

Condensed Interim Financial Statements

for the three months period ended December 31, 2018
(Unaudited)

SIEMENS

SIEMENS (PAKISTAN) ENGINEERING CO. LTD.

**DIRECTORS' REPORT
FIRST QUARTER FINANCIAL YEAR 2019
ENDED ON DECEMBER 31, 2018
ON THE
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

Chairman of the Board	Dr. Sebastian Andreas Brachert
Executive Director	Helmut von Struve
Non-Executive Directors	Tim Dawidowsky Manuel Kuehn Manzoor Ahmed
— Independent & Non-Executive Director	Qazi Sajid Ali Sadiah Khan
Managing Director	Helmut von Struve
Chief Financial Officer	Umer Jalil Anwer
Company Secretary	Muhammad Usman Ansari
Registered Office	B-72 Estate Avenue, S.I.T.E., Karachi-75700,
Trading Symbol	SIEM
Auditors	EY Ford Rhodes
Registrar and Share Transfer	THK Associates (Pvt.) Limited

Siemens (Pakistan) Engg. Co. Ltd.
Corporate Secretariat
Head: Muhammad Usman Ansari

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

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

Siemens (Pakistan) Engg. Co. Ltd., MD: Helmut von Struve, CFO: Umer Jalil Anwer, Company Secretary: Muhammad Usman Ansari
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 of Siemens (Pakistan) Engineering Co. Ltd. ("Company"), are pleased to present the unaudited condensed interim financial statements for the three months period ended December 31, 2018.

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

KPIs	Three Months Ended December 31, 2018 Rs in million	Three Months Ended December 31, 2017 Rs in million
New Orders	4,036,695	4,514,964
Net sales and services	4,212,654	4,004,488
Profit before income tax expense	357,106	574,145
Net profit after tax	204,857	281,668
Earnings per share (Rupees)	24.84	34.15

During the quarter, the Company has continued to show improvement in net sales and services. However, after a strong FY 2018, the net profit level after tax has normalized and consequently decreased by Rs. 77 million as compared to the same period last year ("SPLY"). This was mainly due to change in sales order mix and increase in financial expenses during the quarter, compensated by embedded derivatives and foreign currency impacts. Earnings per share for the quarter is Rs. 24.84 compared to Rs. 34.15 in SPLY.

Future Outlook: The Company is positioned to provide substantive solutions for the Country's growing energy needs, and aim to overcome the challenges through innovation, global expertise and understanding the needs of our customers. We are confident that we will be able to secure upcoming opportunities and continue the Company's current performance.

Acknowledgement: The Board is grateful for the dedication of the Company's employees and Management. We also appreciate the continued support and commitment of all 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


Manuel Kuehn
Director


Helmut von Struve
Managing Director

Abu Dhabi, January 28, 2019

Siemens (Pakistan) Engineering Company Limited
Condensed Interim Statement of Financial Position
As at December 31, 2018

		December 31, 2018 (Unaudited)	September 30, 2018 (Audited)
Equity and liabilities			
	Note	----- (Rupees in '000) -----	
Share capital and reserves			
Share capital			
- Authorised			
20,000,000 (September 30, 2018: 20,000,000)			
Ordinary shares of Rs 10 each		<u>200,000</u>	<u>200,000</u>
- Issued, subscribed and paid-up			
8,247,037 (September 30, 2018: 8,247,037)			
Ordinary shares of Rs 10 each		82,470	82,470
Reserves			
Capital		624,192	624,192
Revenue		<u>5,276,364</u>	<u>5,071,507</u>
		<u>5,900,556</u>	<u>5,695,699</u>
		<u>5,983,026</u>	<u>5,778,169</u>
Non-current liabilities			
Retention money		42,019	143,698
Others		<u>28,341</u>	<u>27,206</u>
		70,360	170,904
Current liabilities			
Trade and other payables	5	7,221,961	7,330,409
Contract liabilities	6	1,660,137	1,574,356
Provisions	7	652,116	634,416
Short-term borrowings	8	1,952,753	1,876,320
Taxation - net		616,877	615,468
Unclaimed dividend		<u>29,689</u>	<u>29,787</u>
		<u>12,133,533</u>	<u>12,060,756</u>
Total liabilities		<u>12,203,893</u>	<u>12,231,660</u>
Commitments			
	9		
Total equity and liabilities		<u>18,186,919</u>	<u>18,009,829</u>
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	10	356,586	388,095
Intangible assets		<u>3,152</u>	<u>3,842</u>
		359,738	391,937
Long-term loans and trade receivables		475,557	350,268
Long-term deposits and prepayments		3,507	3,793
Deferred tax asset		<u>880,734</u>	<u>873,190</u>
		<u>1,719,536</u>	<u>1,619,188</u>
Current assets			
Inventories	11	1,722,750	1,314,431
Trade receivables	12	7,183,963	7,909,930
Contract assets	13	5,299,823	4,479,227
Loans and advances		110,908	227,741
Deposits and short-term prepayments		172,220	156,387
Other receivables	14	1,115,047	853,217
Cash and bank balances	15	<u>862,672</u>	<u>1,449,708</u>
		<u>16,467,383</u>	<u>16,390,641</u>
Total assets		<u>18,186,919</u>	<u>18,009,829</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Helmut von Struve
Managing Director


