	20.1	4,585	2,194
Less: Receivable within one year shown under current assets	25	(1,775)	(1,327)
Long term portion		2,810	867
Discounting to present value		(489)	(155)
		2,321	712

Trade receivables

Considered good		607,446	395,924
Considered doubtful		222,154	75,851
	23.2	829,600	471,775
Loss allowance		(222,154)	(75,851)
		607,446	395,924
		609,767	396,636

20.1 These represent interest free loans as per Company's policy, payable over a period of one to four years. Any outstanding amount due from an employee at the time of leaving the service of the Company is adjustable against the final dues including the retirement benefits.

21. DEFERRED TAX ASSET - NET	Note	2022 (Rupees in '000)	2021
Debit / (credit) balance arising in respect of:			
Unadjusted tax credits / tax losses		-	54,655
Provisions		189,044	190,934
Loss allowance		370,364	285,063
Remeasurement loss on defined benefit plan		34,792	58,450
Decelerated tax depreciation and amortisation		25,595	27,405
Lease liabilities		11,940	19,132
		631,735	635,639
Derivative financial instruments		(264,703)	(38,599)
Right-of-use assets		(10,158)	(17,128)
		(274,861)	(55,727)
		356,874	579,912
22. INVENTORIES			
Raw materials and components		520,569	522,555
Work-in-process		1,191,025	621,990
Finished goods		211,621	186,323
		1,923,215	1,330,868
Provision for slow moving and obsolete items		(171,462)	(189,513)
		1,751,753	1,141,355
Goods-in-transit		414,011	210,947
		2,165,764	1,352,302
23. TRADE RECEIVABLES			
Considered good			
Due from related parties	23.1	209,870	67,752
Due from others		11,432,060	10,286,953
		11,641,930	10,354,705
Considered doubtful		1,458,266	1,067,770
	23.2	13,100,196	11,422,475
Loss allowance		(1,458,266)	(1,067,770)
		11,641,930	10,354,705
23.1 Represents amounts due from Rousch (Pakistan) Power Limited and Siemens Energy affiliates having aggregate amounts of Rs 38.888 million (2021: Rs 10.085 million) and Rs 170.982 million (2021: Rs 57.667 million) respectively. Further, the maximum aggregate amounts due at the end of any month during the year from Rousch (Pakistan) Power Limited and Siemens Energy affiliates was Rs 39.004 million (2021: Rs 10.531 million) and Rs 171.025 million (2021: Rs 49.323 million) respectively.			
23.2 Information relating to trade receivable ageing is presented in note 50.2 to these financial statements.			
24. CONTRACT ASSETS		2022 (Rupees in '000)	2021
Considered good		3,424,503	1,553,222
Considered doubtful		534,852	257,449
		3,959,355	1,810,671
Loss allowance		(534,852)	(257,449)
		3,424,503	1,553,222

		2022	2021
	Note	(Rupees in '000)	
25. LOANS AND ADVANCES			
Current portion of loans due from non-executive employees	20	1,775	1,327
Advances to:			
Suppliers		470,861	99,251
Executive employees	25.1	13,598	21,193
Non-executive employees		3,949	8,017
		488,408	128,461
		490,183	129,788

- 25.1** This includes advance to key management personnel of Rs 0.011 million (2021: Rs 1.434 million). Further, the maximum amount of advance to key management personnel outstanding at the end of any month during the year ended September 30, 2022 was Rs 11.393 million (2021: Rs 3.692 million).

		2022	2021
		(Rupees in '000)	
26. DEPOSITS AND SHORT-TERM PREPAYMENTS			
Deposits			
Considered good		520,208	87,177
Considered doubtful		38,992	39,446
		559,200	126,623
Loss allowance		(38,992)	(39,446)
		520,208	87,177
Prepayments			
		2,380	17,064
		522,588	104,241

27. DERIVATIVE FINANCIAL INSTRUMENTS

This represents the derivative contracts embedded in foreign currency host construction contracts entered into by the Company with its customers and suppliers. The economic characteristics and risks of such embedded contracts are not closely related to those of the host contracts and therefore are accounted for as separate derivatives and are carried at fair value though profit or loss. Fair values of embedded foreign currency derivatives are based on forward exchange rates for the due dates of the respective embedded derivatives.

		2022	2021
	Note	(Rupees in '000)	
28. OTHER RECEIVABLES			
Considered good			
Due from related parties	28.1	1,912	4,020
Costs reimbursable from customers		243,482	194,841
Interest accrued		55,396	48,072
Others		15,144	35,925
		315,934	282,858
Considered doubtful			
Costs reimbursable from customers		30,087	15,230
Sales tax refundable		116,361	116,361
Others		88,262	88,658
		234,710	220,249
		550,644	503,107
Loss allowance		(234,710)	(220,249)
		315,934	282,858

- 28.1** Represents amount due from Siemens Industry Software (Private) Limited, Siemens Gamesa Renewable Energy (Private) Limited and Siemens Healthcare (Private) Limited having aggregate amounts due of Rs 1.912 million (2021: Rs 3.973 million), Rs nil (2021: Rs 0.008 million) and Rs nil (2021: Rs 0.039 million) respectively. Further, the maximum aggregate amounts due at the end of any month during the year from Siemens Industry Software (Private) Limited, Siemens Gamesa Renewable Energy (Private) Limited and Siemens Healthcare (Private) Limited was Rs 1.912 million (2021: Rs 11.696 million), Rs 0.934 million (2021: Rs 1.387 million) and Rs 0.982 million (2021: Rs 0.581 million) respectively.

29. CASH AND BANK BALANCES	Note	2022 (Rupees in '000)	2021
With banks in			
Current accounts	29.1	451,193	209,666
Deposit accounts		1,023,201	2,181,508
		1,474,394	2,391,174
Cheque in hand		-	10,503
Cash in hand		186	634
		1,474,580	2,402,311

29.1 Includes security deposits of Rs 3.741 million (2021: Rs 4.266 million) from vendors kept in a special account maintained by the Company with a scheduled bank.

30. NET SALES AND SERVICES	Note	2022 (Rupees in '000)	2021
Sales disaggregation by type of contracts			
Execution of contracts		11,336,643	6,642,948
Sale of goods		7,201,504	4,550,016
Rendering of services		2,946,062	3,155,986
	30.1	21,484,209	14,348,950
Sales tax		2,816,750	2,062,956
Gross sales and services		24,300,959	16,411,906
Sales tax		(2,816,750)	(2,062,956)
		21,484,209	14,348,950

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

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

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

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

30.2 Revenue recognised during the year from the contract liability balance at the beginning of the year is Rs 1,714.994 million (2021: Rs 238.914 million).

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

	2022 (Rupees in '000)	2021
Subsequent 1st year	23,074,658	15,651,120
Subsequent 2nd year	11,285,626	4,804,004
Beyond 2nd year	11,874,613	8,100,035
	46,234,897	28,555,159

	Note	2022 (Rupees in '000)	2021
31. COST OF SALES AND SERVICES			
Opening inventory of finished goods	22	186,323	212,438
Cost of goods manufactured and services rendered	31.1	14,277,509	10,781,382
Finished goods purchased		2,242,640	1,116,812
		16,706,472	12,110,632
Closing inventory of finished goods	22	(211,621)	(186,323)
		16,494,851	11,924,309
31.1 Cost of goods manufactured and services rendered			
Opening inventories			
Raw materials and components	22	522,555	314,885
Work-in-process	22	621,990	327,244
Goods-in-transit	22	210,947	172,785
		1,355,492	814,914
Purchase of goods and services		13,007,268	8,607,870
Salaries, wages and employees welfare		1,696,878	1,350,453
Gratuity		66,051	72,035
Provident fund contribution		39,737	33,264
Royalty	31.1.1	28,339	38,589
Research and development		3,994	2,165
Commission		14,621	15,469
Fuel, power and water		101,010	73,103
Repairs and maintenance		93,991	71,304
Rent, rates and taxes		146,705	82,605
Vehicle Ijarah rentals		-	42
Liquidated damages on contracts		67,112	115,355
Provision for warranty - net		45,596	69,073
Provision for losses on sales contracts - net		123,384	6,974
Insurance		13,080	46,666
Reversal of provision for slow moving and obsolete items of inventories - net		(18,051)	(30,123)
Inventories written off		43,913	14,716
IT, networking and data communication		232,165	198,694
Depreciation and amortisation	19	121,158	122,803
Travelling and conveyance		234,406	156,133
Transportation		403,468	254,495
Stationery, telex and telephone		30,595	28,660
Security		40,329	29,007
Exchange gain - net		(1,532,603)	(85,534)
Legal and professional		15,418	6,222
Bank charges		96,426	75,417
Others		2,973	5,723
		16,473,455	12,176,094
Closing inventories			
Raw materials and components	22	(520,569)	(522,555)
Work-in-process	22	(1,191,025)	(621,990)
Goods-in-transit	22	(414,011)	(210,947)
		(2,125,605)	(1,355,492)
		14,347,850	10,820,602
Sale of scrap		(70,341)	(39,220)
		14,277,509	10,781,382

31.1.1 Represents royalty payable to the parent Company, Siemens AG, having registered office in Wittelsbacherplatz 2, 80333 Munich, Germany.

