

SIEMENS

**Condensed Interim Financial Statements
for the six months period
ended March 31, 2024
(Unaudited)**

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



SIEMENS (PAKISTAN) ENGINEERING CO. LTD.

DIRECTORS' REPORT HALF YEAR ENDED MARCH 31st, 2024 ON THE UN-AUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

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

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., MD: Syed Muhammad Daniyal, CFO : Syed Muhammad Ahsan Ghazali; Company Secretary: Khurram M.Siddique
CUIN Reg. No. 0000617; Reg. Address: B-72, Estate Avenue, S.I.T.E., Karachi.

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 half year ended March 31, 2024.

Company's Performance: Key Performance Indicators ("KPIs") for the half year ended March 31, 2024, compared to corresponding period last year are summarized below:

KPIs	Rupees in million	
	Six Months Ended March 31, 2024	Six Months Ended March 31, 2023
New Orders	12,036	19,349
Net sales and services (continuing and discontinued operations)	19,124	11,114
(Loss) / profit before income tax from continuing operations	(1,241)	3,194
Net loss from discontinued operations	-	(68)
Net (loss) / profit after income tax	(1,568)	2,467
(Loss) / earnings per share (Rupees)	(190.08)	299.17
(Loss) / earnings per share from continuing operations (Rupees)	(190.08)	307.37

The revenue increased by 72% during the half year ended March 31, 2024, as compared to the same period last year. The Company's revenue is growing due to solid order backlog, strong product portfolio and easing of import restrictions. Despite of growing topline, the Company has incurred a net loss of Rs 1,568 million during the period which is mainly due to the net unrealized loss recorded on measurement of foreign currency embedded derivatives amounting to Rs 1,429 million and net finance cost amounting to Rs 1,028 million arising on financing obtained for execution of large-scale projects in Energy business.

Future Outlook:

The Company continues to focus on enhancing operational performance from its portfolio to improve top line growth. With the prevailing economic and political outlook, the Company aims to consolidate its position in the market to meet the current and future sustainability needs of its customers.

Anticipated decline in inflation / interest rates in future coupled with stable exchange rate and expected cash recoveries from ongoing energy projects may improve the Company's future cash flow situation, while reducing the impact of significant financing costs. The Company will continue to closely monitor its risks and the economic and geopolitical factors in the region.

The Directors and Management of the Company affirm their focus on the Company's strengths and core activities, and are confident in the Company's ability to create long-term value for the shareholders and 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

Karachi: May 17, 2024


Qazi Sajid Ali
Director



INDEPENDENT AUDITOR'S REVIEW REPORT

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

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Siemens (Pakistan) Engineering Co. Ltd. as at March 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the financial statements for the six months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three months period ended March 31, 2024 and March 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended March 31, 2024.

Scope of Review

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

Conclusion

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

Other Matter

The financial statements of the Company for the year ended September 30, 2023 were audited and the condensed interim financial statements of the Company for the six months period ended March 31, 2023 were reviewed by another firm of Chartered Accountants who through the reports dated December 18, 2023 and May 29, 2023 expressed unmodified opinion and unmodified conclusion thereon, respectively.

The engagement partner on the review resulting in this independent auditor's report is Osama Moon.

**A. F. Ferguson & Co.,
Chartered Accountants
Karachi**

Date: May 23, 2024

UDIN: RR20241005680QnpuBhg

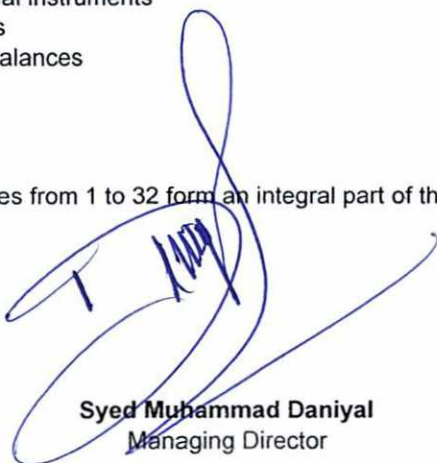
*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

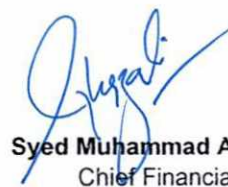
Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Financial Position
As at March 31, 2024

