

Condensed Interim Financial Statements

for the six months period ended March 31, 2019
(Unaudited)

SIEMENS (PAKISTAN) ENGINEERING CO. LTD.

DIRECTORS' REPORT HALF YEAR ENDED MARCH 31st, 2019 ON THE UN-AUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

Chairman of the Board	Sebastian Andreas Brachert
Executive Director	Helmut von Struve
Non-Executive Directors	Manuel Kuehn Tim Dawidowsky Manzoor Ahmed
Independent & Non-Executive Director	Qazi Sajid Ali Sadia Khan
Chairwoman of the Audit Committee	Sadia Khan
Members of the Audit Committee	Manzoor Ahmed Manuel Kuehn Tim Dawidowsky
Chairman of the Human Resource & Remuneration Committee	Qazi Sajid Ali
Members of the Human Resource & Remuneration Committee	Sebastian Andreas Brachert Helmut von Struve
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

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 half year ended March 31, 2019.

Company's Performance: Key Financial Indicators (KPI) for the six months period ended March 31, 2019 compared to corresponding period last year are summarized below:

KPIs	Rs in million	
	Six Months Ended March 31, 2019	Six Months Ended March 31, 2018
New Orders	8,384	9,165
Net sales and services	8,859,292	10,207,374
Profit before tax	775,871	1,531,668
Net profit after tax	433,382	878,497
Earnings per share (Rupees)	52.55	106.52

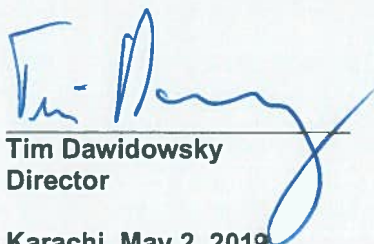
Despite the precarious economic situation of the Country, the Company continued to focus on sustainable business. After a strong FY 2018, the net sales and profit level normalized as the Company's profit before tax stood at a healthy 9% against the net sales and services. Earnings per share (EPS) decreased against the comparative period mainly due to the sales margin variations and an increase in financial expenses during the period, however, the EPS slightly improved against the first quarter EPS of Rs 24.84.

Future Outlook: The Company is positioned to provide substantive solutions for the Country's growing energy needs, and aims to overcome its 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 maintain our market position.

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


Tim Dawidowsky
Director


Helmut von Struve
Managing Director

Karachi, May 2, 2019

INDEPENDENT AUDITORS' 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 **31 March 2019** and the related condensed interim statement of profit or loss, condensed interim statement of other 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-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this 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 condensed interim statement of other comprehensive income for the three months ended 31 March 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 March 2019.

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 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 interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditors' review report is Mr. Shariq Ali Zaidi.


Chartered Accountants

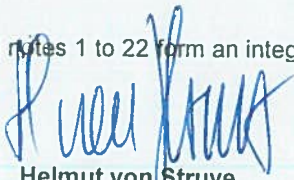
Place: Karachi

Date: 06 May 2019

Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Financial Position
As at March 31, 2019

		March 31, 2019 (Unaudited) ----- (Rupees in '000) -----	September 30, 2018 (Audited) -----
Equity and liabilities	Note		
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>4,886,361</u>	<u>5,071,507</u>
		<u>5,510,553</u>	<u>5,695,699</u>
		5,593,023	5,778,169
Non-current liabilities			
Retention money		53,293	143,698
Others		<u>27,004</u>	<u>27,206</u>
		80,297	170,904
Current liabilities			
Trade and other payables	5	6,126,392	7,330,409
Contract liabilities	6	1,818,384	1,574,356
Provisions	7	619,079	634,416
Short-term borrowings	8	3,951,314	1,876,320
Taxation - net		627,495	615,468
Unclaimed dividend		<u>34,063</u>	<u>29,787</u>
		13,176,727	12,060,756
Total liabilities		<u>13,257,024</u>	<u>12,231,660</u>
Commitments	9		
Total equity and liabilities		<u>18,850,047</u>	<u>18,009,829</u>
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	10	351,128	388,095
Intangible assets		<u>2,461</u>	<u>3,842</u>
		353,589	391,937
Long-term loans and trade receivables		379,473	350,268
Long-term deposits and prepayments		373	3,793
Deferred tax asset - net		<u>806,509</u>	<u>873,190</u>
		1,539,944	1,619,188
Current assets			
Inventories	11	1,486,084	1,314,431
Trade receivables	12	8,161,717	7,909,930
Contract assets	13	4,444,068	4,479,227
Loans and advances		154,515	227,741
Deposits and short-term prepayments		327,466	156,387
Other receivables	14	641,987	853,217
Cash and bank balances	15	<u>2,094,266</u>	<u>1,449,708</u>
		17,310,103	16,390,641
Total assets		<u>18,850,047</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

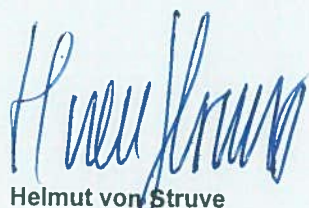

Umer Jalil Anwer
 Chief Financial Officer


Tim Dawidowsky
 Director

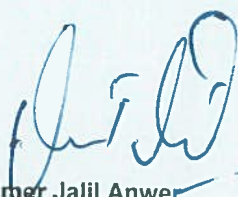
Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Profit or Loss (Unaudited)
For the six months period ended March 31, 2019