32. MARKETING AND SELLING EXPENSES	Note	2022 (Rupees in '000)	2021
Salaries and employees welfare		594,433	506,647
Gratuity		45,155	46,385
Provident fund contribution		25,278	23,954
Business support services		61,210	49,914
Fuel, power and water		17,667	15,909
Repairs and maintenance		16,458	11,541
Rent, rates and taxes		9,354	12,556
Vehicle Ijarah rentals		-	359
Advertising and sales promotion		31,090	7,371
Insurance		3,102	8,082
Trade, other receivables and deposits written off		42,266	3,258
Discounting of long-term loans - net		334	(118)
IT, networking and data communication		93,783	75,144
Depreciation and amortisation	19	29,197	23,068
Travelling and conveyance		31,767	7,039
Transportation		4,403	2,710
Stationery, telex and telephone		13,149	8,864
Security		6,521	4,118
Legal and professional		4,327	3,319
Bank charges		13,648	10,878
Fees and purchased services		23,272	9,085
		1,066,414	830,083
Commission income		(33,866)	(1,814)
Sale of scrap		(27,849)	-
		1,004,699	828,269
33. ALLOWANCE FOR EXPECTED CREDIT LOSSES			
Loss allowance on trade receivables - net	50.2	580,039	71,419
Loss allowance on contract assets - net	50.2	277,403	10,145
Loss allowance on deposits and other receivables - net	50.2	14,037	68,382
		871,479	149,946
34. GENERAL ADMINISTRATIVE EXPENSES			
Salaries and employees welfare		235,332	219,955
Gratuity		3,551	3,660
Provident fund contribution		811	900
Fuel, power and water		10,255	6,859
Repairs and maintenance		4,667	5,562
Rent, rates and taxes		10,445	15,971
Insurance		2,552	2,361
IT, networking and data communication		6,040	7,568
Depreciation and amortisation	19	6,107	2,521
Donations	34.1	7,000	1,637
Auditors' remuneration	43	8,663	7,804
Travelling and conveyance		14,865	7,907
Stationery, telex and telephone		5,071	2,292
Security		8,906	7,572
Legal and professional		226	5,970
Fees and purchased services		16,042	15,646
		340,533	314,185
Sale of scrap		-	(276)
		340,533	313,909

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

	2022	2021
	(Rupees in '000)	
35. OTHER INCOME		
Gain on sale of property, plant and equipment - net	7,768	5,501
Insurance and other claims	300	8,543
Liabilities no longer payable written back	24,184	51,031
	<u>32,252</u>	<u>65,075</u>
36. OTHER OPERATING EXPENSES		
Workers' Profit Participation Fund (WPPF)	139,113	61,580
Workers' Welfare Fund (WWF)	53,257	23,732
	<u>192,370</u>	<u>85,312</u>
37. FINANCIAL INCOME		
Interest on other receivables	7,324	6,357
Income on amounts placed with banks under deposit accounts	29,027	57,264
	<u>36,351</u>	<u>63,621</u>
38. FINANCIAL EXPENSES		
Interest on long-term financing	2,548	6,633
Interest on lease liabilities	9,945	12,842
Interest on short-term running finances	32,747	464
Interest on other payables	14,078	13,758
	<u>59,318</u>	<u>33,697</u>
39. INCOME TAX		
Current		
For the year	653,258	260,952
For prior year	56,075	-
	<u>709,333</u>	<u>260,952</u>
Deferred	199,380	279,098
	<u>908,713</u>	<u>540,050</u>
39.1 Reconciliation of income tax		
Accounting profit	2,589,562	1,390,055
Enacted tax rate	29%	29%
Tax on accounting profit at enacted rate	750,973	403,116
Tax effect of income subject to lower tax rate	22,375	141,037
Super tax current year	79,290	-
Prior year tax	56,075	-
Foreign tax	-	(4,103)
	<u>908,713</u>	<u>540,050</u>
40. BASIC AND DILUTED EARNINGS PER SHARE		
There is no dilutive effect on the basic earnings per share of the Company, which is based on:		
	2022	2021
	(Rupees in '000)	
Net profit for the year	<u>1,680,849</u>	<u>850,005</u>
	(No. of shares)	
Weighted average number of Ordinary shares	<u>8,247,037</u>	<u>8,247,037</u>
	(Rupees)	
Basic and diluted earnings per share	<u>203.81</u>	<u>103.07</u>

41. CASH GENERATED FROM OPERATIONS

		2022	2021
	Note	(Rupees in '000)	
Profit before tax		2,589,562	1,390,055
Adjustment for non-cash items:			
Depreciation and amortisation	19	156,462	148,392
Reversal of provision for slow moving and obsolete items of inventories - net	31.1	(18,051)	(30,123)
Loss allowance on trade receivables - net	33	580,039	71,419
Trade, other receivables and deposits written off	32	42,266	3,258
Inventories written off	31.1	43,913	14,716
Loss allowance on contract assets - net	33	277,403	10,145
Loss allowance on deposits and other receivables - net	33	14,037	68,382
Provision for warranty - net	31.1	45,596	69,073
Provision for losses on sales contracts - net	31.1	123,384	6,974
Discounting of long-term loans - net	32	334	(118)
Provision for Workers' Welfare Fund (WWF)	36	53,257	23,732
Provision for Workers' Profit Participation Fund (WPPF)	36	139,113	61,580
Gain on sale of property, plant and equipment - net	35	(7,768)	(5,501)
Gain on sale of assets classified as held for sale		-	(247,851)
Liabilities no longer payable written back	35	(24,184)	(51,031)
Gratuity	9.1.5	114,757	122,080
Financial expenses	38	59,318	33,697
Financial income	37	(36,351)	(63,621)
Adjustment for other items:			
Long-term loans and trade receivables		(359,768)	2,546
Long-term deposits and prepayments		2,212	(3,042)
Retention money payable		227	(42,308)
Other non-current liabilities		(25,710)	18,505
Working capital changes	41.1	(3,311,447)	688,599
		458,601	2,289,558

41.1 Working capital changes**(Increase) / decrease in current assets**

Inventories	(839,324)	(529,178)
Trade receivables	(1,763,227)	(2,339,640)
Contract assets	(2,148,684)	645,302
Loans and advances	(360,395)	53,008
Deposits and short-term prepayments	(417,907)	21,595
Derivative financial instruments	(1,535,420)	(68,805)
Other receivables	(40,229)	(118,964)
	(7,105,186)	(2,336,682)

Increase / (decrease) in current liabilities

Trade and other payables	2,316,762	976,956
Contract liabilities	1,538,533	2,125,265
Provisions	(61,556)	(76,940)
	3,793,739	3,025,281
	(3,311,447)	688,599

		2022	2021
	Note	(Rupees in '000)	
42. CASH AND CASH EQUIVALENTS			
Cash and bank balances	29	1,474,580	2,402,311

43. AUDITORS' REMUNERATION

Audit fee	5,751	5,229
Fee for certifications, review of half yearly interim financial information, code of corporate governance and audits of retirement funds	1,912	1,625
Out of pocket expenses	1,000	950
	8,663	7,804

44. PROVIDENT FUND

Investments out of provident fund have been made in accordance with the provisions of the Section 218 of the Act and the rules formulated for this purpose.

45. EMPLOYEES

	2022	2021
Total number of employees as of reporting date	576	536
Average during the year	547	529

46. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executives	
	2022	2021	2022	2021
	(Rupees in '000)			
Salaries and allowances - fixed	95,758	75,218	1,283,662	911,387
Salaries and allowances - bonus	35,124	25,141	355,661	248,173
Retirement benefits and Company's contribution to provident fund	339	236	105,121	88,459
Perquisites and benefits:				
- Medical / social security	-	42	18,256	12,768
- Share based benefits	827	1,273	3,267	17,281
- Education fees (children)	-	-	3,328	3,644
- Club membership	-	-	144	149
	132,048	101,910	1,769,439	1,281,861
	1	1	254	193

46.1 The Chief Executive has been provided with cars along with security in accordance with the entitlements.

46.2 The aggregate amount charged in these financial statements in respect of directors' fee paid to three non-executive directors (2021: three) was Rs 4.450 million (2021: Rs 5.350 million).

