

**SIEMENS**

**Condensed Interim Financial Statements  
for the three months period  
ended December 31, 2023  
(Unaudited)**

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

**DIRECTORS' REPORT**  
**THREE MONTHS PERIOD ENDED DECEMBER 31, 2023**  
**ON THE**  
**UN-AUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

<b>Chairman of the Board</b>	Karl Stefan Werner
<b>Executive Director</b>	Syed Muhammad Daniyal
<b>Non-Executive Directors</b>	Karl Stefan Werner Oliver Spierling Harald Griem Adnan Afridi
<b>Independent &amp; Non-Executive Director</b>	Qazi Sajid Ali Ayla Majid (Female Director)
<b>Audit Committee</b>	Ayla Majid (Chairwoman) Karl Stefan Werner Harald Griem Adnan Afridi
<b>Human Resource &amp; Remuneration Committee</b>	Qazi Sajid Ali (Chairman) Oliver Spierling Karl Stefan Werner
<b>Nomination Committee</b>	Oliver Spierling (Chairman) Karl Stefan Werner
<b>Acting Managing Director</b>	Syed Muhammad Daniyal
<b>Chief Financial Officer</b>	Syed Muhammad Ahsan Ghazali
<b>Company Secretary</b>	Khurram Muhammad Siddique
<b>Registered Office</b>	B-72 Estate Avenue, S.I.T.E, Karachi-75700,
<b>Trading Symbol</b>	SIEM
<b>Auditors</b>	A.F. Ferguson & Co., Chartered Accountants
<b>Registrar and Share Transfer</b>	THK Associates (Private) Limited

# SIEMENS

Dear Shareholders,

We, the undersigned, for and on behalf of the Board of Directors are pleased to present your company, Siemens (Pakistan) Engineering Co. Ltd. (“Company”), unaudited condensed interim financial statements and a review of the Company’s performance for the quarter ended December 31, 2023.

**Company’s Performance:** Key Performance Indicators (“KPIs”) for the three months period ended December 31, 2023 compared to corresponding period last year are summarized below:

KPIs	Rs in million	
	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022
New Orders	6,452	11,415
Net sales and services	9,547	5,863
Loss before income tax	(1,316)	(506)
Net loss after income tax	(1,087)	(464)
<b>Loss per share (Rupees)</b>	<b>(131.80)</b>	<b>(56.28)</b>

The revenue increased by 63% in the current quarter ended December 31, 2023, as compared to the same period last year. The Company’s revenue is growing on the back of solid order back log and strong product portfolio; however, its performance is being significantly impacted by macro-economic factors particularly high interest rates and currency volatility. The Company incurred a net loss of Rs 1,087 million during the period which is mainly due to the unrealized loss recorded on measurement of foreign currency embedded derivatives amounting to Rs 1,357 million and finance cost amounting to Rs 476 million arising on financing obtained for execution of large-scale projects in Energy business.

#### Future Outlook:

The Company closely monitors its risks, including the political and economic situation of the country that can impact its progress. Challenges in execution of import transactions are being eased, however, the new development regarding regional logistics challenges can impact the execution / delivery timelines of projects and supply of goods.

The directors and management of the Company shall continue to focus on Company’s strengths and core activities and are confident in Company’s ability to create long term value for the shareholders and all other stakeholders.

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

The enclosed condensed interim financial statements are unaudited.

On behalf of the Board of Directors

  
Syed Muhammad Daniyal  
Managing Director

  
Ayla Majid  
Director

Dubai, January 25, 2024

Siemens (Pakistan) Engg. Co. Ltd.  
Corporate Secretariat  
Head: Khurram Muhammad Siddique

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

Office address:  
Siemens(Pakistan) Engg. Co. Ltd.  
B-72, Estate Avenue,  
S.I.T.E., Karachi.  
Tel: 92(21) 111-077-088

Siemens (Pakistan) Engg. Co. Ltd., Khurram M.Siddique  
CUIN Reg. No. 0000617; Reg. Address: B-72, Estate Avenue, S.I.T.E., Karachi.

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Financial Position**  
**As at December 31, 2023**