		March 31, 2024 (Unaudited)	September 30, 2023 (Audited)
	Note	----- (Rupees in '000) -----	
Equity and liabilities			
Share capital and reserves			
Share capital			
- Authorised 20,000,000 (September 30, 2023: 20,000,000) Ordinary shares of Rs 10 each		200,000	200,000
- Issued, subscribed and paid-up 8,247,037 (September 30, 2023: 8,247,037) Ordinary shares of Rs 10 each		82,470	82,470
Reserves			
Capital		624,192	624,192
Revenue		5,515,152	7,082,785
		6,139,344	7,706,977
Total equity		6,221,814	7,789,447
Non-current liabilities			
Lease liabilities	6	10,320	21,856
Deferred liabilities	7	516,458	496,219
Retention money		89,796	66,413
		616,574	584,488
Current liabilities			
Trade and other payables	8	14,716,775	20,002,471
Contract liabilities	9	4,492,992	4,270,483
Current portion of lease liabilities	6	27,207	23,212
Short-term borrowings	10	11,369,983	4,048,937
Provisions	11	1,123,604	1,208,441
Taxation - net		1,468,689	642,834
Unpaid dividend		-	250,752
Unclaimed dividend		29,898	29,911
		33,229,148	30,477,041
Total liabilities		33,845,722	31,061,529
Contingencies and commitments	12		
Total equity and liabilities		40,067,536	38,850,976
Assets			
Non-current assets			
Property, plant and equipment	13	316,658	258,299
Right-of-use assets	14	27,370	36,742
Intangible assets		7,736	-
Long-term loans and trade receivables	15	1,719,825	952,109
Deferred tax asset - net	16	1,419,487	367,724
		3,491,076	1,614,874
Current assets			
Inventories	17	3,380,575	4,923,408
Trade receivables	18	23,754,045	13,588,379
Contract assets	19	4,655,087	9,446,457
Loans and advances		194,202	130,301
Deposits and prepayments		481,632	434,323
Derivative financial instruments	20	1,609,883	5,532,505
Other receivables	21	1,290,625	2,212,532
Cash and bank balances	22	1,210,411	968,197
		36,576,460	37,236,102
Total assets		40,067,536	38,850,976

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

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Syed Muhammad Daniyal
 Managing Director


Syed Muhammad Ahsan Ghazali
 Chief Financial Officer

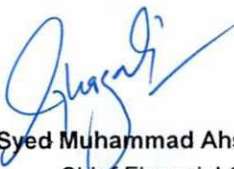

Qazi Sajid Ali
 Director


Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Profit or Loss (Unaudited)
For the six months period ended March 31, 2024

	Note	Six months period ended		Three months period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Continuing operations		----- (Rupees in '000) -----			
Net sales and services	23	19,123,674	9,722,736	9,576,232	4,816,600
Cost of sales and services		(16,243,954)	(8,175,960)	(8,232,750)	(3,389,282)
Unrealised (loss) / gain on derivatives - net	20.3	(1,429,262)	3,126,975	(71,832)	3,259,591
Gross profit		1,450,458	4,673,751	1,271,650	4,686,909
Marketing and selling expenses		(730,201)	(530,313)	(391,153)	(281,951)
Allowance for expected credit losses		(731,185)	(450,972)	(165,638)	(432,279)
General administrative expenses		(97,444)	(223,282)	(49,734)	(123,845)
		(1,558,830)	(1,204,567)	(606,525)	(838,075)
		(108,372)	3,469,184	665,125	3,848,834
Other income		6,750	1,005	2,765	-
Other operating expenses		(111,291)	(65,159)	(40,939)	(62,524)
Net other operating expenses		(104,541)	(64,154)	(38,174)	(62,524)
Operating (loss) / profit		(212,913)	3,405,030	626,951	3,786,310
Financial income		8,478	7,909	938	4,946
Financial expenses	24	(1,036,335)	(219,043)	(552,426)	(142,626)
Net financial expenses		(1,027,857)	(211,134)	(551,488)	(137,680)
(Loss) / profit before income tax from continuing operations		(1,240,770)	3,193,896	75,463	3,648,630
Income tax	25	(326,863)	(658,983)	(556,146)	(730,264)
Net (loss) / profit for the period from continuing operations		(1,567,633)	2,534,913	(480,683)	2,918,366
Discontinued operations					
Net (loss) / profit for the period from discontinued operations	5.1	-	(67,643)	-	13,071
Net (loss) / profit for the period		(1,567,633)	2,467,270	(480,683)	2,931,437
Basic and diluted (loss) / earnings per share (Rupees)		(190.08)	299.17	(58.29)	355.45
Basic and diluted (loss) / earnings per share from continuing operations (Rupees)		(190.08)	307.37	(58.29)	353.87

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


Syed Muhammad Daniyal
 Managing Director


Syed Muhammad Ahsan Ghazali
 Chief Financial Officer


Qazi Sajid Ali
 Director

Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Comprehensive Income (Unaudited)
For the six months period ended March 31, 2024