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

46.4 An amount of Rs 224.288 million (2021: Rs 194.947 million) was incurred on account of compensation to key management personnel, the details of which are as follows:

	2022	2021
	(Rupees in '000)	
Short-term benefits	221,569	179,229
Post-employment benefits	1,892	1,736
Share based benefits	827	13,982
	224,288	194,947

47. SHARE BASED BENEFITS

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

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

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

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

	2022	2021
	Number of Awards	
Balance as at beginning of the year	8,921	6,762
Granted during the year	828	3,571
Expired / paid during the year	(2,498)	(1,412)
Balance as at end of the year	7,251	8,921

Total expenses for share based benefits during the year ended September 30, 2022 was Rs 11.283 million (2021: Rs 46.837 million). The liabilities as of September 30, 2022 aggregated to Rs 56.894 million (2021: Rs 81.897 million) and is reported under accrued and deferred liabilities.

48. TRANSACTIONS WITH RELATED PARTIES

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

	Note	2022 (Rupees in '000)	2021
Parent company			
Sales of goods and rendering of services		5,984	13,368
Purchases of goods and receipt of services		2,331,208	2,090,481
Dividends paid		283,212	61,568
Associated companies			
Sales of goods and rendering of services		607,457	523,670
Purchases of goods and receipt of services		3,971,271	3,253,500
Commission and allowances earned		33,866	1,814
Costs reimbursements		11,737	15,496
Financial expenses - net		-	26
Financial income - net		150	-
Others			
Dividends paid		481	11
Contribution to employees' retirement benefit funds		135,002	131,484
Compensation to key management personnel	46.4	224,288	194,947

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

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

Name and Country of Incorporation

Parent Company

Siemens AG, Germany

Affiliated / Group Companies

Dresser Rand Company, USA
 Dresser Rand SAS, France
 Dresser Rand Field Operations, UAE
 ISCOSA Industries and Maintenance, Saudi Arabia
 PT Siemens, Indonesia
 Rousch (Pakistan) Power Ltd, Pakistan
 Siemens Aktiengesellschaft, Austria
 Siemens Capital Middle East Ltd., UAE
 Siemens Circuit Protection, China
 Siemens Doo Beograd, Serbia
 Siemens Electrical Drives Ltd., China
 Siemens Energy AB, Sweden
 Siemens Energy Canada Ltd., Canada
 Siemens Energy Global GmbH & Co. KG, Germany
 Siemens Energy INC, USA
 Siemens Energy Industrial, United Kingdom
 Siemens Energy Kft., Hungary
 Siemens Energy Limited, Saudi Arabia
 Siemens Energy Limited, Thailand
 Siemens Energy Limited, United Kingdom
 Siemens Energy Limited, Vietnam
 Siemens Energy LLC, Oman
 Siemens Energy LLC, UAE
 Siemens Energy Pte Ltd., Singapore
 Siemens Energy S.R.L, Italy
 Siemens Energy SAE, Egypt
 Siemens Energy Sp. Zoo, Poland
 Siemens Energy Unipessoal Lda, Portugal
 Siemens Energy WLL, Qatar
 Siemens Gamesa Renewable Energy (Private) Limited, Pakistan
 Siemens Gas and Power GmbH & Co KG, Germany
 Siemens Healthcare (Private) Limited, Pakistan
 Siemens High Voltage Switchgear, China
 Siemens Industrial LLC, UAE
 Siemens Industry INC, USA
 Siemens Industry Software (Private) Limited, Pakistan
 Siemens International Trading Ltd., China
 Siemens Ltd., Saudi Arabia
 Siemens Ltd., Vietnam
 Siemens Malaysia Sdn. Bnd, Malaysia
 Siemens Middle East Limited, UAE
 Siemens Power Automation Ltd., China
 Siemens Pte. Ltd, Singapore
 Siemens s.r.o., Czech Republic
 Siemens SA, Portugal
 Siemens Sanayi Ve Ticaret As, Turkey
 Siemens SAS, France
 Siemens SPA, Italy
 Siemens Standard Motors Ltd., China
 Siemens Switchgear Ltd. Shanghai, China
 Siemens Transformer (Guangzhou), China
 Siemens Transformer (Jinan) Co., China
 Siemens Transformer (Wuhan) Company, China
 Siemens WLL, Qatar
 Trench Austria GmbH, Austria
 Trench Germany GmbH, Germany
 Trench Limited, Canada

	Capacity	Actual Production 2022	Actual Production 2021
49. PLANT CAPACITY AND ACTUAL PRODUCTION			
Switchgears (in numbers)	2,200	917	873

49.1 The under utilisation is mainly attributed to reduced demand.

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities mainly comprise of long-term financing, lease liabilities, trade and other payables and short-term running finances. The main purpose of financial liabilities is to raise finance for the Company's operations. The Company's financial assets comprise deposits, loans, trade and other receivables, contract assets and cash and bank balances. The Company is exposed to market risk, credit risk and liquidity risk. No changes were made to policies, procedures and objectives of the Company during the year ended September 30, 2022.

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

50.1 Market risk

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

Foreign currency risk

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

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

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

	2022 (AED in '000)	2021
Trade and other receivables	6,966	13,283
Cash and bank balances	3,307	4
Trade and other payables	(474)	(4,296)
	<u>9,799</u>	<u>8,991</u>
	2022 (EUR in '000)	2021
Trade and other receivables	11,049	7,663
Trade and other payables	(10,083)	(9,371)
	<u>966</u>	<u>(1,708)</u>
	2022 (USD in '000)	2021
Trade and other receivables	10,641	12,128
Cash and bank balances	1,879	2,552
Trade and other payables	(5,281)	(3,169)
	<u>7,239</u>	<u>11,511</u>

Sensitivity of the Company's profit before tax to a reasonably possible change in exchange rate of currencies applied to foreign currency assets and liabilities as at September 30, 2022 keeping all other variables constant is as follows:

	2022	2021
Change in exchange rate	+ 1%	1%
Effect on profit before tax (Rs '000)	+ 23,857	19,186

Interest rate risk

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

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

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

	2022 Effective rates (%)	2021	2022 (Rupees in '000)	2021
Financial Assets				
Bank balances (PKR)	9.40	5.69	8,317	13,148
Financial Liabilities				
Long-term financing (PKR)	3.00	3.00	34,222	166,540

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

	2022	2021
Effect on profit before tax (Rs '000)	+ 2,803	11,512

Equity price risk

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

50.2 Credit risk

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

2022 2021
(Rupees in '000)

Category - at amortised costs

Advances to suppliers	470,861	99,251
Trade deposits	520,208	87,177
Trade receivables	12,249,376	10,750,629
Contract assets	3,424,503	1,553,222
Other receivables	315,934	282,858
Bank balances	1,474,394	2,401,677
	18,455,276	15,174,814

Concentration of credit risk

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

	2022		2021	
	(Rupees in '000)	%	(Rupees in '000)	%
Government sector				
Energy	4,065,903	21	2,995,253	21
Housing	508,790	3	653,668	5
Aviation	413,657	2	403,977	3
Engineering	314,771	2	247,372	2
Civil works	282,397	2	322,876	2
Petroleum	198,290	1	138,582	1
Finance	7,238	0	251,882	2
Health and Education	1,215	0	7,219	0
Others	53,878	0	160,862	1
Sub-total	5,846,139	31	5,181,691	37
Private sector				
Energy	10,769,351	56	8,149,455	57
Civil works	650,229	3	208,627	1
Finance	462,299	3	33,504	0
Fertilizer	223,380	1	79,694	1
Engineering	181,886	1	57,048	0
Petroleum	118,547	1	119,740	1
Housing	72,364	0	70,298	0
Sugar	70,340	0	61,293	0
Steel	69,933	0	5,644	0
Cement	50,609	0	11,281	0
Dealers and agents	46,601	0	44,792	0
Others	807,609	4	377,103	3
Sub-total	13,523,148	69	9,218,479	63
Total	19,369,287	100	14,400,170	100

Trade receivables

To mitigate the credit risk against trade receivables, the Company has a system of assigning credit limits to its customers based on an extensive credit rating scorecards. Outstanding customer receivables are regularly monitored. The Company endeavors to cover the credit risks on trade receivables, where possible, by restricting credit facility to the projects which are financed by multilateral financial institutions and / or financed by special allocation of funds by the provincial / federal governments. Business with customers is also secured by way of letters of credits, where possible. As at September 30, 2022, trade receivables amounting to Rs 337.143 million (2021: Rs 1,005.016 million) were secured through letters of credit and bank guarantees.