		December 31, 2023 (Unaudited) ----- (Rupees in '000) -----	September 30, 2023 (Audited)
<b>Equity and liabilities</b>			
<b>Share capital and reserves</b>			
<b>Share capital</b>			
- Authorised		200,000	200,000
20,000,000 (September 30, 2023: 20,000,000) Ordinary shares of Rs 10 each			
- Issued, subscribed and paid-up		82,470	82,470
8,247,037 (September 30, 2023: 8,247,037) Ordinary shares of Rs 10 each			
<b>Reserves</b>			
Capital		624,192	624,192
Revenue		5,995,835	7,082,785
		6,620,027	7,706,977
<b>Total equity</b>		6,702,497	7,789,447
<b>Non-current liabilities</b>			
Lease liabilities	6	20,647	21,856
Deferred liabilities	7	499,402	496,219
Retention money		49,723	66,413
		569,772	584,488
<b>Current liabilities</b>			
Trade and other payables	8	15,612,473	20,002,471
Contract liabilities	9	4,195,479	4,270,483
Current portion of non-current liabilities		25,594	23,212
Short-term borrowings	10	10,525,528	4,048,937
Provisions	11	1,051,810	1,208,441
Taxation - net	12	827,539	642,834
Unpaid dividend		-	250,752
Unclaimed dividend		29,909	29,911
		32,268,332	30,477,041
<b>Total liabilities</b>		32,838,104	31,061,529
<b>Contingencies and commitments</b>	13		
<b>Total equity and liabilities</b>		39,540,601	38,850,976
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	273,756	258,299
Right-of-use assets	15	32,056	36,742
Long-term loans and trade receivables		1,685,616	952,109
Deferred tax asset - net	16	1,100,110	367,724
		3,091,538	1,614,874
<b>Current assets</b>			
Inventories	17	3,959,023	4,923,408
Trade receivables	18	22,069,595	13,588,379
Contract assets	19	3,631,568	9,446,457
Loans and advances		289,724	130,301
Deposits and short-term prepayments		739,428	434,323
Derivative financial instruments	20	2,456,544	5,532,505
Other receivables	21	1,467,773	2,212,532
Cash and bank balances	22	1,835,408	968,197
		36,449,063	37,236,102
<b>Total assets</b>		39,540,601	38,850,976

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

  
**Syed Muhammad Daniyal**  
 Managing Director

  
**Syed Muhammad Ahsan Ghazali**  
 Chief Financial Officer

  
**Ayla Majid**  
 Director

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Profit or Loss (Unaudited)**  
**For the three months period ended December 31, 2023**

	Note	Three months period ended	
		December 31, 2023	December 31, 2022
<b>Continuing operations</b>		----- (Rupees in '000) -----	
Net sales and services	23	9,547,442	4,906,136
Cost of sales and services		(8,011,204)	(4,786,678)
Loss on derivatives - net	20.3	(1,357,430)	(132,616)
<b>Gross profit / (loss)</b>		<b>178,808</b>	<b>(13,158)</b>
Marketing and selling expenses		(339,048)	(248,362)
Allowance for expected credit losses		(565,547)	(18,693)
General administrative expenses		(47,710)	(99,437)
		<b>(952,305)</b>	<b>(366,492)</b>
		<b>(773,497)</b>	<b>(379,650)</b>
Other income		3,985	1,005
Other operating expenses		(70,352)	(2,635)
Net other operating expenses		(66,367)	(1,630)
<b>Operating loss</b>		<b>(839,864)</b>	<b>(381,280)</b>
Financial income		7,540	2,963
Financial expenses		(483,909)	(76,417)
Net financial expenses		(476,369)	(73,454)
<b>Loss before income tax from continuing operations</b>		<b>(1,316,233)</b>	<b>(454,734)</b>
Income tax	24	229,283	71,281
<b>Net loss for the period from continuing operations</b>		<b>(1,086,950)</b>	<b>(383,453)</b>
<b>Discontinued operations</b>			
Net loss for the period from discontinued operations	5.1	-	(80,714)
<b>Net loss for the period</b>		<b>(1,086,950)</b>	<b>(464,167)</b>
Basic and diluted loss per share (Rupees)		<b>(131.80)</b>	<b>(56.28)</b>
Basic and diluted loss per share from continuing operations (Rupees)		<b>(131.80)</b>	<b>(46.50)</b>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

  
**Syed Muhammad Daniyal**  
 Managing Director

  
**Syed Muhammad Ahsan Ghazali**  
 Chief Financial Officer

  
**Ayla Majid**  
 Director

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
**For the three months period ended December 31, 2023**

	<u>Three months period ended</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>----- (Rupees in '000) -----</u>	
Net loss for the period	(1,086,950)	(464,167)
Other comprehensive income	-	-
<b>Total comprehensive loss for the period</b>	<b><u>(1,086,950)</u></b>	<b><u>(464,167)</u></b>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.



**Syed Muhammad Daniyal**  
Managing Director



**Syed Muhammad Ahsan Ghazali**  
Chief Financial Officer



**Ayla Majid**  
Director

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Cash Flows (Unaudited)**  
**For the three months period ended December 31, 2023**