Umer Jalil Anwer
Chief Financial Officer

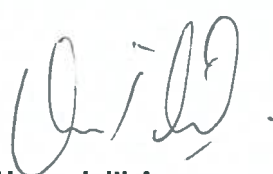

Manuel Kuehn
Director

Siemens (Pakistan) Engineering Company Limited
Condensed Interim Statement of Profit or Loss (Unaudited)
For the three months period ended December 31, 2018

	Note	Three months period ended December 31, 2018	Three months period ended December 31, 2017
----- (Rupees in '000) -----			
Net sales and services	16	4,212,654	4,004,488
Cost of sales and services		(3,422,328)	(3,137,391)
Gross profit		790,326	867,097
Marketing and selling expenses		(297,684)	(270,815)
General administrative expenses		(54,696)	(55,487)
		(352,380)	(326,302)
		437,946	540,795
Other income	17	3,700	57,109
Other operating expenses	17	(27,332)	(43,306)
Net other operating (expense) / income		(23,632)	13,803
Operating profit		414,314	554,598
Financial income		1,758	28,716
Financial expenses		(58,966)	(9,169)
Net finance (expense) / income		(57,208)	19,547
Profit before income tax		357,106	574,145
Income tax		(152,249)	(292,477)
Net profit for the period		204,857	281,668
Basic and diluted earnings per share (Rupees)		24.84	34.15

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Helmut von Struve
 Managing Director


Umer Jalil Anwer
 Chief Financial Officer

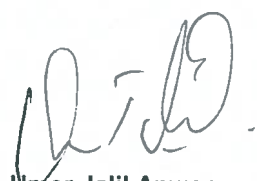

Manuel Kuehn
 Director

Siemens (Pakistan) Engineering Company Limited
Condensed Interim Statement of Other Comprehensive Income (Unaudited)
For the three months period ended December 31, 2018

	Three months period ended December 31, 2018 ----- (Rupees in '000) -----	Three months period ended December 31, 2017 -----
Net profit for the period	204,857	281,668
Other comprehensive income	-	-
Total comprehensive income for the period	204,857	28,687

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Helmut von Struve
Managing Director


Umar Jalil Anwer
Chief Financial Officer



Manuel Kuehn
Director

Siemens (Pakistan) Engineering Company Limited
Condensed Interim Statement of Cash Flows (Unaudited)
For the three months period ended December 31, 2018

		Three months period ended December 31, 2018	Three months period ended December 31, 2017
	Note	----- (Rupees in '000) -----	
Cash flows from operating activities			
Cash used in operations	18	(454,179)	(1,793,014)
Financial expenses paid		(37,434)	(5,701)
Income tax paid		(158,384)	(145,740)
Payment to workers' profit participation fund		(6,985)	(82,686)
Net cash used in operating activities		(656,982)	(2,027,141)
Cash flows from investing activities			
Capital expenditure incurred		(10,968)	(17,998)
Proceeds from sale of property, plant and equipment		3,917	278
Financial income received		564	27,617
Net cash (used in) / generated from investing activities		(6,487)	9,897
Net decrease in cash and cash equivalents		(663,469)	(2,017,244)
Cash and cash equivalents at beginning of the period		(426,612)	3,580,600
Cash and cash equivalents at end of the period	19	(1,090,081)	1,563,356