	Six months period ended		Three months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----				
Net (loss) / profit for the period	(1,567,633)	2,467,270	(480,683)	2,931,437
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / profit for the period	(1,567,633)	2,467,270	(480,683)	2,931,437

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


Syed Muhammad Daniyal
 Managing Director


Syed Muhammad Ahsan Ghazali
 Chief Financial Officer


Qazi Sajid Ali
 Director

Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Cash Flows (Unaudited)
For the six months period ended March 31, 2024

	Note	Six months period ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
Cash flows from operating activities			
Cash used in operations	26	(5,614,277)	(1,758,334)
Financial expenses paid		(480,074)	(106,772)
Income tax paid		(552,771)	(203,470)
Payment to Workers' Profit Participation Fund (WPPF)		-	(9,112)
Payment to Workers' Welfare Fund (WWF)		(53,281)	(24,041)
Net cash used in operating activities		(6,700,403)	(2,101,729)
Cash flows from investing activities			
Capital expenditure		(129,939)	(26,759)
Proceeds from sale of property, plant and equipment		6,196	2,015
Financial income received		5,725	2,984
Net cash used in investing activities		(118,018)	(21,760)
Cash flows from financing activities			
Dividends paid		(250,765)	(127,486)
Proceeds from short-term loans		3,705,800	-
Repayment of long-term financing		-	(34,222)
Repayment of lease liabilities		(9,646)	(18,100)
Net cash generated from / (used in) financing activities		3,445,389	(179,808)
Net decrease in cash and cash equivalents		(3,373,032)	(2,303,297)
Cash and cash equivalents at beginning of the period		(3,080,740)	1,474,580
Cash and cash equivalents at end of the period	27	(6,453,772)	(828,717)

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

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Syed Muhammad Daniyal
 Managing Director

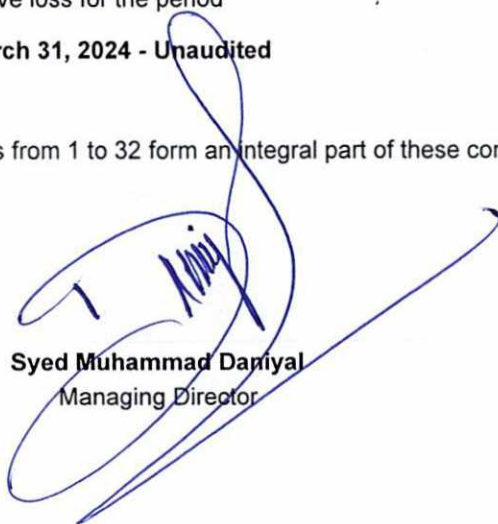

Syed Muhammad Ahsan Ghazali
 Chief Financial Officer


Qazi Sajid Ali
 Director

Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Changes in Equity
For the six months period ended March 31, 2024

	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) -----								
Balance as at September 30, 2022 - Audited	82,470	619,325	567	4,300	4,523,026	(196,148)	2,157,989	7,191,529
Final dividend @ Rs 46 per ordinary share of Rs 10 each for the year ended September 30, 2022	-	-	-	-	-	-	(379,364)	(379,364)
Net profit for the six months period ended March 31, 2023	-	-	-	-	-	-	2,467,270	2,467,270
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	2,467,270	2,467,270
Balance as at March 31, 2023 - Unaudited	82,470	619,325	567	4,300	4,523,026	(196,148)	4,245,895	9,279,435
Balance as at September 30, 2023 - Audited	82,470	619,325	567	4,300	4,523,026	(189,710)	2,749,469	7,789,447
Net loss for the six months period ended March 31, 2024	-	-	-	-	-	-	(1,567,633)	(1,567,633)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(1,567,633)	(1,567,633)
Balance as at March 31, 2024 - Unaudited	82,470	619,325	567	4,300	4,523,026	(189,710)	1,181,836	6,221,814

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


Syed Muhammad Daniyal
 Managing Director


Syed Muhammad Ahsan Ghazali
 Chief Financial Officer


Qazi Sajid Ali
 Director

Siemens (Pakistan) Engineering Co. Ltd.

Notes to the Condensed Interim Financial Statements (Unaudited)

For the six months period ended March 31, 2024

1. LEGAL STATUS AND OPERATIONS

1.1 Siemens (Pakistan) Engineering Co. Ltd. (the Company) was incorporated in Pakistan in the year 1953 under the Companies Act, 1913 (now the 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.

1.2 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 non-affiliated 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 finalisation 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.