	Note	Three months period ended	
		December 31, 2023	December 31, 2022
		----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>			
Cash used in operations	25	(4,906,171)	(4,271,764)
Financial expenses paid		(45,046)	(5,248)
Income tax paid		(318,398)	(118,831)
Payment to Workers' Profit Participation Fund (WPPF)		-	(9,112)
Payment to Workers' Welfare Fund (WWF)		(53,281)	-
Net cash used in operating activities		(5,322,896)	(4,404,955)
<b>Cash flows from investing activities</b>			
Capital expenditure		(44,726)	(16,753)
Proceeds from sale of property, plant and equipment		4,209	1,811
Financial income received		4,787	2,099
Net cash used in investing activities		(35,730)	(12,843)
<b>Cash flows from financing activities</b>			
Dividends paid		(250,754)	-
Proceeds from short-term loans		3,705,800	-
Repayment of long-term financing		-	(34,222)
Repayment of lease liabilities		-	(2,988)
Net cash generated from / (used in) financing activities		3,455,046	(37,210)
<b>Net decrease in cash and cash equivalents</b>		<b>(1,903,580)</b>	<b>(4,455,008)</b>
Cash and cash equivalents at beginning of the period		(3,080,740)	1,474,580
<b>Cash and cash equivalents at end of the period</b>	26	<b>(4,984,320)</b>	<b>(2,980,428)</b>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

  
**Syed Muhammad Daniyal**  
 Managing Director

  
**Syed Muhammad Ahsan Ghazali**  
 Chief Financial Officer

  
**Ayla Majid**  
 Director

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Condensed Interim Statement of Changes in Equity**  
**For the three months period ended December 31, 2023**

	Issued, subscribed and paid-up share capital	Capital reserves			General reserves	Revenue reserves		Total
		Share premium	Treasury shares reserve	Other capital reserve		Remeasurement loss on defined benefit plan - net of tax	Accumulated profits	
----- (Rupees in '000) -----								
<b>Balance as at September 30, 2022 - Audited</b>	<b>82,470</b>	<b>619,325</b>	<b>567</b>	<b>4,300</b>	<b>4,523,026</b>	<b>(196,148)</b>	<b>2,157,989</b>	<b>7,191,529</b>
Net loss for the three months period ended December 31, 2022	-	-	-	-	-	-	(464,167)	(464,167)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(464,167)	(464,167)
<b>Balance as at December 31, 2022 - Unaudited</b>	<b>82,470</b>	<b>619,325</b>	<b>567</b>	<b>4,300</b>	<b>4,523,026</b>	<b>(196,148)</b>	<b>1,693,822</b>	<b>6,727,362</b>
<b>Balance as at September 30, 2023 - Audited</b>	<b>82,470</b>	<b>619,325</b>	<b>567</b>	<b>4,300</b>	<b>4,523,026</b>	<b>(189,710)</b>	<b>2,749,469</b>	<b>7,789,447</b>
Net loss for the three months period ended December 31, 2023	-	-	-	-	-	-	(1,086,950)	(1,086,950)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(1,086,950)	(1,086,950)
<b>Balance as at December 31, 2023 - Unaudited</b>	<b>82,470</b>	<b>619,325</b>	<b>567</b>	<b>4,300</b>	<b>4,523,026</b>	<b>(189,710)</b>	<b>1,662,519</b>	<b>6,702,497</b>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

  
**Syed Muhammad Daniyal**  
 Managing Director

  
**Syed Muhammad Ahsan Ghazali**  
 Chief Financial Officer

  
**Ayla Majid**  
 Director



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

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

**For the three months period ended December 31, 2023**

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#### **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.

##### **1.1 Energy Portfolio of the Company**

The Board of Directors of the Company in their meeting held on March 10, 2023, has approved, in principle, that the Company assesses the viability of a sale of the Company's energy portfolio to a separate entity of Siemens Energy Group following the Spin-off of the Energy Business by Siemens AG in 2020.

The proposed sale transaction shall remain subject to finalization of definitive agreement between the parties and the receipt of further internal, corporate and applicable regulatory approvals. The criteria stated in IFRS-5 'Non-current Assets Held for Sale and Discontinued Operations' has not been fully met as at the reporting date, accordingly, the afore-mentioned business has not been classified and presented as 'Held for Sale and Discontinued Operation' in these condensed interim financial statements.

##### **1.2 Discontinued operations**

In prior year, 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 business) to TMC (Private) Limited. The requisite regulatory approvals were obtained and the sale of the business stood complete on April 1, 2023. Consequently, the business was economically transferred to TMC (Private) Limited. However, in case of certain contracts where legal transfer is pending (pending contracts), the Company will continue to manage such contracts and the related receivable and payable balances on behalf of TMC (Private) Limited.

#### **2. BASIS OF PREPARATION**

**2.1** These condensed interim financial statements of the Company for the three months period ended December 31, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of the International Accounting Standard 34 - 'Interim Financial Reporting' issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act. In case where requirements differ, the provisions of or directives issued under the Act have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended September 30, 2023.

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

##### **2.2 Functional and presentation currency**

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

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the three months period ended December 31, 2023**

**3. SIGNIFICANT ACCOUNTING POLICIES**

- 3.1** The accounting policies and the methods of computations adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual audited financial statements for the year ended September 30, 2023.
- 3.2** Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were either not relevant or did not have any material impact on the accounting policies of the Company.