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

	2022	2021
	(Rupees in '000)	
Related parties		
Not yet due	109,816	62,415
Past due 1-180 days	94,316	5,325
Past due 181-360 days	5,573	23
Past due 361-720 days	324	-
	210,029	67,763
Others		
Not yet due	9,426,708	8,442,394
Past due 1-180 days	1,876,947	1,675,492
Past due 181-360 days	508,340	369,927
Past due 361-720 days	582,411	137,849
Past due 721-1080 days	82,712	165,472
Over 1080 days	1,242,649	1,035,353
	13,719,767	11,826,487
Less: Loss allowance	(1,680,420)	(1,143,621)
	12,039,347	10,682,866
	12,249,376	10,750,629

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

	2022	2021
	(Rupees in '000)	
Balance at beginning of the year	1,143,621	1,087,001
Loss allowance during the year - net	580,039	71,419
Write offs	(43,240)	(14,799)
Balance at end of the year	1,680,420	1,143,621

The loss allowance in respect of trade receivables include Rs 0.159 million (2021: 0.01 million) held against trade receivables due from related parties.

Contract assets

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

	2022	2021
	(Rupees in '000)	
Balance at beginning of the year	257,449	247,304
Loss allowance during the year - net	277,403	10,145
Balance at end of the year	534,852	257,449

Trade deposits and other receivables

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

	2022	2021
	(Rupees in '000)	
Balance at beginning of the year	262,582	194,200
Loss allowance during the year - net	14,037	68,382
Write offs	(293)	-
Balance at end of the year	276,326	262,582

Cash and bank balances

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

50.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the Company's business, the treasury maintains flexibility in funding by maintaining availability under control committed credit lines. The facilities available to the Company have been detailed in notes 15.1 to 15.3 to these financial statements.

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

	Carrying amount	Less than 12 months	1 to 2 years	2 to 5 years
----- (Rupees in '000) -----				
Financial liabilities				
2022				
Long-term financing	34,222	34,222	-	-
Lease liabilities	80,325	32,018	28,226	20,081
Retention money	3,262	-	3,262	-
Trade and other payables	8,583,626	8,583,626	-	-
	<u>8,701,435</u>	<u>8,649,866</u>	<u>31,488</u>	<u>20,081</u>
Financial liabilities				
2021				
Long-term financing	166,540	135,099	31,441	-
Lease liabilities	111,654	31,330	32,018	48,306
Retention money	3,035	-	1,974	1,061
Trade and other payables	6,282,812	6,282,812	-	-
	<u>6,564,041</u>	<u>6,449,241</u>	<u>65,433</u>	<u>49,367</u>

51. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The carrying values of all financial assets and liabilities are estimated to approximate their fair values. As at September 30, 2022, the Company's derivative financial instruments have been valued under level 2 of fair valuation hierarchy which requires inputs other than quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

52. CAPITAL RISK MANAGEMENT

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

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

The Company is not subject to externally imposed capital requirements.

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

53. INFORMATION ABOUT OPERATING BUSINESS SEGMENTS

The Company is operating through three business portfolios, namely Smart Infrastructure, Digital Industries 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.

53.1 The details of information about operating business segments is as follows:

Segment Business Units	(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
-----Rs '000-----												
2022												
REVENUE												
Sales to external customers	2,688,481	1,052,889	179,340	3,920,710	2,241,455	1,341,294	3,582,749	7,995,534	5,981,999	13,977,533	3,217	21,484,209
Inter-segment sales	241,893	343,427	18,217	603,537	-	11,663	11,663	-	-	-	(615,200)	-
Total revenue	2,930,374	1,396,316	197,557	4,524,247	2,241,455	1,352,957	3,594,412	7,995,534	5,981,999	13,977,533	3,217	21,484,209
RESULT												
Segment result	(355,177)	78,339	5,842	(270,996)	9,271	(10,159)	(888)	1,236,958	1,622,964	2,859,922	18,057	2,606,095
Financial expenses												(45,560)
Financial income												29,027
Income tax												(908,713)
Net profit for the year												1,680,849
OTHER INFORMATION												
Capital expenditure	13,627	507	970	15,104	5,511	37,294	42,805	35,714	9,529	45,243	-	-
Depreciation	18,432	7,584	121	26,137	5,982	11,678	17,660	18,422	22,288	40,710	452	-
Non-cash expenses other than depreciation	514	(1,207)	196	(497)	1,574	985	2,559	2,307	(1,793)	514	(352)	-
ASSETS AND LIABILITIES												
Segment assets	2,517,326	1,063,889	48,187	3,629,402	588,156	784,873	1,373,029	12,916,445	2,717,627	15,634,072	374,080	21,010,583
Segment liabilities	2,006,388	839,107	126,566	2,972,061	1,036,654	774,792	1,811,446	5,937,343	3,137,490	9,074,833	266,300	14,124,640
2021												
REVENUE												
Sales to external customers	2,290,270	639,185	162,926	3,092,381	1,773,503	1,542,866	3,316,369	3,892,299	3,952,867	7,845,166	95,034	14,348,950
Inter-segment sales	453,733	475,790	-	929,523	2,736	15,804	18,540	472	-	472	(948,535)	-
Total revenue	2,744,003	1,114,975	162,926	4,021,904	1,776,239	1,558,670	3,334,909	3,892,771	3,952,867	7,845,638	95,034	14,348,950
RESULT												
Segment result	154,981	103,493	9,447	267,921	(20,077)	153,200	133,123	77,160	616,886	694,046	9,790	1,104,880
Gain on disposal of assets classified as held for sale												247,851
Financial expenses												(19,940)
Financial income												57,264
Income tax												(540,050)
Net profit for the year												850,005
OTHER INFORMATION												
Capital expenditure	4,510	9,654	-	14,164	3,102	15,362	18,464	11,765	31,684	43,449	37	-
Depreciation and amortisation	19,199	8,554	51	27,804	7,249	8,538	15,787	24,206	25,076	49,282	650	-
Non-cash expenses other than depreciation and amortisation	5,621	1,801	146	7,568	2,436	2,259	4,695	5,023	1,307	6,330	560	-
ASSETS AND LIABILITIES												
Segment assets	2,411,504	645,177	56,445	3,113,126	500,135	717,247	1,217,382	8,949,624	871,273	9,820,897	388,764	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

53.2 Geographical information**Revenues**

	2022	2021
	(Rupees in '000)	
Pakistan	20,986,489	13,635,022
Afghanistan	30,331	189,842
United Arab Emirates	74,550	191,299
Oman	107,658	34,036
Iraq	89,714	120,639
Saudi Arabia	57,695	70,400
Libya	73,934	57,062
Qatar	28,758	25,890
Others	35,080	24,760
	21,484,209	14,348,950

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

Non-current assets

Pakistan	1,004,774	799,540
United Arab Emirates	-	67
Afghanistan	313	384
	1,005,087	799,991

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

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

53.4 Segment assets and liabilities

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

	2022	2021
	(Rupees in '000)	
Assets for reportable segments	21,010,583	14,540,169
Corporate assets	336,181	282,293
Unallocated		
Deferred tax asset - net	356,874	579,912
Cash and bank balances	1,474,580	2,402,311
Total assets as per statement of financial position	23,178,218	17,804,685

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

Liabilities for reportable segments	14,124,640	10,181,864
Corporate liabilities	275,048	406,761
Unallocated		
Long-term financing	34,222	166,540
Deferred Government grant	-	4,529
Trade and other payables	978,050	909,276
Taxation - net	574,729	329,418
Total liabilities as per statement of financial position	15,986,689	11,998,388

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

- 53.5** Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit, marketing and selling expenses, profit from operations and free cash flows.
- 53.6** Financial income and expense (other than directly attributable to a contract) are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.
- 53.7** Two (2021: two) of the Company's customers contributed Rs 6,656.210 million (2021: Rs 5,368.025 million) and each customer individually exceeded 10% of the revenue.

54. OPERATIONS IN AFGHANISTAN

54.1 Results of the Afghanistan Operations

	2022 (Rupees in '000)	2021
Net sales and services	30,331	189,842
Cost of sales and services	(165,703)	(173,936)
Gross (loss) / profit	(135,372)	15,906
Marketing and selling expenses	(16,479)	(14,444)
Allowance for expected credit losses	(313,091)	(16,667)
General administrative expenses	(898)	(4,330)
	(330,468)	(35,441)
Other operating income - net	3	6
Loss before tax	(465,837)	(19,529)
Income tax	-	4,103
Net loss for the year	(465,837)	(15,426)

54.2 Cash flows from the Afghanistan Operations

Net cash (used in) / generated from operating activities	(73,694)	326,543
Net cash used in investing activities	(197)	(162)
Net cash flows from Afghanistan Operations	(73,891)	326,381

54.3 Assets of the Afghanistan Operations

Property, plant and equipment	313	384
Trade receivables	402,297	531,385
Contract assets	-	168,522
Other receivables	2,120	1,554
Cash	-	525
	404,730	702,370

54.4 Liabilities of the Afghanistan Operations

Other non-current liabilities	40	124
Trade and other payables	838,372	883,408
Provisions	74,906	74,909
	913,318	958,441

- 54.5** For segment reporting, operations in Afghanistan have been classified in Transmission Solutions and Services under Energy business segment (note 53).