1.3 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 six months period ended March 31, 2024 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 but subject to limited scope review by the auditors and are being submitted to the shareholders as required under section 237 of the Act and Pakistan Stock Exchange Regulations. The figures for the three months period ended March 31, 2024 and March 31, 2023 appearing in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and notes forming part thereof have not been subject to limited scope review by the auditors, as the scope of the review covered only the cumulative figures for the six months period ended March 31, 2024 and March 31, 2023.

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 six months period ended March 31, 2024

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, except for taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

3.2 Amendments to certain existing standards and interpretations on accounting and reporting standards effective during the period were either not relevant or did not have any material impact on these condensed interim financial statements.

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 1.3 to these condensed interim financial statements, the results of the discontinued operations for the period are presented below:

	For the six months period ended		For the three months period ended	
	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
----- (Rupees in '000) -----				
Discontinued operations				
Net sales and services	-	1,391,251	-	433,928
Cost of sales and services	-	(1,608,307)	-	(676,082)
Unrealised gain on derivatives	-	287,949	-	314,061
Gross profit	-	70,893	-	71,907
Marketing and selling expenses	-	(44,680)	-	(14,994)
Allowance for expected credit losses	-	(16,203)	-	(12,025)
General administrative expenses	-	(37,196)	-	(21,152)
	-	(98,079)	-	(48,171)
	-	(27,186)	-	23,736
Other income	-	3,177	-	3,177
Other operating expenses	-	(22)	-	(22)
Net other operating income	-	3,155	-	3,155
(Loss) / profit before income tax from discontinued operations	-	(24,031)	-	26,891
Income tax	-	(43,612)	-	(13,820)
Net (loss) / profit for the period from discontinued operations	-	(67,643)	-	13,071
Basic and diluted (loss) / earnings per share from discontinued operations (Rupees)	-	(8.20)	-	1.58

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Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2024

5.2 The net cash flows from the discontinued operations are, as follows:

	For the six months period ended	
	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	----- (Rupees in '000) -----	
Cash flows from discontinued operations		
Net cash flows from operating activities	-	400,443
Net cash flows from investing activities	-	(399)
Net cash flows from discontinued operations	-	400,044
	As at March 31, 2024 (Unaudited)	As at September 30, 2023 (Audited)
	----- (Rupees in '000) -----	
6. LEASE LIABILITIES	Note	
Balance at beginning of the period / year		45,068
New leases during the period / year		-
Accretion of interest during the period / year		2,105
Payments during the period / year		(9,646)
Terminations during the period / year		-
Balance at end of the period / year		37,527
Less: Current maturity of lease liabilities		(27,207)
		10,320
7. DEFERRED LIABILITIES		
Defined benefit plan - gratuity fund		488,057
Share based benefits		12,535
Others		15,866
		516,458
8. TRADE AND OTHER PAYABLES		
Trade creditors [including retention money of Rs 447.604 million (September 30, 2023: Rs 413.159 million)]	8.1	11,336,631
Accrued liabilities		1,269,872
Payable against pending contracts	8.2	398,242
Accrued interest		800,075
Workers' Welfare Fund (WWF)		275,659
Workers' Profit Participation Fund (WPPF)		27,336
Derivative financial instruments	20.1	490,099
Withholding tax payable		31,101
Other liabilities		87,760
		14,716,775
		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 six months period ended March 31, 2024

- 8.1 These include sums aggregating to Rs 3,885.231 million (September 30, 2023: Rs 3,870.036 million) due to related parties.
- 8.2 This represents the net balance payable to TMC (Private) Limited (September 30, 2023: net receivable of Rs 122.697 million) on account of pending contracts as mentioned in note 1.3 to these condensed interim financial statements.

		As at March 31, 2024 (Unaudited)	As at September 30, 2023 (Audited)
9. CONTRACT LIABILITIES	Note	----- (Rupees in '000) -----	
Advances from customers			
- for goods		1,588,239	937,129
- for projects and services	9.1	2,048,717	2,761,298
		<u>3,636,956</u>	<u>3,698,427</u>
Refund liabilities		856,036	572,056
		<u>4,492,992</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 220.002 million (September 30, 2023: Rs 166.006 million) as per the contractual payment terms.

		As at March 31, 2024 (Unaudited)	As at September 30, 2023 (Audited)
10. SHORT-TERM BORROWINGS	Note	----- (Rupees in '000) -----	
Secured			
Short-term running finances	10.1	7,664,183	4,048,937
Short-term loans	10.2	3,705,800	-
		<u>11,369,983</u>	<u>4,048,937</u>

- 10.1 Facilities for secured bank overdraft arranged with commercial banks in Pakistan aggregated to Rs 13,200 million (September 30, 2023: Rs 12,618 million) at interest rate ranging from 21.96% 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 These represent loans for a period of ten months under a facility obtained during the period under Islamic mode from a commercial bank in Pakistan at mark-up rates of 21.73% and 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.