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Helmut von Struve
 Managing Director


Umer Jalil Anwer
 Chief Financial Officer

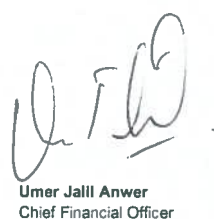

Manuel Kuehn
 Director

Siemens (Pakistan) Engineering Company Limited
Condensed Interim Statement of Changes in Equity (Unaudited)
For the three months period ended December 31, 2018

	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	Accumulated profit	
	----- (Rupees in '000) -----							
Balance as at September 30, 2017	82,470	619,325	567	4,300	4,523,026	(235,800)	332,716	5,326,604
Net profit for the three months period ended December 31, 2017	-	-	-	-	-	-	281,668	281,668
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	281,668	281,668
Balance as at December 31, 2017	82,470	619,325	567	4,300	4,523,026	(235,800)	614,384	5,608,272
Final dividend @ Rs 75 per Ordinary share of Rs 10 each for the year ended September 30, 2017	-	-	-	-	-	-	(618,528)	(618,528)
Net profit for the nine months period ended September 30, 2018	-	-	-	-	-	-	877,552	877,552
Other comprehensive income for the period	-	-	-	-	-	(89,127)	-	(89,127)
Total comprehensive income	-	-	-	-	-	(89,127)	877,552	788,425
Balance as at September 30, 2018	82,470	619,325	567	4,300	4,523,026	(324,927)	873,408	5,778,169
Net profit for the three months period ended December 31, 2018	-	-	-	-	-	-	204,857	204,857
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	204,857	204,857
Balance as at December 31, 2018	82,470	619,325	567	4,300	4,523,026	(324,927)	1,078,265	5,983,026

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Helmut von Struve
Managing Director


Umer Jalil Anwer
Chief Financial Officer


Manuel Kuehn
Director

1. LEGAL STATUS AND OPERATIONS

Siemens (Pakistan) Engineering Co. Ltd. (the Company) was incorporated in Pakistan in the year 1953. The Company is a public limited company and its shares are quoted on Pakistan Stock Exchange. The Company is principally engaged in the execution of projects under contracts and in manufacturing, sale and installation of electronic and electrical capital goods. The Company's registered office is situated at B-72, Estate Avenue, S.I.T.E., Karachi.

2. BASIS OF PREPARATION

- 2.1** These condensed interim financial statements of the Company for the three months period ended December 31, 2018 have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and Pakistan Stock Exchange Regulations.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2018.

2.2 Functional and presentation currency

These condensed interim 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.

3. ACCOUNTING POLICIES AND CHANGES THEREIN

- 3.1** The accounting policies and the methods of computations adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended September 30, 2018.
- 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 impact on the accounting policies of the Company.

4. OPERATIONS IN AFGHANISTAN

Effective December 31, 2015 the Company ceased to participate in further business in Afghanistan due to withdrawal of sales rights by Siemens AG for the Afghanistan territory. However, the Company will continue to execute the orders in hand amounting to Rs 750.016 million as at December 31, 2018. Information relating to Afghanistan operations is presented in note 21 to these condensed interim financial statements.

5. TRADE AND OTHER PAYABLES

As at December 31, 2018
(Unaudited)

As at September 30, 2018
(Audited)

Note ----- (Rupees in '000) -----

Trade creditors [including retention money of Rs 644.679 million (September 30, 2018; Rs 494.327 million)]	5,535,869	5,528,372
Accrued liabilities	678,029	912,279
Defined benefit plan - gratuity	412,545	403,308
Accrued interest	171,003	149,471
Workers' Welfare Fund (WWF)	165,236	157,893
Workers' Profit Participation Fund (WPPF)	19,222	6,218
Derivative financial instruments	16,223	19,795
Withholding tax payable	72,462	10,160
Other liabilities	151,372	142,913
5.1	<u>7,221,961</u>	<u>7,330,409</u>

5.1 These include sums aggregating to Rs 1,879.642 million (September 30, 2018: Rs 1,339.566 million) due to related parties.