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

Karachi

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

Lahore

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

Dubai

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

City Office

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

Islamabad

10th floor, UBL Building
Jinnah Avenue, Blue Area

Afghanistan

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

56. **EVENTS OCCURRING AFTER BALANCE SHEET DATE**

The Board of Directors of the Company in their meeting held on October 4, 2022, approved, in principle, the sale of the Company's ERP value added reselling solution and service business. The sale is subject to applicable regulatory approvals. Since the criteria stated in IFRS-5 'Non-current Assets Held for Sale and Discontinued Operations' have not been fully met till the reporting date, accordingly, the afore-mentioned business has not been classified and presented as 'Held for Sale' in these financial statements.

57. **CORRESPONDING FIGURES**

Certain corresponding figures have been reclassified and rearranged for the purpose of better presentation and comparison of transactions in the financial statements of the Company, the effect of which is not material.

58. **DATE OF AUTHORISATION**

These financial statements were authorised for issue by the Board of Directors of the Company in the meeting held on November 24, 2022.



Markus Strohmeier
Managing Director



Syed Muhammad Ahsan Ghazali
Chief Financial Officer



Qazi Sajid Ali
Director

Pattern of holding of the Shares held by the Shareholders

As at September 30, 2022

Number of Shareholder	Shareholding		Total Shares Held
	From	To	
853	1	100 shares	22,934
419	101	500 shares	98,857
91	501	1,000 shares	70,503
71	1001	5,000 shares	143,173
12	5001	10,000 shares	80,752
2	10,001	15,000 shares	24,330
1	15,001	20,000 shares	18,923
1	20,001	25,000 shares	24,312
2	25,001	30,000 shares	52,950
1	30,001	35,000 shares	32,700
1	70,001	75,000 shares	70,031
1	75,001	80,000 shares	78,830
1	85,001	90,000 shares	86,308
1	115,001	120,000 shares	119,150
1	145,001	150,000 shares	148,131
1	705,001	710,000 shares	705,662
1	1,015,001	1,020,000 shares	1,018,371
1	5,450,001	5,455,000 shares	5,451,120
1461			8,247,037

Categories of Shareholders

As on September 30, 2022

Particulars		Shares held	Percentage
DIRECTORS AND CHIEF EXECUTIVE		14,100	0.17%
Mr. Markus Strohmeier	13,050		
Mr. Qazi Sajid Ali	500		
Ms. Ayla Majid	550		
Associated companies, undertakings and related parties			
Siemens AG, Germany		6,156,782	74.65%
NIT and ICP			
National Investment Trust		1,042,683	12.64%
Banks		130,959	1.59%
The Bank of Punjab	119,150		
MCB Bank Limited	11,280		
National Bank of Pakistan	529		
Insurance Companies			
Adamjee Insurance Co. Limited		148,131	1.80%
Modarabas and Mutual Funds			
CDC-Trustees NIT-Equity Market Opportunity Fund		78,830	0.96%
Public Sector Companies			
Pakistan National Shipping Corporation		6,930	0.08%
General Public		369,788	4.48%
Local	334,107		
Foreign	35,681		
Others		298,834	3.62%
Trustee National Bank of Pakistan Employees Pension Fund	86,308		
IGI Investments (Private) Limited	70,031		
Acacia Partners LP	32,700		
Noman Abid Holdings Limited	25,850		
Amin Tai (Private) Limited	27,100		
Acacia Conservation Master Fund (Offshore) LP	6,682		
Premier Fashion (Private) Limited	7,750		
Acacia Institutional Partners LP	3,400		
Trustee National Bank of Pakistan Employees Benevolent Fund Trust	3,029		
Memon Securities (Private) Limited	18,923		
United Trading & Manufacturing (Private) Limited	1,500		
Siza (Private) Limited	1,440		
Trustees Al-Badar Welfare Trust	864		
FDM Capital Securities (Private) Limited	500		
Acacia II Partners LP	500		
Fikrees (Private) Limited	250		
Spectrum Securities Limited-MF	10,000		
MRA Securities Limited-MF	2,000		
NH Capital (Private) Limited	5		
Maple Leaf Capital Limited	1		
IGI Finex Securities Limited	1		
Total		8,247,037	100.00%

Notice of Annual General Meeting

Notice is hereby given that the Seventieth (70th) Annual General Meeting ("Meeting") of the Members of Siemens (Pakistan) Engineering Company Limited (the "Company") will be held on January 12, 2023, at 11:00 a.m. at "The Dawood Foundation" Business Hub, Ground Floor, Dawood Centre, M.T. Khan Road, Karachi to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the annual general meeting held on January 13, 2022.
2. To receive, consider and adopt the audited financial statements for the financial year ended September 30, 2022, and reports of the auditors and directors thereon.
3. To consider and declare cash dividend of Rs. 46 per share (460%) for the financial year ended September 30, 2022.
4. To appoint EY Ford Rhodes, Chartered Accountants, as Auditors of the Company till conclusion of next annual general meeting and to fix their remuneration for the financial year ending September 30, 2023. The present auditors EY Ford Rhodes, Chartered Accountants, being eligible, have offered themselves for reappointment.
5. To transact such other ordinary business as may be placed before the meeting with the permission of the Chair.

By order of the Board of Directors

Khurram M. Siddique
Company Secretary

Karachi: December 21, 2022

Notes:

Share Transfer Book Closure:

The Share Transfer Books of the Company shall remain closed from January 5, 2023 to January 12, 2023 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, THK Associates (Pvt.) Limited, Plot No.C-32, Jami Commercial Street-2 D.H.A., Phase-VII, Karachi and email at ops_dept3@thk.com.pk by the close of business (5:00 pm) on January 4, 2023, will be considered in time for the purpose of Annual General Meeting. Final cash dividend, if any approved in the Meeting, will be paid to Members whose name appears in the register of the Members on January 4, 2023.

Procedure and requirement for attending the Meeting and Appointing Proxies

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

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

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

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

Change of Address and Zakat Status

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

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

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

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

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

Withholding Tax on Dividend

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

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

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

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

Annual Accounts of the Company

Annual accounts of the company for the financial year ended September 30, 2022 can be downloaded from the Company's website- www.siemens.com.pk/annual_report.html

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

Video Conferencing Facility

The shareholders interested to participate in the meeting through video link are requested to register themselves on yousuf.shabbir@thk.com.pk by providing following information along with valid copy of CNIC (both sides).

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

Video-link and complete information necessary to access the facility will be shared with the Members/Proxies whose email containing all the above particulars are received at the given email address by the close of business on January 10, 2023.

Members who are registered, after necessary verification, will be provided with the link on the same email address with which they email the Company. The login facility will remain open from 10:45 a.m. till the end of the meeting.

The members can also provide their comments and questions for the agenda items of the AGM on email yousuf.shabbir@thk.com.pk on or before January 10, 2023.

Voting through Postal and Ballot

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

Miscellaneous

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

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

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

Telephone No: 021-111-000-322 (Ext. 131)
E-Mail: yousuf.shabbir@thk.com.pk
Contact Person: Mr. Yousuf Shabbir

ریٹائرمنٹ کے فوائد میں سرمایہ کاری

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

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

روپے (ملین میں)			
30 جون، 2021	30 جون، 2020	30 جون، 2019	
669.301	574.432	499.715	پروویڈنٹ فنڈ
30 ستمبر، 2021	30 ستمبر، 2020	30 ستمبر، 2019	
217.215	209.278	201.108	گریجویٹ فنڈ

پوسٹ بیلنس شیٹ نان ایڈجسٹنگ ایونٹس اور اہم پیشرفت برائے مالی سال 2022

30 ستمبر 2022 سے اس رپورٹ کی تاریخ تک کوئی ایسی تبدیلیاں یا واقعات نہیں ہوئے جن کا اثر مالی بیانات (financial statements) پر پڑے، سوائے مندرجہ ذیل کے:

- کمپنی کے بورڈ آف ڈائریکٹرز نے اصولی طور پر، 14 اکتوبر 2022 کو منعقدہ اپنے اجلاس میں، کمپنی کی ERP قدر کے اضافہ کی بناء پر دوبارہ فروخت کے حل اور خدمات کے کاروبار کی منظوری دی۔ جس کی فروخت کا اطلاق ریگولیٹری منظور یوں سے مشروط ہے؛ اور
- حتمی منافع منقسمہ کا اعلان، جو آئندہ سالانہ عام اجلاس میں کمپنی کے ممبران کی منظوری سے مشروط ہے، جس کا اثر مالی سال 2023 کے مالی بیانات میں ظاہر ہو گا۔