**4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT**

The judgments, estimates and assumptions made by the management in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Company's annual audited financial statements for the year ended September 30, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended September 30, 2023.

**5. DISCONTINUED OPERATIONS**

- 5.1** As stated in note 1.2 to these condensed interim financial statements, the results of the disposal group for the period are presented below:

	<b>For the three months period ended</b>	
	<b>December 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Unaudited)</b>
	----- (Rupees in '000) -----	
<b>Discontinued operations</b>		
Net sales and services	-	957,323
Cost of sales and services	-	(932,225)
Loss on derivatives	-	(26,112)
<b>Gross loss</b>	-	(1,014)
Marketing and selling expenses	-	(29,686)
Allowance for expected credit losses	-	(4,178)
General administrative expenses	-	(16,044)
	-	(49,908)
<b>Loss before income tax from discontinued operations</b>	-	(50,922)
Income tax	-	(29,792)
<b>Net loss for the period from discontinued operations</b>	-	(80,714)
Basic and diluted loss per share (Rupees)	-	(9.78)

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the three months period ended December 31, 2023**

5.2 The net cash flows from the disposal group are, as follows:

	<b>For the three months period ended</b>	
	<b>December 31, 2023 (Unaudited)</b>	<b>December 31, 2022 (Unaudited)</b>
	----- (Rupees in '000) -----	
<b>Cash flows from discontinued operations</b>		
Net cash flows from operating activities	-	43,492
Net cash flows from investing activities	-	(399)
Net cash flows from discontinued operations	-	43,093
	<b>As at December 31, 2023 (Unaudited)</b>	<b>As at September 30, 2023 (Audited)</b>
	----- (Rupees in '000) -----	
<b>6. LEASE LIABILITIES</b>	<b>Note</b>	
Balance at beginning of the period / year	<b>45,068</b>	80,325
New leases during the period / year	-	17,876
Accretion of interest during the period / year	<b>1,173</b>	7,258
Payments during the period / year	-	(41,100)
Terminations during the period / year	-	(19,291)
Balance at end of the period / year	<b>46,241</b>	45,068
Less: Current maturity of lease liabilities	<b>(25,594)</b>	(23,212)
	<b>20,647</b>	21,856
<b>7. DEFERRED LIABILITIES</b>		
Defined benefit plan - gratuity fund	<b>470,633</b>	453,209
Share based benefits	<b>12,903</b>	27,144
Others	<b>15,866</b>	15,866
	<b>499,402</b>	496,219
<b>8. TRADE AND OTHER PAYABLES</b>		
Trade creditors [including retention money of Rs 432.884 million (September 30, 2023: Rs 413.159 million)]	<b>8.1</b>	<b>12,732,967</b>
Accrued liabilities		<b>1,178,674</b>
Accrued interest		<b>683,609</b>
Workers' Welfare Fund (WWF)		<b>248,271</b>
Workers' Profit Participation Fund (WPPF)		<b>13,785</b>
Derivative financial instruments	<b>20.1</b>	<b>479,866</b>
Withholding tax payable		<b>206,330</b>
Other liabilities		<b>68,971</b>
		<b>15,612,473</b>
		17,857,230
		1,529,180
		245,919
		244,985
		-
		26,336
		50,147
		48,674
		20,002,471

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the three months period ended December 31, 2023**

8.1 These include sums aggregating to Rs 3,851.137 million (September 30, 2023: Rs 3,870.036 million) due to related parties.

		As at December 31, 2023 (Unaudited)	As at September 30, 2023 (Audited)
<b>9. CONTRACT LIABILITIES</b>	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
Advances from customers			
- for goods		1,356,163	937,129
- for projects and services	9.1	2,155,023	2,761,298
		<u>3,511,186</u>	<u>3,698,427</u>
Refund liabilities		684,293	572,056
		<u>4,195,479</u>	<u>4,270,483</u>

9.1 These include advance received from a related party, Rousch (Pakistan) Power Limited having aggregate amount of Rs 167.545 million (September 30, 2023: Rs 166.006 million) as per the contractual payment terms.

		As at December 31, 2023 (Unaudited)	As at September 30, 2023 (Audited)
<b>10. SHORT-TERM BORROWINGS</b>	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>Secured</b>			
Short-term running finances	10.1	6,819,728	4,048,937
Short-term loans	10.2	3,705,800	-
		<u>10,525,528</u>	<u>4,048,937</u>

10.1 Facilities for secured bank overdraft arranged with commercial banks in Pakistan aggregated to Rs 12,850 million (September 30, 2023: Rs 12,618 million) at interest rate ranging between 22.34% to 23.16% per annum (September 30, 2023: 15.71% to 23.41% per annum). These are secured against joint hypothecation charges over inventories and trade receivables of the Company and a stand-by letter of credit arranged by Siemens AG (parent company) through the bank.