6. CONTRACT LIABILITIES

As at December 31, 2018
(Unaudited)

As at September 30, 2018
(Audited)

Note ----- (Rupees in '000) -----

Advances from customers		
- for goods	213,153	284,195
- for projects and services	1,176,627	917,332
	1,389,780	1,201,527
Unearned portion of revenue and maintenance contracts	28,226	120,465
Refund liabilities	242,131	252,364
	<u>1,660,137</u>	<u>1,574,356</u>

6.1 This includes advance of Rs 140.734 million (2018: Rs 127.355 million) from a related party as per the contractual payment terms.

7. PROVISIONS

Warranties

Losses on sales contracts

----- (Rupees in '000) -----

Total

Balance at beginning of the period (Audited)	603,805	30,611	634,416
Additional provisions	43,921	5,182	49,103
Cost incurred / imposed	(27,947)	-	(27,947)
Reversal of unutilised amounts	(3,260)	(196)	(3,456)
Balance at end of the period (Unaudited)	<u>616,519</u>	<u>35,597</u>	<u>652,116</u>

8. SHORT-TERM BORROWINGS

	Note	As at December 31, 2018 (Unaudited) ----- (Rupees in '000) -----	As at September 30, 2018 (Audited) -----
Short term loans			
Secured - from others	8.1	1,455,000	-
Short term running finance			
Unsecured - from related party	8.2	189,497	360,438
- from others	8.3	-	35,560
		189,497	395,998
Secured - from others	8.4	308,256	1,480,322
		1,952,753	1,876,320

8.1 This represents short-term loans obtained from Banks in Pakistan at mark-up rates ranges between 8.95% and 10.75% per annum (September 30, 2018: Nil) for a period of one month and are secured against the joint hypothecation of inventories and trade receivables.

8.2 This facility is available from Siemens Financial Services (SFS) of Siemens AG, utilised in respect of the projects in the United Arab Emirates (UAE). The mark-up on this facility ranges between 3.07% and 4.21% per annum (September 30, 2018: 2.32% and 3.31% per annum).

8.3 These facilities arranged with commercial banks in the United Arab Emirates (UAE) aggregated to Rs 90.3 million (September 30, 2018: Rs 84.6 million) at interest rates ranges between 5.92% and 6.00% per annum (September 30, 2018: 5.07% and 5.94% per annum).

8.4 These facilities arranged with commercial banks in Pakistan aggregated to Rs 4,300 million (September 30, 2018: Rs 4,300 million) including islamic murabaha facility with sub-limit of Rs 2,000 million, at interest rates ranges between 8.72% and 10.60% per annum (September 30, 2018: 6.48% and 8.41% per annum). These are secured against the joint hypothecation of inventories and trade receivables.

9. COMMITMENTS

- (i) As at December 31, 2018 capital expenditure contracted for but not incurred amounted to Rs 51.088 million (September 30, 2018: Rs 23.145 million).
- (ii) Post dated cheques issued to the Collector of Customs against import duty aggregate to Rs 32.106 million (September 30, 2018: Rs 44.824 million).
- (iii) The Company has entered into various lease arrangements for vehicles with a commercial bank. The aggregate amount of commitments against these arrangements are as follows:

	As at December 31, 2018 (Unaudited) ----- (Rupees in '000) -----	As at September 30, 2018 (Audited) -----
- Not later than one year	11,971	16,494
- Later than one year but not later than five years	4,245	6,118
	16,216	22,612

10. PROPERTY, PLANT AND EQUIPMENT	Note	As at December 31, 2018 (Unaudited)	As at September 30, 2018 (Audited)
		----- (Rupees in '000) -----	
Operating assets - at net book value	10.1	345,317	367,270
Capital work in progress		11,269	20,825
		<u>356,586</u>	<u>388,095</u>

10.1 Operating assets

		For the three months period ended December 31, 2018	For the year ended September 30, 2018
		----- (Rupees in '000) -----	
Opening net book value		367,270	311,376
Additions during the current period / year	10.2	20,524	216,345
		<u>387,794</u>	<u>527,721</u>
Disposals during the current period / year	10.2	(13,968)	(105,005)
Accumulated depreciation and impairment on disposals		13,751	101,927
Depreciation and impairment for the period / year		(42,260)	(157,373)
		<u>(42,477)</u>	<u>(160,451)</u>
		<u>345,317</u>	<u>367,270</u>