کمپنی کے مستقبل کا منظر نامہ

دو اطمینان بخش سالوں کے باوجود کمپنی کے بورڈ اور انتظامیہ ملک کی سیاسی اور معاشی صورتحال سمیت ترقی کی رفتار میں رکاوٹ بننے والے اہم خدشات کی قریب سے نگرانی کرتا رہتا ہے۔ ہر درآمدی لین دین سے پیشتر اسٹیٹ بینک آف پاکستان کی منظوری حاصل کرنے کا بنیادی ریگولیٹری تقاضہ کمپنی کے لئے ایک اہم چیلنج ہے۔ اس بات کا خدشہ ہے کہ یہ صورت حال ٹرانسمیشن اور الیکٹریفیکیشن اور آٹومیشن کے کاروبار میں اپنے آرڈرز پر عمل درآمد اور تکمیل کے لیے درکار مشینری اور آلات کو بروقت حاصل کرنے کی کمپنی کی صلاحیت کو متاثر کر سکتی ہے۔ ہم ملک کے زر مبادلہ کے ذخائر کی صورتحال کے پیش نظر متوقع تاخیر کو ممکنہ حد تک کم کرنے کے لیے اپنے پارٹنریٹوں کے ساتھ مسلسل رابطے میں ہیں۔ مزید یہ کہ گزشتہ سال کے دوران کرنسی کی تیزی سے قدر میں کمی معیشت پر منفی طور پر اثر انداز رہی ہے۔

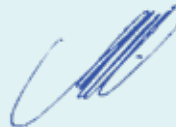
اگرچہ کمپنی نے حالیہ سال کے لئے اچھے مالی نتائج پیش کیے ہیں، لیکن مستقبل میں ترقی معاشی صورتحال کی بہتری پر منحصر ہے۔ اگلے سال کے لئے کمپنی صحیح راہ پر گامزن ہے۔ اگر ملک کی معاشی صورتحال مستحکم رہی تو کمپنی کے پاس موجود آمدنی اور مستقل کارکردگی دکھانے کے مواقع کے بناء پر کمپنی مالی سال 2023 کے لئے پُر امید ہے۔ ہم صورتحال کی باریک بینی سے نگرانی کرتے رہتے ہیں تاکہ کاروبار کی حفاظت کے لئے مناسب اور بروقت فیصلے کے اقدام کو یقینی بنایا جاسکے۔

اظہار شکر


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

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

بورڈ کی جانب سے



مارکس اسف علی
چیئرمین ڈائریکٹر



قاسم ساجد علی
ڈائریکٹر

کراچی، نومبر 24، 2022ء

یادداشت اور مستقبل کے حوالے سے بیانات (نوٹس اور فادرڈ لنگ اسٹیٹمنٹ)

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

- مشاہرہ اس سطح کا جو افراد کی کمپنی کو کامیابی کے ساتھ چلانے کی اہلیت اور قابلیت کے پیش نظر ان کیلئے پرکشش اور ان کو کمپنی کے ساتھ جڑا رکھنے کیلئے کافی ہو۔
- مشاہرہ اس وقت اور مہارت کے لحاظ سے منصفانہ ہو جو ڈائریکٹرز اپنی ذمہ داریاں پوری کرنے کیلئے صرف کرتے ہیں۔
- مشاہرہ اقدار میں اضافے کی حوصلہ افزائی کیلئے کافی ہو۔
- مشاہرہ اس سطح کا ہو جو ڈائریکٹرز کو خود مختاری سے سمجھوتہ کرنے کا احساس دلائے۔
- نیجنگ ڈائریکٹر / چیف ایگزیکٹو آفیسر، ایگزیکٹو ڈائریکٹرز اور شیئر ہولڈرز کی اکثریت کی نمائندگی کرنے والے ڈائریکٹرز کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مطابق کسی مشاہرے کے اہل نہیں ہیں۔
- مشاہرہ بورڈ کی مکمل مدت تک کیلئے مقرر ہو گا جو ڈائریکٹرز کے ہر انتخاب سے پہلے تک ہو گا (ہر تین سال میں ایک بار)۔
- مشاہرے کی سطح مقرر کرنے کیلئے حد کے تعین کے سلسلے میں خود مختار مشیروں کی سفارشات حاصل کر لی جائیں۔

ڈائریکٹرز کا مشاہرے

ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے مشاہرے کی مجموعی رقم کی تفصیلات، مالی بیانات کے نوٹ 46 میں ظاہر کی گئی ہیں۔

بورڈ کی کارکردگی کی تشخیص

بورڈ نے ایک باضابطہ پالیسی کی منظوری دی ہے اور بورڈ اور اس کی کمیٹیوں کی سالانہ کارکردگی کا جائزہ لینے کے لیے ایک عمل شروع کر دیا گیا ہے۔ تشخیص کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی کو کارپوریٹ مقاصد، کمپنی گورننس کی ساخت، قانونی اور ریگولیٹری تعمیل، تاثیر، تعاون اور قدر میں اضافے کے حوالے سے ناپا جائے۔ مالی سال 2022 کے لیے کارکردگی کی جانچ، بورڈ کی طرف سے منظور شدہ عمل کے مطابق کی گئی اور بورڈ کی مجموعی کارکردگی اور تاثیر کو ”مضبوط“ کے زمرے میں رکھا گیا ہے۔ بورڈ کے تمام ممبران نے کارکردگی کی تشخیص میں حصہ لیا ہے اور اپنی رائے سے آگاہ کیا ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل

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

مرد: چھ (6)

خاتون: ایک (1)

نام	کینڈیگری
جناب قاضی ساجد علی محترمہ عائشہ ماجد	خود مختار ڈائریکٹرز
جناب عدنان آفریدی جناب اولیور اسپیرلنگ جناب مینوئل کوہن، جناب کرل اسٹیفن وارنر* جناب ہیرالڈ گریم	نان ایگزیکٹو ڈائریکٹرز
جناب مارکس اسٹروہمیر	ایگزیکٹو ڈائریکٹر

* جناب مینوئل کوہن نے 21 اپریل، 2022ء سے استعفیٰ دیا تھا۔

** جناب کرل اسٹیفن وارنر 10 مئی، 2022 کو جناب مینوئل کوہن کی جگہ بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی میں تقرر کیا گیا تھا۔

بیرونی آڈیٹرز

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

آڈٹ کمیٹی کی سفارشات کے مطابق بورڈ 7.6 ملین روپے (علاوہ سیلز ٹیکس) مشاہرے پر برائے مالی سال 2023 ان کے دوبارہ تقرر کی سفارش کرتا ہے۔

کارپوریٹ حیثیت

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

شیئر ہولڈنگ کا طرز

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

کارپوریٹ گورننس کے بہترین طریقوں کی پابندی

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

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

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

ترتیب / کمپوزیشن	بورڈ اجلاس منعقد ہوئے / شرکت کی گئی	آؤٹ میٹنگ منعقد ہوئی / شرکت کی گئی	انسانی وسائل اور معاوضے کا اجلاس منعقد کیا گیا / شرکت کی گئی	نامزدگی کا اجلاس منعقد ہوا / شرکت کی گئی
جناب مینوئل کوہن *	نان ایگزیکٹو ڈائریکٹر	2/2	N/A	N/A
جناب مارکس اسٹروہمیر	ایم ڈی - ایگزیکٹو ڈائریکٹر	5/5	N/A	1/1
جناب قاضی ساجد علی	خود مختار ڈائریکٹر	5/5	N/A	N/A
جناب اولیور اسپیر لنگ	نان ایگزیکٹو ڈائریکٹر	5/5	N/A	1/1
محترمہ عائکہ ماجد	خود مختار ڈائریکٹر	5/5	4/4 (چیز وین)	N/A
جناب ہیرالڈ گریم	نان ایگزیکٹو ڈائریکٹر	5/5	N/A	N/A
جناب کرل اسٹیفن وارنر **	نان ایگزیکٹو ڈائریکٹر	3/3	N/A	N/A
جناب عدنان آفریدی	نان ایگزیکٹو ڈائریکٹر	4/4	N/A	N/A

* جناب مینوئل کوہن نے 21 اپریل، 2022ء سے استعفیٰ دیا تھا۔

** جناب کرل اسٹیفن وارنر 10 مئی، 2022ء کو جناب مینوئل کوہن کی جگہ بورڈ آف ڈائریکٹرز اور آؤٹ کمیٹی میں تقرر کیا گیا تھا۔

ڈائریکٹرز کا اسٹیٹمنٹ

ہم بمسرت بیان کرتے ہیں کہ:

(الف) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی تفصیلات (Financial Statements) میں کمپنی کے معاملات، آپریشنز کے نتائج، نقد رقومات کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے۔

(ب) کمپنی کی جانب سے حساب کتاب اور کھاتوں کو درست طور پر مرتب کیا گیا ہے۔

(ج) مالیاتی اسٹیٹمنٹ کی تیاری میں درست اکاؤنٹنگ پالیسیز کا مربوط طور پر اطلاق کیا گیا ہے۔