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For the six months period ended March 31, 2024

	Warranties	Losses on sales contracts	Total
	----- (Rupees in '000) -----		
11. PROVISIONS			
Balance as at September 30, 2023 (Audited)	641,274	567,167	1,208,441
Additional provisions	197,093	2,967	200,060
Cost incurred	(14,860)	(245,980)	(260,840)
Reversal of unutilised amounts	(24,057)	-	(24,057)
Balance as at March 31, 2024 (Unaudited)	<u>799,450</u>	<u>324,154</u>	<u>1,123,604</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>

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

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.

12.2 Commitments

(i) As at March 31, 2024, capital expenditure contracted for but not incurred amounted to Rs 58.154 million (September 30, 2023: Rs 67.517 million).

	As at March 31, 2024 (Unaudited)	As at September 30, 2023 (Audited)
	----- (Rupees in '000) -----	
(ii) Guarantees		
- limit	<u>20,641,657</u>	21,288,688
- utilised portion	<u>18,907,074</u>	20,084,784
- unutilised portion	<u>1,734,583</u>	1,203,904
(iii) Letters of credit		
- limit	<u>9,346,485</u>	7,810,886
- utilised portion	<u>4,301,666</u>	5,239,492
- unutilised portion	<u>5,044,819</u>	2,571,394
(iv) The aggregate amount of commitments against various short-term lease arrangements for rental premises:		
	As at March 31, 2024 (Unaudited)	As at September 30, 2023 (Audited)
	----- (Rupees in '000) -----	
- Not later than one year	<u>4,440</u>	10,806
(v) Other commitments		
- guarantees issued by Siemens AG (parent company) on behalf of the Company	<u>1,326,247</u>	-

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	Note	As at March 31, 2024 (Unaudited)	As at September 30, 2023 (Audited)
		----- (Rupees in '000) -----	
13. PROPERTY, PLANT AND EQUIPMENT			
Operating assets - at net book value	13.1	307,406	258,016
Capital-work-in-progress		9,252	283
		<u>316,658</u>	<u>258,299</u>
13.1 Operating assets			
Opening net book value		258,016	296,280
Additions during the period / year		112,531	78,656
		<u>370,547</u>	<u>374,936</u>
Disposals during the period / year		(58,994)	(109,390)
Accumulated depreciation on disposals		57,126	95,992
Depreciation for the period / year		(61,273)	(103,522)
		<u>(63,141)</u>	<u>(116,920)</u>
Closing net book value		<u>307,406</u>	<u>258,016</u>

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

	Additions		Disposals	
	For the six months period ended March 31, 2024 (Unaudited)	March 31, 2023	For the six months period ended March 31, 2024 (Unaudited)	March 31, 2023
----- (Rupees in '000) -----				
Leasehold improvements	-	4,258	-	-
Plant and machinery	-	2,175	17,775	2,112
Furniture and fixtures	501	11,893	4,375	4,525
Office equipment	64,242	17,921	17,231	8,044
Vehicles	-	-	8,140	44
Tools and patterns	47,788	948	11,473	1,933
	<u>112,531</u>	<u>37,195</u>	<u>58,994</u>	<u>16,658</u>

13.3 Depreciation charge for the six months period ended March 31, 2024 amounted to Rs 61.273 million (March 31, 2023: Rs 50.840 million).

14. 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 March 31, 2024 (Unaudited)	As at September 30, 2023 (Audited)
		----- (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	(9,372)	(31,971)
Right-of-use assets disposed off during the period / year	-	(17,502)
Closing net book value	<u>27,370</u>	<u>36,742</u>