10.2 This represent loans for a period of ten months under a facility obtained during the period aggregated to Rs 4,000 million under Islamic mode from a commercial bank in Pakistan at mark-up rate ranging between 21.73% to 21.82% per annum. These are secured against hypothecation charges over inventories and trade receivables of the Company.

10.3 There is no material change in the terms and conditions of the short-term running finance facilities as stated in the notes 13.2 and 13.3 to the annual audited financial statements of the Company for the year ended September 30, 2023.

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

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

**For the three months period ended December 31, 2023**

	Warranties	Losses on sales contracts	Total
	----- (Rupees in '000) -----		
<b>11. PROVISIONS</b>			
Balance as at September 30, 2023 (Audited)	641,274	567,167	1,208,441
Additional provisions	77,208	957	78,165
Cost incurred	(3,649)	(221,381)	(225,030)
Reversal of unutilised amounts	(9,766)	-	(9,766)
Balance as at December 31, 2023 (Unaudited)	<u>705,067</u>	<u>346,743</u>	<u>1,051,810</u>
Balance as at September 30, 2022 (Audited)	502,960	146,192	649,152
Additional provisions	349,429	556,711	906,140
Cost incurred	(41,509)	(103,813)	(145,322)
Reversal of unutilised amounts	(169,606)	(31,923)	(201,529)
Balance as at September 30, 2023 (Audited)	<u>641,274</u>	<u>567,167</u>	<u>1,208,441</u>
	<b>As at December 31, 2023 (Unaudited)</b>	<b>As at September 30, 2023 (Audited)</b>	
<b>12. TAXATION - NET</b>			
		----- (Rupees in '000) -----	
Provision for taxation		2,967,553	2,949,370
Advance tax		(2,140,014)	(2,306,536)
		<u>827,539</u>	<u>642,834</u>
<b>13. CONTINGENCIES AND COMMITMENTS</b>			
<b>13.1 Contingencies</b>			
There has been no major change in the status of contingencies as stated in the note 17.1 to the annual audited financial statements of the Company for the year ended September 30, 2023.			
<b>13.2 Commitments</b>			
(i) As at December 31, 2023, capital expenditure contracted for but not incurred amounted to Rs 32.081 million (September 30, 2023: Rs 67.517 million).		<b>As at December 31, 2023 (Unaudited)</b>	<b>As at September 30, 2023 (Audited)</b>
		----- (Rupees in '000) -----	
(ii) Guarantees			
- limit		<u>48,777,826</u>	21,288,688
- utilised portion		<u>47,257,497</u>	20,084,784
- unutilised portion		<u>1,520,329</u>	1,203,904

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the three months period ended December 31, 2023**

	As at December 31, 2023 (Unaudited)	As at September 30, 2023 (Audited)
	----- (Rupees in '000) -----	
(iii) Letters of credit		
- limit	2,915,640	7,810,886
- utilised portion	2,432,052	5,239,492
- unutilised portion	483,588	2,571,394

	As at December 31, 2023 (Unaudited)	As at September 30, 2023 (Audited)
	----- (Rupees in '000) -----	
(iv) The aggregate amount of commitments against various lease arrangements for rental premises:		
	7,521	10,806

**14. PROPERTY, PLANT AND EQUIPMENT**

	Note	As at December 31, 2023 (Unaudited)	As at September 30, 2023 (Audited)
		----- (Rupees in '000) -----	
Operating assets - at net book value	14.1	271,238	258,016
Capital-work-in-progress		2,518	283
		273,756	258,299
<b>14.1 Operating assets</b>			
Opening net book value		258,016	296,280
Additions during the period / year	14.2	42,491	78,656
		300,507	374,936
Disposals during the period / year	14.2	(23,475)	(109,390)
Accumulated depreciation on disposals		23,251	95,992
Depreciation for the period / year		(29,045)	(103,522)
		(29,269)	(116,920)
Closing net book value		271,238	258,016

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

	Additions		Disposals	
	For the three months period ended		For the three months period ended	
	December 31, 2023 (Unaudited)	December 31, 2022	December 31, 2023 (Unaudited)	December 31, 2022
	----- (Rupees in '000) -----			
Leasehold improvements	-	3,779	-	-
Plant and machinery	-	2,175	2,241	1,106
Furniture and fixtures	454	8,220	2,138	3,854
Office equipment	21,287	10,873	6,385	3,760
Vehicles	-	-	8,140	-
Tools and patterns	20,750	-	4,571	1,178
	42,491	25,047	23,475	9,898

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the three months period ended December 31, 2023**

**15. RIGHT-OF-USE ASSETS**

The right-of-use assets comprise of properties leased by the Company for its operations. Following is the change in right-of-use asset during the period / year:

	As at December 31, 2023 (Unaudited)	As at September 30, 2023 (Audited)
Note	----- (Rupees in '000) -----	
Opening net book value	36,742	68,339
Right-of-use assets recognised during the period / year	-	17,876
Depreciation for the period / year	(4,686)	(31,971)
Right-of-use assets disposed off during the period / year	-	(17,502)
Closing net book value	<u>32,056</u>	<u>36,742</u>

**16. DEFERRED TAX ASSET - NET**

Debit / (credit) balance arising in respect of:

Unused tax credits	-	225,836
Provisions	491,658	446,405
Loss allowance	972,715	767,505
Remeasurement loss on defined benefit plan	51,481	51,481
Decelerated tax depreciation	37,917	34,992
Lease liabilities	10,689	9,497
	<u>1,564,460</u>	<u>1,535,716</u>
Derivative financial instruments	(456,940)	(1,160,250)
Right-of-use assets	(7,410)	(7,742)
	<u>(464,350)</u>	<u>(1,167,992)</u>
	<u>1,100,110</u>	<u>367,724</u>

**17. INVENTORIES**

Raw materials and components	1,068,767	1,203,005
Work-in-process	2,321,401	2,937,071
Finished goods	611,356	465,781
	<u>4,001,524</u>	<u>4,605,857</u>
Less: Provision for slow moving and obsolete items	(284,866)	(243,483)
	<u>3,716,658</u>	<u>4,362,374</u>
Goods-in-transit	242,365	561,034
	<u>3,959,023</u>	<u>4,923,408</u>

**18. TRADE RECEIVABLES**

Considered good		
Due from related parties	18.1	726,217
Due from others		992,484
		<u>21,343,378</u>
		<u>22,069,595</u>
Considered doubtful		2,640,456
		<u>24,710,051</u>
Less: Loss allowance		(2,640,456)
		<u>22,069,595</u>
		<u>13,588,379</u>

**18.1** Represent amounts due from Rousch (Pakistan) Power Limited and Siemens Energy affiliates having aggregate amounts of Rs 35.485 million (September 30, 2023: Rs 1.256 million) and Rs 690.732 million (September 30 2023: Rs 991.228 million) respectively.

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the three months period ended December 31, 2023**

	As at December 31, 2023 (Unaudited)	As at September 30, 2023 (Audited)
	----- (Rupees in '000) -----	
<b>19. CONTRACT ASSETS</b>		
Considered good	3,631,568	9,446,457
Considered doubtful	498,488	652,128
	<u>4,130,056</u>	<u>10,098,585</u>
Less: Loss allowance	(498,488)	(652,128)
	<u><u>3,631,568</u></u>	<u><u>9,446,457</u></u>

**20. DERIVATIVE FINANCIAL INSTRUMENTS**

This represents derivative contracts embedded in foreign currency host construction contracts entered into by the Company with its customers and suppliers which are used as economic hedges and are not designated as hedging instruments in hedge relationships. 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 through 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.

		As at December 31, 2023 (Unaudited)	As at September 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
<b>20.1 Fair value of embedded foreign currency derivatives</b>			
Embedded foreign currency derivatives asset		2,456,544	5,532,505
Embedded foreign currency derivatives liability	8	(479,866)	(26,336)
	20.2	<u>1,976,678</u>	<u>5,506,169</u>

**20.2** Below is the reconciliation for change in fair value measurement of embedded derivative net asset position:

		For the three months period ended	
		December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
	Note	----- (Rupees in '000) -----	
Fair value of embedded foreign currency derivatives - at the beginning of the period (net)		5,506,169	1,780,775
<b>Net loss in fair value during the period - net of reversal on realisation</b>			
Continuing operations	20.3	(3,529,491)	(579,204)
Discontinued operations		-	(26,112)
		<u>(3,529,491)</u>	<u>(605,316)</u>
Fair value of embedded foreign currency derivatives - at the end of the period (net)		<u><u>1,976,678</u></u>	<u><u>1,175,459</u></u>

**20.3** This includes net unrealised loss on sales contracts of Rs 1,361.713 million (December 31, 2022: Rs 253.343 million) and unrealised gain on purchase contracts of Rs 4.283 million (December 31, 2022: Rs 120.727 million) recognised in respect of change in fair value of embedded foreign currency derivatives due to appreciation of Pak Rupee during the period against relevant currency of US Dollar.