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

	Additions		Disposals	
	For the three months period ended December 31, 2018	For the three months period ended December 31, 2017	For the three months period ended December 31, 2018	For the three months period ended December 31, 2017
	----- (Rupees in '000) -----			
Plant and machinery	420	-	268	2,236
Furniture and fixtures	2,136	2,101	1,550	3,718
Office equipment	3,634	4,623	4,418	10,495
Vehicles	14,334	2,455	7,732	697
Tools and patterns	-	5,825	-	977
	<u>20,524</u>	<u>15,004</u>	<u>13,968</u>	<u>18,123</u>

Siemens (Pakistan) Engineering Company Limited
Notes to the Condensed Interim Financial Statements (Unaudited)
For the three months period ended December 31, 2018

11. INVENTORIES		As at December 31, 2018 (Unaudited)	As at September 30, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
Raw materials and components		484,161	417,521
Work-in-process		675,305	438,543
Finished goods		343,050	323,543
		1,502,516	1,179,607
Provision for slow moving and obsolete items		(149,733)	(146,847)
		1,352,783	1,032,760
Goods-in-transit		369,967	281,671
		1,722,750	1,314,431
12. TRADE RECEIVABLES			
Considered good			
Due from related parties	12.1	1,672	20,973
Due from others		7,182,291	7,888,957
		7,183,963	7,909,930
Considered doubtful		1,166,533	1,052,495
		8,350,496	8,962,425
Provision for doubtful receivables		(1,166,533)	(1,052,495)
		7,183,963	7,909,930
12.1 Represents amounts due from Rousch (Pakistan) Power Limited.			
13. CONTRACT ASSETS			
Considered good		5,299,823	4,479,227
Considered doubtful		301,549	273,526
		5,601,372	4,752,753
Provision for doubtful contract assets		(301,549)	(273,526)
		5,299,823	4,479,227
14. OTHER RECEIVABLES			
Considered good			
Other costs reimbursable from customers		573,829	567,498
Sales tax refundable		234,425	174,691
Interest accrued		32,294	31,100
Derivative financial instruments		262,360	66,373
Others		12,139	13,555
		1,115,047	853,217
Considered doubtful			
Costs reimbursable from customers		28,770	110,724
Sales tax refundable		54,373	54,373
Others		96,542	127,989
		179,685	293,086
Provision against doubtful other receivables		(179,685)	(293,086)
		1,115,047	853,217
15. CASH AND BANK BALANCES			
With banks in			
Current accounts		632,145	167,711
Deposit account		229,840	1,231,561
		861,985	1,399,272
Cheques in hand		-	49,187
Cash in hand		687	1,249
		862,672	1,449,708
16. NET SALES AND SERVICES			
		For the three months period ended	
		December 31,	December 31,
		2018	2017
		----- (Rupees in '000) -----	
Execution of contracts		2,426,369	2,187,635
Sale of goods		812,636	1,345,551
Rendering of services		973,649	471,302
		4,212,654	4,004,488