(د) بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRSs) کی بنیاد پر تیار کئے گئے ہیں۔

(ر) داخلی کنٹرول کا نظام مع مالیاتی رپورٹنگ پر اندرونی کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور موثر طور پر نافذ اور مانٹر کیا جاتا ہے۔

(س) داخلی کنٹرول کا نظام، بشمول مالیاتی رپورٹنگ پر اندرونی کنٹرول، ڈیزائن کے لحاظ سے درست ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

(ش) کمپنی کے موجودہ صلاحیت کے ساتھ کام جاری رکھنے میں کسی رکاوٹ کا کوئی شہ نہیں ہے۔

(ص) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں درج تفصیل کے مطابق کارپوریٹ گورننس کے بہترین معمولات سے کوئی اہم اعراض نہیں کیا گیا ہے۔

کمپلائنس کا بیانیہ

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

ڈائریکٹرز کے مشاہرے کی پالیسی

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

- مشاہرے کی سطح کاروباری ضروریات کے مطابق، حکمت عملی کی سمت میں اور کمپنی اور اس کے شیئرز ہولڈرز کے بہترین مفاد میں ہوگی۔
- مشاہرے کی سطح مسابقتی کمپنیز / صنعت کی مارکیٹ کے معمولات کے مطابق ہوگی۔
- مشاہرے کا تعین کرتے وقت جنس کے لحاظ سے کوئی امتیاز نہیں برتا جائے گا۔

جائے۔ ڈیجیٹل انڈسٹریز اپنے صارفین کو ایک پارٹنر کے طور پر اپنی مکمل صلاحیتوں کو استعمال کرنے میں مدد کرتی ہے جو مجرد اور زیر تعمیر صنعتوں کی آٹومیشن اور ڈیجیٹلائزیشن کے لیے انہیں جدید ٹیکنالوجیز فراہم کرتی ہے۔

خداشات، غیر یقینی کیفیت اور خاتمہ

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

(الف) آپریشنل خداشات

آپریشنل خداشات کا تعلق پروجیکٹ منیجمنٹ (جیسے وقت پر پروجیکٹس کی تکمیل اور تخمینی لاگت میں ردوبدل)، EHS اور سپلائی چین منیجمنٹ شامل ہیں۔

کمپنی ان خداشات کا انسداد کاروباری عمل کے دوران میں خصوصی وسائل مع مطلوبہ صلاحیت اور مہارت کے ساتھ کرتی ہے۔ انتظامیہ ایسے خداشات کیلئے خداشات کی جوابی حکمت عملی کا تعین کرتی ہے جس میں "گریز، منتقلی، کمی یا قبول کرنا" کی حکمت عملی شامل ہے۔

(ب) مالیاتی خداشات

مالیاتی خداشات کو منسلک مالیاتی گوشواروں کے نوٹ 52 میں تفصیلاً بیان کیا گیا ہے جس میں مارکیٹ، کریڈٹ اور لیکویڈٹی خداشات شامل ہیں۔

(ج) عمل درآمد کے خداشات

کمپنی کی مقررہ سرگرمیوں اور رویوں پر عمل درآمد نہ کرنے کیلئے صفر عدم برداشت کی پالیسی موجود ہے۔ کمپنی یہ بھی سمجھتی ہے کہ قوانین اور ضوابط پر عمل درآمد نہ کرنے کے نتیجے میں جرمانہ، اخراج، بلیک لسٹنگ، لائسنس کی منسوخی وغیرہ کا سامنا ہو سکتا ہے۔ ایسے خداشات کے خاتمے کیلئے کمپنی نے ایک جامع اور موثر عمل درآمد کا طریقہ کار نافذ کیا ہے۔

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

ماحولیات، صحت، اور حفاظت (EHS)

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

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

اجتماعی سماجی ذمہ داری

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

FY 2022 میں کمپنی نے سماجی ذمہ داری کی ادائیگی کے سلسلے میں درج ذیل اداروں کے ساتھ قریبی تعلق سے کام کیا:

- خبیث فاؤنڈیشن
- دی سٹیزنز فاؤنڈیشن (TCF)
- انڈس ہسپتال اینڈ ہیلتھ نیٹ ورک

مزید برآں، سال کے دوران کمپنی نے سیلاب کے متاثرین کی امدادی سرگرمیوں میں مصروفیت، صحت کو فروغ دینے اور ملازمین کی فلاح و بہبود اور محفوظ اور صاف ماحول کو فروغ دینے سمیت متعدد سماجی و معاشرتی اقدامات میں اہم کردار ادا کیا ہے۔

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

ہم، زیر دستخطی، بورڈ آف ڈائریکٹرز کیلئے اور ان کی جانب سے بسمرت سیمنس (پاکستان) انجینئرنگ کمپنی لمیٹڈ ("کمپنی") کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے برائے مالی سال مہتممہ 30 ستمبر 2022 ("FY 2022") مع ان پر آڈٹرز کی رپورٹ پیش کرتے ہیں۔

حالیہ مالی سال کمپنی کے لیے خوش آئند ثابت ہوا۔ غیر یقینی جغرافیائی سیاسی اور معاشی صورتحال کے باوجود، کمپنی نے، مارکیٹ اور کسٹمر کی واضح توقعات کے ساتھ، عہدہ ہیما پر سمجھوتہ نہیں کیا، اور تعمیرات اور توانائی کی تقسیم کے نظام، آٹومیشن اور ڈیجیٹلائزیشن اور دانشمندانہ انفراسٹرکچر کے شعبوں میں بجلی کی پیداوار، فراہمی اور تقسیم کے عمل اور مینوفیکچرنگ میں تعاون کر کے ایک مضبوط معاشرتی اثر ڈالا۔ مالی سال 2021 کے مقابلے میں کارکردگی کے کچھ اہم رجحانات درج ذیل ہیں:

- گزشتہ سال کے تاریخی ریکارڈ 22.3 بلین روپے کے مقابلے میں 39.3 بلین روپے کے نئے آرڈرز کا حصول ہے۔ جس میں انرجی ٹرانسمیشن کے کاروبار کا نئے آرڈرز کی اکثریت میں تعاون 22.4 بلین روپے راجو گزشتہ سال کے 12.3 بلین روپے تھا۔ اس سہولت میں ایک بڑا حصہ تقریباً 15.5 بلین روپے کا K-Electric کے ساتھ انرجی ٹرانسمیشن کے رابطے کے ذریعے ممکن ہوا ہے جو کراچی نیوکلیر پاور پلانٹ (KANUPP) سے کے۔ الیکٹرک اور انٹر کنیکشن 500/200 kV (KKI) گراڈیشن کی تعمیر پر مبنی ہے۔ اس سال کی ایک اور بڑی جیت ہماری ڈیجیٹل انڈسٹریز کے کاروبار کے لئے NTDC کے لئے SAP ٹرانسمن، نفاذ اور دیکھ بھال کا 2.2 بلین روپے کا معاہدہ ہے۔
- پچھلے سال سے مثبت آرڈر کے باقیات کی وجہ سے مالی سال 2021 کے مقابلے میں، حالیہ سال کی فروخت میں 50 فیصد جو کہ کم و بیش 7.1 بلین روپے ہے کا اضافہ ہوا اور جو اس کے کولاجسٹک کی رکاوٹوں سمیت ملک کی غیر ملکی کرنسی کے تبادلے کی صورت حال کے پیش نظر درآمدات پر مرکزی بینک کی پابندیاں جیسی دیگر متعدد آزمائشوں کا سامنا رہا۔ فروخت کی آمدنی میں سرفہرست انرجی ٹرانسمیشن کا کاروبار رہا، جس میں مالی سال 2021 کے مقابلے میں 4.1 بلین روپے کا اضافہ رہا۔
- اس سال، کمپنی نے 2.6 بلین روپے کا مجموعی منافع قبل از ٹیکس ظاہر کیا۔ جس میں غیر ملکی کرنسی کی پیمائش پر ریکارڈ شدہ غیر حقیقی فائدہ کا ایک اہم حصہ شامل ہے جس کی مالیت 1.5 بلین روپے ہیں۔ غیر حقیقی منافع کی قدر بعد ازاں ادوار میں پاکستان روپے کی نقل و حرکت کے لئے انتہائی حساس ہے۔ مزید یہ کہ، کمپنی کا منافع سال کے دوران متوقع تسلیم شدہ کریڈٹ نقصانات سے بری طرح متاثر ہوا جو کہ مجموعی طور پر 871 ملین روپے ہے جس کی بنیادی وجہ انرجی ٹرانسمیشن کے کاروبار میں مخصوص جغرافیائی سیاسی / علاقائی عوامل شامل ہیں۔

بنیادی اشاریوں کا عمومی جائزہ درج ذیل ہے:

کارکردگی کے اہم اشاریے (ایڈیکٹرز)	مالی سال 2022	مالی سال 2021
(Rupees in '000)		
خالص فروخت اور خدمات	21,484	14,349
آپریٹنگ منافع / (نقصان)	2,613	1,360
قبل از ٹیکس منافع / (نقصان)	2,590	1,390
سال کے لیے خالص منافع / (نقصان)	1,681	850
فی شیئر آمدنی / (نقصان) (روپے)	203.81	103.07

تخصیصات

مالی سال 2022 کے دوران کی گئیں تخصیصات کا خلاصہ درج ذیل ہے:	
(Rupees in '000)	
856	یکم اکتوبر 2021 تک جمع شدہ منافع
1,681	مالی سال 2022 کے لیے ٹیکس کے بعد خالص منافع
(379)	مالی سال 2021 کے لیے فی شیئر 46 روپے (460%) کا حتمی منافع
2,158	30 ستمبر 2022 تک جمع شدہ منافع

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

منافع منقسمہ

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

کمپنی کی بنیادی سرگرمیاں اور کاروباری شعبہ جات

کمپنی کے جاری کاروباری پورٹ فولیو میں انرجی، اسمارٹ انفراسٹرکچر اور ڈیجیٹل انڈسٹریز شامل ہے جس میں پاور جنریشن اور ڈسٹری بیوشن، سمارٹ بلڈنگز اور سمارٹ گریڈ اور مینوفیکچرنگ میں آٹومیشن اور ڈیجیٹلائزیشن پر توجہ مرکوز رکھی جاتی ہے۔ اسمارٹ انفراسٹرکچر خود کارانہ طور پر توانائی کے نظام، عمارتوں اور صنعتوں کو مربوط رکھتا ہے تاکہ زیادہ کارکردگی اور پائیداری کے ذریعے ہمارے رہنے اور کام کرنے کے طریقے کو بہتر بنایا

چیئر مین کی جائزہ رپورٹ

ایک مشکل لیکن منافع بخش سال کے اختتام پر مجھے سیمنس پاکستان انجینئرنگ کمپنی لمیٹڈ کے اسٹیک ہولڈرز کے سامنے مالی سال 2022 کی سالانہ رپورٹ اور کمپنی کے اغراض و مقاصد کے حصول کی رہنمائی میں بورڈ کی افادیت پر تبصرہ کرتے ہوئے خوشی محسوس ہو رہی ہے۔

پاکستان کی معیشت بین الاقوامی اور مقامی مارکیٹ میں اشیاء کی بلند قیمتوں اور شرح مبادلہ میں کمی کی وجہ سے اعلیٰ افراط زر اور بیرونی شعبے کے دباؤ سے گزر رہی ہے۔ روس یوکرین تنازعہ سے نکلنے والے افراد سمیت سال کے دوران دنیا بھر میں کاروباری اداروں کو دیگر بہت سارے چیلنجوں کا سامنا کرنا پڑا۔

علاوہ ازیں ملک سیلاب کی افاد کی زد میں رہا جس کے نتیجے میں تقریباً تین کروڑ افراد خوراک، پانی اور رہائش کی کمی سے متاثر اور گھروں سے محروم رہے۔ حکومت معیشت کی المناک صورتحال اور سیلاب کی بعد کی تباہ کاریوں سے نکلنے کے لیے کوشش کر رہی ہے۔

مزید یہ کہ، ہر درآمدی لین دین کے لئے اسٹیٹ بینک آف پاکستان (ایس بی پی) کی پیٹنگی منظوری حاصل کرنے کی نئی ریگولیٹری شرط نے کمپنی کے درپیش ایک اہم چیلنج رکھ دیا۔ تاہم، ان تمام رکاوٹوں کے باوجود، ہماری ٹیم اپنے تمام اسٹیک ہولڈرز کے ساتھ عہدوں کا احترام کرنے کے لئے مضبوط اور مستعد رہی۔

بورڈ کے نئے ممبران کو منتخب کرنے کے لئے ڈائریکٹرز کے انتخابات 13 جنوری 2022 کو منعقد کئے گئے۔ میں کمپنی کے سبکدوش ہونے والے بورڈ سے اپنی بہترین صلاحیتوں کو استعمال کر کے خدمت سرانجام دینے پر اظہار تشکر کرتا ہوں۔ میں اس بات کی تصدیق کرتا ہوں کہ بورڈ کے موجودہ ممبران کاروباری انتظام، منصوبہ بندی، مالیات، کارپوریٹ گورننس، قانونی اور انتظامی امور میں خاطر خواہ مہارت رکھتے ہیں۔ مزید برآں بورڈ کے تمام ممبران، کمپنی اور اس کے شیئرز ہولڈرز کی جانب وفاداری اور سمجھداری سے فرائض کی انجام دہی کے قابل ہیں۔ اور اپنی ذمہ داری کو ہمیشہ پیش نظر رکھتے ہیں۔

زیر جائزہ سال کے دوران اسٹیک ہولڈرز کے بہترین مفاد کو برقرار رکھنے کے لیے بورڈ نے اپنے فرائض بخوبی انجام دیے۔ بورڈ نے کمپنی کے معاملات کی موثر اور نتیجہ خیز انداز میں رہنمائی جاری رکھی۔

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

بورڈ نے اپنی کمیٹیوں کی وسعت اور حدود (غرض آف ریفرنس) واضح طور پر بیان کر دی ہیں۔ ممبران کا تقرر ان کی مطلوبہ مہارت اور تجربہ کی بنیاد پر کیا گیا ہے۔ سال کے دوران بورڈ اور اس کی کمیٹیوں کے باقاعدگی سے اجلاس منعقد ہوئے جس کے دوران ہر پیش نظر معاملے پر ضروری غور و خوض کے بعد فیصلہ کیا گیا۔ بورڈ اور اس کی کمیٹیاں سالانہ اپنی کارکردگی کا از خود جائزہ لیتی ہیں جس کے ذریعے یہ اطمینان کیا جاتا ہے کہ ممبران کی انفرادی اور مجموعی کارکردگی تسلی بخش رہی۔

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

مخلص،



کرل اسٹیفن وارنر

چیئر مین بورڈ

Proxy Form

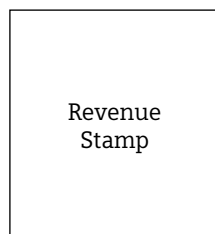
I/We _____
of _____ in the district of _____ being a member
of **Siemens (Pakistan) Engineering Co. Ltd.** hereby appoint
_____ of _____
or failing him _____ of _____
as my/our proxy to vote for me/us and my/our behalf at the Annual General Meeting of the company to be held at Karachi on January 12, 2023
and at any adjournment thereof.

Dated this _____ day of _____

Signature of the shareholder _____

Folio No: _____

CDS Account No: _____



Witnesses:

1. Signature: _____

Name: _____

Address: _____

CNIC No.

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

2. Signature: _____

Name: _____

Address: _____

CNIC No.

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

Notes:

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

میں/ہم

ضلع

متعلقہ

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

متعلقہ

متعلقہ

کو یا

کو اپنا متبادل مقرر کرتا ہوں / کرتے ہیں جو کراچی میں مورخہ 12 جنوری 2023ء کو یا کسی تبدیلی کے ساتھ منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں میری / ہماری جگہ ووٹ دیں گے۔

متعلقہ دن

آج بتاریخ

دستخط سینئر ہولڈرز

فولیو نمبر:

CDS اکاؤنٹ نمبر:

گواہان:

۱۔ دستخط

نام:

پتہ:

قومی شناختی کارڈ نمبر:

ریونیو اسٹمپ

۲۔ دستخط

نام:

پتہ:

قومی شناختی کارڈ نمبر:

نوٹس:

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

Dividend Mandate Form

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

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

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

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

Signature of the Shareholder

Date: _____

Request Form for Annual Report and Notices through E-mail

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

Date: _____

Dear Sirs

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

(E-mail address of the shareholder)

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

(Signature)

Name of the shareholder:

Folio No: _____

(In case of physical shareholding)

CDC Account No.: _____








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










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Contact

Karachi

Head Office and Plant

B-72 Estate Avenue, S.I.T.E,
Karachi-75700.

Phone: +9221-32574910-19

UAN: +9221-111-077-088

Islamabad Office

10th Floor, UBL Tower,
Jinnah Avenue Blue Area,
Islamabad.

Phone: +9251-2075444

Fax: +9251-2812162
+9251-2812163

Afghanistan Office

Siemens Afghanistan Branch,
Darulaman Road, Karteh Seh,
House No: 635, Street No: 11,
District - 06 Kabul, Afghanistan.

Phone: +93 20 2500640 / 642

Fax: +93 20 2500641

Mobile: +93 799508840

Karachi

City Office

Office Wing Suite No 209(b),
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