**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
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		As at December 31, 2023 (Unaudited)	As at September 30, 2023 (Audited)
<b>21.</b>	<b>OTHER RECEIVABLES</b>	----- (Rupees in '000) -----	
	<b>Considered good</b>		
	Due from related parties	922	1,836
	Costs reimbursable from customers	473,356	614,662
	Sales tax refundable	847,668	1,381,063
	Interest accrued	71,332	68,579
	Receivable against pending contracts	25,357	122,697
	Others	49,138	23,695
		<u>1,467,773</u>	<u>2,212,532</u>
	<b>Considered doubtful</b>		
	Costs reimbursable from customers	32,218	38,361
	Others	87,753	86,816
		<u>119,971</u>	<u>125,177</u>
		<u>1,587,744</u>	<u>2,337,709</u>
	Less: Loss allowance	<u>(119,971)</u>	<u>(125,177)</u>
		<u>1,467,773</u>	<u>2,212,532</u>
<b>21.1</b>	This represents amount due from Siemens Industry Software (Private) Limited having aggregate amount due of Rs 0.922 million (September 30, 2023: Rs 1.836 million).		
<b>21.2</b>	This represents the net balance receivable from TMC (Private) Limited on account of pending contracts as mentioned in note 1.2 to these condensed interim financial statements.		
		As at December 31, 2023 (Unaudited)	As at September 30, 2023 (Audited)
<b>22.</b>	<b>CASH AND BANK BALANCES</b>	----- (Rupees in '000) -----	
	With banks in		
	Current accounts	1,479,568	567,544
	Deposit accounts	355,586	400,475
		<u>1,835,154</u>	<u>968,019</u>
	Cash in hand	254	178
		<u>1,835,408</u>	<u>968,197</u>
		<b>For the three months period ended</b>	
		December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
<b>23.</b>	<b>NET SALES AND SERVICES</b>	----- (Rupees in '000) -----	
	<b>Sales disaggregation by type of contracts</b>		
	Execution of contracts	5,298,452	3,458,387
	Sale of goods	2,484,172	1,179,828
	Rendering of services	1,764,818	267,921
		<u>9,547,442</u>	<u>4,906,136</u>
	Sales tax	3,550,605	915,899
	Gross sales and services	<u>13,098,047</u>	<u>5,822,035</u>
	Less: Sales tax	<u>(3,550,605)</u>	<u>(915,899)</u>
		<u>9,547,442</u>	<u>4,906,136</u>

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the three months period ended December 31, 2023**

		<b>For the three months period ended</b>	
		<b>December 31,</b>	<b>December 31,</b>
		<b>2023</b>	<b>2022</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>----- (Rupees in '000) -----</b>	
<b>24.</b>	<b>INCOME TAX</b>		
		<i>Note</i>	
	Current	503,103	79,443
	Deferred	(732,386)	(150,724)
		<u>(229,283)</u>	<u>(71,281)</u>
<b>25.</b>	<b>CASH USED IN OPERATIONS</b>		
	Loss before income tax for the period	(1,316,233)	(505,656)
	<b>Adjustments for non-cash items:</b>		
	Depreciation	33,731	33,478
	Provision for slow moving and obsolete items of inventories - net	41,383	9,490
	Loss allowance on trade receivables - net	725,375	22,180
	(Reversal of loss allowance) / loss allowance on contract assets - net	(153,640)	1,205
	Reversal of loss allowance on deposit and other receivables - net	(6,188)	(514)
	Discounting of long-term loans - net	25	(3)
	Provision for Workers' Welfare Fund (WWF)	56,567	2,635
	Provision for Workers' Profit Participation Fund (WPPF)	13,785	-
	Liabilities no longer payable written back	-	(924)
	Loss on derivative financial instruments - net	3,529,491	605,316
	Financial expenses	483,909	76,417
	Financial income	(7,540)	(2,963)
	<b>Adjustment for other items:</b>		
	Gain on sale of property, plant and equipment - net	(3,985)	(81)
	Long-term loans and trade receivables	(1,151,744)	(324,913)
	Long-term prepayments	-	369
	Retention money	(16,690)	4,859
	Other non-current liabilities	3,183	6,080
	Working capital changes	(7,137,600)	(4,198,739)
		<u>(4,906,171)</u>	<u>(4,271,764)</u>
<b>25.1</b>	<b>Working capital changes</b>		
	<b>(Increase) / decrease in current assets:</b>		
	Inventories	923,002	(546,340)
	Trade receivables	(8,788,379)	(2,630,101)
	Contract assets	5,968,529	(93,695)
	Loans and advances	(159,423)	44,684
	Deposits and short-term prepayments	(304,123)	(315,060)
	Other receivables	752,718	(262,010)
		<u>(1,607,676)</u>	<u>(3,802,522)</u>
	<b>Increase / (decrease) in current liabilities:</b>		
	Trade and other payables	(5,298,289)	(243,347)
	Contract liabilities	(75,004)	(164,793)
	Provisions	(156,631)	11,923
		<u>(5,529,924)</u>	<u>(396,217)</u>
		<u>(7,137,600)</u>	<u>(4,198,739)</u>

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the three months period ended December 31, 2023**

	As at December 31, 2023 (Unaudited)	As at December 30, 2022 (Unaudited)
	----- (Rupees in '000) -----	
<b>26. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	1,835,408	918,532
Short-term running finances	<u>(6,819,728)</u>	<u>(3,898,960)</u>
	<u><b>(4,984,320)</b></u>	<u><b>(2,980,428)</b></u>