		For the three months period ended December 31, 2018 December 31, 2017	
		----- (Rupees in '000) -----	
17. OTHER INCOME AND OTHER OPERATING EXPENSES		<i>Note</i>	
Gain on sale of property, plant and equipment		3,700	72
Liabilities no longer payable written back		-	57,037
Other income		3,700	57,109
Workers' Welfare Fund (WWF)		7,343	31,103
Workers' Profits Participation Fund (WPPF)		19,989	12,203
Other operating expenses		27,332	43,306
Net other operating (expenses) / income		(23,632)	13,803
18. CASH UTILISED IN OPERATIONS			
Profit before tax for the period		357,106	574,145
Adjustments for non-cash items:			
Depreciation and amortisation		42,950	34,062
Provision / (reversal of provision) for slow moving and obsolete items of inventories - net		2,886	(85,312)
Provision for doubtful trade receivables - net		119,706	64,578
Reversal of provision for doubtful contract assets - net		28,022	19,351
(Reversal of provision) / provision for doubtful deposits and other receivables - net		(81,561)	12,766
Discounting of long-term loans and trade receivables		18,148	4,952
Provision for WPPF		19,989	35,712
Gain on sale of property, plant and equipment		(3,700)	(72)
Financial expenses		58,966	9,169
Financial income		(1,758)	(28,716)
Adjustment for other items:			
Long-term loans and trade receivables		(149,105)	(28,293)
Long-term deposits and prepayments		286	720
Retention money payable		(101,679)	(1,379)
Other non-current liabilities		1,135	2,767
Working capital changes	18.1	(765,570)	(2,407,464)
		(454,179)	(1,793,014)
18.1 Working capital changes			
(Increase) / decrease in current assets:			
Inventories		(411,205)	(280,724)
Trade receivables		611,929	(777,297)
Contract assets		(848,618)	(854,191)
Loans and advances		116,833	(16,722)
Deposits and short-term prepayments		(47,673)	(32,761)
Other receivables		(147,235)	(198,259)
		(725,969)	(2,159,954)
Increase / (decrease) in current liabilities:			
Trade, other payables and unclaimed dividend		(143,082)	(509,848)
Contract liabilities		85,781	229,600
Provisions		17,700	32,738
		(39,601)	(247,510)
		(765,570)	(2,407,464)
19. CASH AND CASH EQUIVALENTS			
		As at December 31, 2018	As at December 31, 2017
		----- (Rupees in '000) -----	
Cash and bank balances	15	862,672	1,718,879
Short-term running finances	8	(1,952,753)	(155,523)
		(1,090,081)	1,563,356

20. 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 can be summarised as follows:

		For the three months period ended December 31, 2018	For the three months period ended December 31, 2017
	Note	----- (Rupees in '000) -----	
Parent company			
Sales of goods and rendering of services		5,680	40,254
Purchases of goods and receipt of services		1,542,404	558,648
Commission and allowances earned		8,560	1,034
Associated companies			
Sales of goods and rendering of services		52,596	9,881
Purchases of goods and receipt of services		337,341	105,355
Commission and allowances earned		791	17,233
Financial expenses		3,467	998
Others			
Employees' retirement benefits		38,620	28,378
Compensation to key management personnel	20.1	31,498	25,275
20.1 The details of compensation to key management personnel are as follows:			
Short-term benefits		25,078	27,719
Post-employment benefits		1,189	384
Share based benefits		5,231	2,238
		31,498	30,341

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

21. The Company is operating through business divisions namely Power and Gas (PG), Power Generation Services (PS), Energy Management (EM), Digital Factory (DF), Process Industries and Drives (PD) and Logistics & Airport Solutions (LAS). The PG & PS Divisions deal with supply, installation, commissioning and services for power plants and related equipment. EM Division deals with solution of various projects under contracts including for substations and transmissions, manufacturing and supply of low and medium voltage switchboards and panels, automation systems, transmission and distribution equipment and related services. DF and PD Divisions deal with automation, information technology services and supply and installation of motors and drives, etc. and LAS deals with logistic and airport solutions and services.