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		As at March 31, 2024 (Unaudited)	As at September 30, 2023 (Audited)
		----- (Rupees in '000) -----	
15. LONG-TERM LOANS AND TRADE RECEIVABLES	<i>Note</i>		
Loans			
Due from employees		2,966	3,247
Less: Due within one year		(1,764)	(1,655)
Long-term portion		1,202	1,592
Discounting to present value		(199)	(244)
		<u>1,003</u>	<u>1,348</u>
Trade receivables			
Considered good		1,718,822	950,761
Considered doubtful		1,024,115	493,994
		2,742,937	1,444,755
Loss allowance		(1,024,115)	(493,994)
		<u>1,718,822</u>	<u>950,761</u>
		<u>1,719,825</u>	<u>952,109</u>
16. DEFERRED TAX ASSET - NET			
Debit / (credit) balance arising in respect of:			
Unused tax credits		-	225,836
Provisions		574,536	446,405
Loss allowance		1,036,018	767,505
Remeasurement loss on defined benefit plan		51,481	51,481
Decelerated tax depreciation		35,828	34,992
Lease liabilities		8,890	9,497
		<u>1,706,753</u>	<u>1,535,716</u>
Derivative financial instruments		(280,782)	(1,160,250)
Right-of-use assets		(6,484)	(7,742)
		<u>(287,266)</u>	<u>(1,167,992)</u>
		<u>1,419,487</u>	<u>367,724</u>
17. INVENTORIES			
Raw materials and components		763,601	1,203,005
Work-in-process		1,431,704	2,937,071
Finished goods		1,062,767	465,781
		<u>3,258,072</u>	<u>4,605,857</u>
Less: Provision for slow moving and obsolete items		(363,081)	(243,483)
		<u>2,894,991</u>	<u>4,362,374</u>
Goods-in-transit		485,584	561,034
		<u>3,380,575</u>	<u>4,923,408</u>
18. TRADE RECEIVABLES			
Considered good			
Due from related parties	18.1	21,266	992,484
Due from others		23,732,779	12,595,895
		<u>23,754,045</u>	<u>13,588,379</u>
Considered doubtful			
		2,695,663	2,333,293
		<u>26,449,708</u>	<u>15,921,672</u>
Less: Loss allowance		(2,695,663)	(2,333,293)
		<u>23,754,045</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 21.266 million (September 30, 2023: Rs 1.256 million) and nil (September 30 2023: Rs 991.228 million) respectively. During the period, Siemens Energy and its affiliated companies ceased to be related parties of the Company.

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	As at March 31, 2024 (Unaudited)	As at September 30, 2023 (Audited)
19. CONTRACT ASSETS	----- (Rupees in '000) -----	
Considered good	4,655,087	9,446,457
Considered doubtful	498,274	652,128
	<u>5,153,361</u>	<u>10,098,585</u>
Less: Loss allowance	(498,274)	(652,128)
	<u><u>4,655,087</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 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.

		As at March 31, 2024 (Unaudited)	As at September 30, 2023 (Audited)
20.1 Fair value of embedded foreign currency derivatives	Note	----- (Rupees in '000) -----	
Embedded foreign currency derivatives asset		1,609,883	5,532,505
Embedded foreign currency derivatives liability	8	(490,099)	(26,336)
	20.2	<u>1,119,784</u>	<u>5,506,169</u>

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

	Note	For the six months period ended		For the three months period ended	
		March 31, 2024 ----- (Unaudited) -----	March 31, 2023	March 31, 2024 ----- (Unaudited) -----	March 31, 2023
		----- (Rupees in '000) -----			
Fair value of embedded foreign currency derivatives - at the beginning of the period (net)		5,506,169	1,780,775	1,976,678	1,175,459
Net (loss) / gain in fair value during the period - net of reversal on realisation					
Continuing operations	20.3	(4,386,385)	2,479,113	(856,894)	3,058,317
Discontinued operations		-	287,949	-	314,061
		<u>(4,386,385)</u>	<u>2,767,062</u>	<u>(856,894)</u>	<u>3,372,378</u>
Fair value of embedded foreign currency derivatives - at the end of the period (net)		<u><u>1,119,784</u></u>	<u><u>4,547,837</u></u>	<u><u>1,119,784</u></u>	<u><u>4,547,837</u></u>

20.3 This includes net unrealised loss on sales contracts of Rs 1,433.894 million (March 31, 2023: net unrealised gain of Rs 4,161.179 million) and unrealised gain on purchase contracts of Rs 4.632 million (March 31, 2023: unrealised loss of Rs 1,034.204 million) recognised in respect of change in fair value of embedded foreign currency derivatives due to appreciation / devaluation of Pak Rupees during the period against relevant currencies of US Dollar and Euro.

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		As at March 31, 2024 (Unaudited)	As at September 30, 2023 (Audited)
21. OTHER RECEIVABLES	<i>Note</i>	----- (Rupees in '000) -----	
Considered good			
Due from related parties	21.1	9,811	1,836
Costs reimbursable from customers		443,459	614,662
Sales tax refundable		717,333	1,381,063
Interest accrued		71,332	68,579
Receivable against pending contracts	8.2	-	122,697
Others		48,690	23,695
		<u>1,290,625</u>	<u>2,212,532</u>
Considered doubtful			
Costs reimbursable from customers		29,915	38,361
Others		87,676	86,816
		<u>117,591</u>	<u>125,177</u>
		1,408,216	2,337,709
Less: Loss allowance		(117,591)	(125,177)
		<u>1,290,625</u>	<u>2,212,532</u>

21.1 This represents amount due from Siemens Industry Software (Private) Limited having aggregate amount due of Rs 9.811 million (September 30, 2023: Rs 1.836 million).