**27. 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 personnel. 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:

	<u>For the three months period ended</u>	
	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
	----- (Rupees in '000) -----	
<b>Parent company</b>	<i>Note</i>	
Sale of goods and rendering of services		982
Purchases of goods and receipt of services		319,796
<b>Associated companies</b>		
Sale of goods and rendering of services		542,316
Purchases of goods and receipt of services		560,563
Costs reimbursements		989
Financial income		280
<b>Key management personnel</b>		
Compensation to key management personnel	27.1	74,599
Sale of office equipments		1,084
<b>Others</b>		
Contribution to employees' retirement benefit funds		34,649

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

Short-term benefits	14,798	60,888
Post-employment benefits	829	372
Share based benefits	1,136	13,339
	<u><b>16,763</b></u>	<u><b>74,599</b></u>

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

**Siemens (Pakistan) Engineering Co. Ltd.**  
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**For the three months period ended December 31, 2023**

**28. INFORMATION ABOUT 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.

**28.1 The details of information about business segments are as follows:**

Segment						(Rupees in '000)
	Smart Infrastructure	Digital Industries (Note 28.2)	Energy	Others	Eliminations	Company as a whole
-----For the three months period ended December 31, 2023 (Unaudited)-----						
<b>REVENUE</b>						
Sales to external customers	2,039,269	550,181	6,902,715	55,277	-	9,547,442
Inter-segment sales	584,819	40,687	-	-	(625,506)	-
Total revenue	<u>2,624,088</u>	<u>590,868</u>	<u>6,902,715</u>	<u>55,277</u>	<u>(625,506)</u>	<u>9,547,442</u>
<b>RESULT</b>						
Segment result	107,063	67,592	(984,665)	(30,569)	-	(840,579)
Financial expenses						(480,441)
Financial income						4,787
Income tax						229,283
Net loss for the period						<u>(1,086,950)</u>
<b>OTHER INFORMATION</b>						
Capital expenditure	4,331	3,532	31,121	-		
Depreciation	6,041	3,621	8,612	45		
Non-cash expenses other than depreciation	2,158	1,452	4,074	798		
-----As at December 31, 2023 (Unaudited)-----						
<b>ASSETS AND LIABILITIES</b>						
Segment assets	5,942,311	1,792,804	27,708,279	59,637	-	35,503,031
Segment liabilities	4,452,489	2,011,654	13,211,108	144,511	-	19,819,762
-----For the three months period ended December 31, 2022 (Unaudited)-----						
<b>REVENUE</b>						
Sales to external customers	477,690	1,212,580	4,173,189	-	-	5,863,459
Inter-segment sales	106,528	2,344	-	-	(108,872)	-
Total revenue	<u>584,218</u>	<u>1,214,924</u>	<u>4,173,189</u>	<u>-</u>	<u>(108,872)</u>	<u>5,863,459</u>
<b>RESULT</b>						
Segment result	(198,095)	(93,672)	(146,149)	3,109	-	(434,807)
Financial expenses						(72,948)
Financial income						2,099
Income tax						41,489
Net loss for the period						<u>(464,167)</u>
<b>OTHER INFORMATION</b>						
Capital expenditure	5,309	1,224	3	-		
Depreciation	6,475	3,195	6,433	62		
Non-cash expenses other than depreciation	723	2,182	5,197	500		
-----As at September 30, 2023 (Audited)-----						
<b>ASSETS AND LIABILITIES</b>						
Segment assets	6,554,917	1,676,192	27,696,573	59,592	-	35,987,274
Segment liabilities	4,852,114	2,244,510	17,032,996	147,630	-	24,277,250

**28.2** This includes discontinued operations as mentioned in note 5 to these condensed interim financial statements.

**Siemens (Pakistan) Engineering Co. Ltd.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**For the three months period ended December 31, 2023**

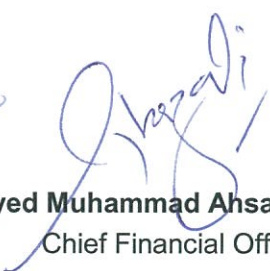
	<u>For the three months period ended</u>	
	<u>December 31,</u> <b>2023</b> <b>(Unaudited)</b>	<u>December 31,</u> <b>2022</b> <b>(Unaudited)</b>
	----- (Rupees in '000) -----	
<b>28.3 Geographical information</b>		
<b>Sales to external customers</b>		
Pakistan	<b>9,452,829</b>	5,763,916
United Arab Emirates	<b>46,876</b>	16,259
Libya	-	34,066
Others	<b>47,737</b>	49,218
	<b>9,547,442</b>	<b>5,863,459</b>

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

**29. DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in the meeting held on January 25, 2024.

  
**Syed Muhammad Daniyal**  
 Managing Director

  
**Syed Muhammad Ahsan Ghazali**  
 Chief Financial Officer

  
**Ayla Majid**  
 Director