21.1 INFORMATION ABOUT BUSINESS SEGMENTS

Divisions Business Units	Energy Management						Logistics & Airport Solutions	Digital Factory	Process Industries & Drives	Eliminations	Company as a whole
	Power and Gas	Transmission Solutions	Digital Grid	Medium Voltage & Systems	Others	Total					
For the three months period ended December 31, 2018											
REVENUE											
Sales to external customers	612,259	2,121,572	38,544	370,186	75,641	2,605,943	108,628	594,481	291,343	-	4,212,654
Inter-segment sales	-	-	1,126,597	32,129	-	1,158,726	-	25,587	211	(1,184,524)	-
Total revenue	612,259	2,121,572	1,165,141	402,315	75,641	3,764,669	108,628	620,068	291,554	(1,184,524)	4,212,654
RESULT											
Segment result	126,494	273,176	18,419	(65,032)	(11,280)	215,283	9,447	75,583	(344)	-	426,463
Interest expense											(55,498)
Interest income											564
Others											(14,423)
Income tax											(152,249)
Net profit for the period											204,857
OTHER INFORMATION											
Capital expenditure	1,274	4,258	494	2,005	37	6,794	-	1,005	205		
Depreciation and amortisation	3,636	17,557	1,118	5,584	56	24,315	522	2,402	1,765		
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-	-	-	-		
ASSETS AND LIABILITIES											
As at December 31, 2018											
Segment assets	931,845	9,381,700	592,530	1,606,929	25,656	11,606,815	373,045	2,479,236	710,050		16,100,991
Segment liabilities	1,075,118	3,269,037	1,276,973	774,728	44,756	5,365,494	593,598	1,140,862	519,446		8,694,518
For the three months period ended December 31, 2017											
REVENUE											
Sales to external customers	153,640	1,998,936	209,994	324,231	103,167	2,636,328	158,439	772,638	283,443	-	4,004,488
Inter-segment sales	-	-	29,228	356,216	9,669	395,113	-	16,689	1,351	(413,153)	-
Total revenue	153,640	1,998,936	239,222	680,447	112,836	3,031,441	158,439	789,327	284,794	(413,153)	4,004,488
RESULT											
Segment result	42,200	325,543	33,381	14,340	13,699	386,963	12,761	63,283	73,916	-	579,123
Interest expense											(5,701)
Interest income											27,617
Others											(26,894)
Income tax											(292,477)
Net profit for the period											281,668
OTHER INFORMATION											
Capital expenditure	2,582	1,701	3,959	3,543	296	9,499	659	270	744		
Depreciation and amortisation	1,855	15,134	543	3,281	147	19,105	581	1,535	2,008		
Non-cash expenses other than depreciation and amortisation	675	1,259	515	846	221	2,841	116	234	132		
ASSETS AND LIABILITIES											
As at September 30, 2018											
Segment assets	216,638	9,881,241	648,228	1,480,669	113,578	12,123,716	389,697	2,001,549	667,400	-	15,399,000
Segment liabilities	572,040	4,370,853	458,738	996,794	139,163	5,965,548	550,649	1,335,809	597,369	-	9,021,415

21.2 Geographical information

Sales to external customers

	For the three months period ended December 31, 2018	For the three months period ended December 31, 2017
	----- (Rupees in '000) -----	
Pakistan	3,987,277	3,287,570
Afghanistan	173,176	640,199
United Arab Emirates	31,266	30,421
Others	20,935	46,298
	<u>4,212,654</u>	<u>4,004,488</u>

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

Non-current assets

	As at December 31, 2018 (Unaudited)	As at September 30, 2018 (Audited)
	----- (Rupees in '000) -----	
Pakistan	656,644	743,788
Afghanistan	1,810	2,210
	<u>658,454</u>	<u>745,998</u>

Non-current assets for this purpose consist of property, plant and equipment, intangible assets and long-term receivables except for deferred tax asset.

21.3 Segment assets and liabilities

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

	As at December 31, 2018 (Unaudited)	As at September 30, 2018 (Audited)
	----- (Rupees in '000) -----	
Segment assets for reportable segments	16,100,991	15,399,000
Corporate assets	342,522	287,931
Unallocated		
Deferred tax asset	880,734	873,190
Cash and bank balances	862,672	1,449,708
Total assets as per balance sheet	<u>18,186,919</u>	<u>18,009,829</u>

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

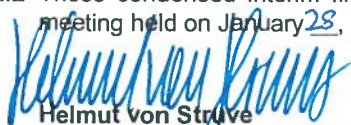
	8,694,518	9,021,415
Segment liabilities for reportable segments		
Corporate liabilities	307,364	237,629
Unallocated		
Trade and other payables	632,381	841,266
Short-term borrowings	1,952,753	1,515,882
Taxation - net	616,877	615,468
Total liabilities as per balance sheet	<u>12,203,893</u>	<u>12,231,660</u>

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, accrued and other liabilities and short-term borrowings.

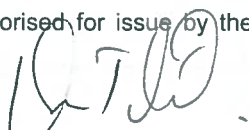
22. GENERAL

22.1 Previous period's figures have been reclassified wherever necessary for the purposes of better presentation and comparison of transactions in the financial statements of the Company.

22.2 These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in the meeting held on January 28, 2019.



Helmut von Struve
Managing Director



Umer Jalil Anwer
Chief Financial Officer



Manuel Kuehn
Director