		As at March 31, 2024 (Unaudited)	As at September 30, 2023 (Audited)
22. CASH AND BANK BALANCES		----- (Rupees in '000) -----	
With banks in			
Current accounts		864,785	567,544
Deposit accounts		345,571	400,475
		<u>1,210,356</u>	<u>968,019</u>
Cash in hand		55	178
		<u>1,210,411</u>	<u>968,197</u>

		For the six months period ended	
		March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
23. NET SALES AND SERVICES		----- (Rupees in '000) -----	
Sales disaggregation by type of contracts			
Execution of contracts		11,672,095	6,672,406
Sale of goods		4,434,715	2,029,417
Rendering of services		3,016,864	1,020,913
		<u>19,123,674</u>	<u>9,722,736</u>
Sales tax		5,203,043	1,595,531
Gross sales and services		24,326,717	11,318,267
Less: Sales tax		(5,203,043)	(1,595,531)
		<u>19,123,674</u>	<u>9,722,736</u>

Siemens (Pakistan) Engineering Co. Ltd.
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For the six months period ended March 31, 2024

	Note	For the six months period ended	
		March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
		----- (Rupees in '000) -----	
24. FINANCIAL EXPENSES			
Interest on short-term borrowings		1,027,332	206,843
Interest on lease liabilities		2,105	4,305
Interest on other payables		6,898	7,895
		<u>1,036,335</u>	<u>219,043</u>
25. INCOME TAX			
Current		1,378,626	449,745
Deferred		(1,051,763)	209,238
		<u>326,863</u>	<u>658,983</u>
26. CASH USED IN OPERATIONS			
(Loss) / profit before income tax for the period		(1,240,770)	3,169,865
Adjustments for non-cash and other items:			
Depreciation and amortisation		71,348	67,184
Provision / (reversal of provision) for slow moving and obsolete items of inventories - net		119,598	(7,549)
Loss allowance on trade receivables - net		892,491	476,064
Reversal of loss allowance on contract assets - net		(153,854)	(21,706)
(Reversal of loss allowance) / loss allowance on deposit and other receivables - net		(7,452)	12,817
Provision for warranty - net		173,036	6,358
Provision for losses on sales contracts - net		2,967	176,529
Discounting of long-term loans - net		(45)	(92)
Provision for Workers' Welfare Fund (WWF)		83,955	65,145
Provision for Workers' Profit Participation Fund (WPPF)		27,336	-
Liabilities no longer payable written back		(2,443)	(4,101)
(Gain) / loss on sale of property, plant and equipment - net		(4,328)	36
Loss / (gain) on derivative financial instruments - net	20.2	4,386,385	(2,767,062)
Financial expenses		1,036,335	219,043
Financial income		(8,478)	(7,909)
		<u>5,376,081</u>	<u>1,384,622</u>
Working capital changes	26.1	(9,736,188)	(2,817,010)
		<u>(4,360,107)</u>	<u>(1,432,388)</u>
Long-term loans and trade receivables		(1,297,792)	(393,236)
Long-term prepayments		-	830
Retention money		23,383	28,034
Other non-current liabilities		20,239	38,426
		<u>(5,614,277)</u>	<u>(1,758,334)</u>
26.1 Working capital changes			
(Increase) / decrease in current assets:			
Inventories		1,423,235	(452,071)
Trade receivables		(10,528,036)	(2,435,474)
Contract assets		4,945,224	(774,415)
Loans and advances		(63,901)	210,286
Deposits and short-term prepayments		(47,443)	(351,284)
Other receivables		932,246	(245,619)
		<u>(3,338,675)</u>	<u>(4,048,577)</u>
Increase / (decrease) in current liabilities:			
Trade and other payables		(6,359,182)	909,114
Contract liabilities		222,509	399,896
Provisions		(260,840)	(77,443)
		<u>(6,397,513)</u>	<u>1,231,567</u>
		<u>(9,736,188)</u>	<u>(2,817,010)</u>

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	As at March 31, 2024 (Unaudited)	As at March 31, 2023 (Unaudited)
	----- (Rupees in '000) -----	
27. CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,210,411	783,209
Short-term borrowings	(7,664,183)	(1,611,926)
	<u>(6,453,772)</u>	<u>(828,717)</u>

28. 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:

		For the six months period ended	
		March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	Note	----- (Rupees in '000) -----	
Parent company			
Sale of goods and rendering of services		-	1,532
Purchases of goods and receipt of services		1,715,825	679,508
Dividend appropriated		-	283,212
Associated companies			
Sale of goods and rendering of services		198,111	1,114,348
Purchases of goods and receipt of services		3,969,501	1,299,800
Costs reimbursements		11,447	4,388
Financial income		1,160	601
Key management personnel			
Dividends appropriated		-	649
Compensation to key management personnel	28.1	30,020	130,114
Sale of office equipment		-	1,084
Others			
Contribution to employees' retirement benefit funds		70,713	68,766

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

Short-term benefits	26,119	111,106
Post-employment benefits	1,697	508
Share based benefits	2,204	18,500
	<u>30,020</u>	<u>130,114</u>

28.2 Amounts due from, due to and arrangements with related parties are disclosed in the relevant notes to these condensed interim financial statements.



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29. 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.

29.1 The details of information about business segments are as follows:

Segment						(Rupees in '000)
	Smart Infrastructure	Digital Industries (Note 29.2)	Energy	Others	Eliminations	Company as a whole
-----For the six months period ended March 31, 2024 (Unaudited)-----						
REVENUE						
Sales to external customers	3,551,187	1,240,233	14,107,124	225,130	-	19,123,674
Inter-segment sales	1,327,729	102,314	7,408	-	(1,437,451)	-
Total revenue	4,878,916	1,342,547	14,114,532	225,130	(1,437,451)	19,123,674
RESULT						
Segment result	231,907	161,591	(574,105)	(36,451)	-	(217,058)
Financial expenses						(1,029,437)
Financial income						5,725
Income tax						(326,863)
Net loss for the period						(1,567,633)
OTHER INFORMATION						
Capital expenditure	44,696	10,852	43,274	-		
Depreciation and amortisation	13,832	7,789	18,291	90		
Non-cash expenses other than depreciation and amortisation	(5,269)	(2,284)	(10,040)	(145)		
-----As at March 31, 2024 (Unaudited)-----						
ASSETS AND LIABILITIES						
Segment assets	5,744,962	1,360,605	28,895,224	470,582	-	36,471,373
Segment liabilities	4,769,016	1,937,834	11,568,158	507,554	-	18,782,562
-----For the six months period ended March 31, 2023 (Unaudited)-----						
REVENUE						
Sales to external customers	1,070,716	1,888,234	8,155,037	-	-	11,113,987
Inter-segment sales	169,122	3,950	-	-	(173,072)	-
Total revenue	1,239,838	1,892,184	8,155,037	-	(173,072)	11,113,987
RESULT						
Segment result	(863,833)	(40,774)	4,289,937	(7,300)	-	3,378,030
Financial expenses						(211,149)
Financial income						2,984
Income tax						(702,595)
Net profit for the period						2,467,270
OTHER INFORMATION						
Capital expenditure	6,498	2,156	3,983	-		
Depreciation	12,972	6,328	12,983	110		
Non-cash expenses other than depreciation	(4,187)	(8,477)	(6,277)	(70)		
-----As at September 30, 2023 (Audited)-----						
ASSETS AND LIABILITIES						
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

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

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Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2024

	For the six months period ended	
	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	----- (Rupees in '000) -----	
29.3 Geographical information		
Sales to external customers		
Pakistan	18,911,499	10,619,435
United Arab Emirates	65,611	111,748
Libya	-	142,011
Others	146,564	240,793
	<u>19,123,674</u>	<u>11,113,987</u>

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

30. 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 March 31, 2024 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).

31. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified and rearranged for the purpose of better presentation and comparison of transactions in these condensed interim financial statements of the Company, the effect of which is not material except for net gain on derivatives which has been presented separately to correspond to the current period's presentation with an impact on:

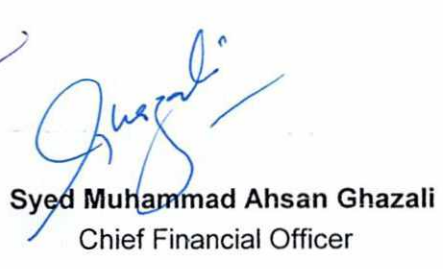
- cost of sales and services amounting to Rs 2,479.113 million and Rs 287.949 million related to continuing and discontinued operations respectively; and
- net sales and services amounting to Rs 647.862 million related to continuing operations.

32. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in the meeting held on May 17, 2024

AKB


Syed Muhammad Daniyal
 Managing Director


Syed Muhammad Ahsan Ghazali
 Chief Financial Officer


Qazi Sajid Ali
 Director