		Six months period ended		Three months period ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Note	----- (Rupees in '000) -----			
Net sales and services	16	8,859,292	10,207,374	4,646,638	6,202,886
Cost of sales and services		(7,337,644)	(8,052,268)	(3,915,316)	(4,914,877)
Gross profit		1,521,648	2,155,106	731,322	1,288,009
Marketing and selling expenses		(436,085)	(462,422)	(138,401)	(204,190)
General administrative expenses		(120,733)	(124,789)	(66,037)	(56,719)
		(556,818)	(587,211)	(204,438)	(260,909)
		964,830	1,567,895	526,884	1,027,100
Other income		6,406	59,752	2,706	2,643
Other operating expenses		(57,309)	(115,033)	(29,977)	(71,727)
Net other operating expenses	17	(50,903)	(55,281)	(27,271)	(69,084)
Operating profit		913,927	1,512,614	499,613	958,016
Financial income		3,791	34,016	2,033	5,300
Financial expenses		(141,847)	(14,962)	(82,881)	(5,793)
Net finance (expense) / income		(138,056)	19,054	(80,848)	(493)
Profit before income tax		775,871	1,531,668	418,765	957,523
Income tax		(342,489)	(653,171)	(190,240)	(360,694)
Net profit for the period		433,382	878,497	228,525	596,829
Basic and diluted earnings per share (Rupees)		52.55	106.52	27.71	72.37

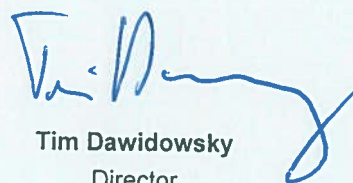
The annexed notes 1 to 22 form an integral part of these condensed interim financial statements. *ETD*



Helmut von Struve
Managing Director



Umar Jalil Anwer
Chief Financial Officer



Tim Dawidowsky
Director

Siemens (Pakistan) Engineering Co. Ltd.

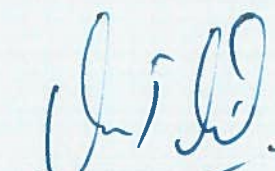
Condensed Interim Statement of Other Comprehensive Income (Unaudited)

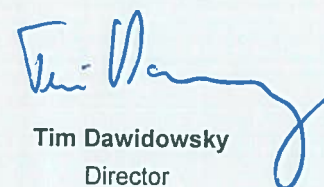
For the six months period ended March 31, 2019

	Six months period ended		Three months period ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- (Rupees in '000) -----			
Net profit for the period	433,382	878,497	228,525	596,829
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>433,382</u>	<u>878,497</u>	<u>228,525</u>	<u>596,829</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


Tim Dawidowsky
Director

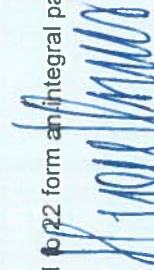
Siemens (Pakistan) Engineering Co. Ltd.


Condensed Interim Statement of Changes in Equity (Unaudited)

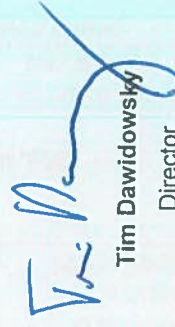
For the six months period ended March 31, 2019

	Issued, subscribed and paid-up share capital	Capital reserves			Revenue reserves			Total
		Share premium	Treasury shares reserve	Other capital reserve	General reserves	Remeasurement loss on defined benefit plan	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
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 six months period ended March 31, 2018	-	-	-	-	-	-	878,497	878,497
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	878,497	878,497
Balance as at March 31, 2018	82,470	619,325	567	4,300	4,523,026	(235,800)	592,685	5,586,573
Net profit for the six months period ended September 30, 2018	-	-	-	-	-	-	280,723	280,723
Other comprehensive income for the period	-	-	-	-	-	(89,127)	-	(89,127)
Total comprehensive income	-	-	-	-	-	(89,127)	280,723	191,596
Balance as at September 30, 2018	82,470	619,325	567	4,300	4,523,026	(324,927)	873,408	5,778,169
Final dividend @ Rs 75 per Ordinary share of Rs 10 each for the year ended September 30, 2018	-	-	-	-	-	-	(618,528)	(618,528)
Net profit for the six months period ended March 31, 2019	-	-	-	-	-	-	433,382	433,382
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	433,382	433,382
Balance as at March 31, 2019	82,470	619,325	567	4,300	4,523,026	(324,927)	688,262	5,593,023

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

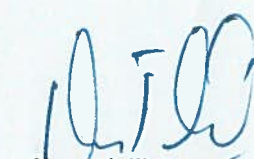

Tim Dawidowsky
 Director

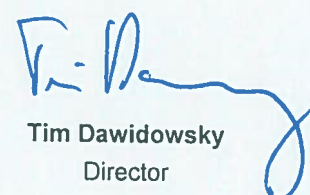
Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Cash Flows (Unaudited)
For the six months period ended March 31, 2019

		Six months period ended	
		March 31, 2019	March 31, 2018
		----- (Rupees in '000) -----	
Cash flows from operating activities	Note		
Cash used in operations	18	(412,324)	(2,001,468)
Financial expenses paid		(100,917)	(7,005)
Income tax paid		(263,781)	(338,954)
Payment to Workers' Profit Participation Fund		(6,218)	(78,077)
Net cash used in operating activities		(783,240)	(2,425,504)
Cash flows from investing activities			
Capital expenditure incurred		(40,941)	(66,919)
Proceeds from sale of property, plant and equipment		6,567	3,486
Financial income received		1,430	31,841
Net cash used in investing activities		(32,944)	(31,592)
Cash flows from financing activities			
Dividends paid		(614,252)	(608,291)
Net cash used in financing activities		(614,252)	(608,291)
Net decrease in cash and cash equivalents		(1,430,436)	(3,065,387)
Cash and cash equivalents at beginning of the period		(426,612)	3,580,600
Cash and cash equivalents at end of the period	19	(1,857,048)	515,213

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


Tim Dawidowsky
 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 Limited. The Company is principally engaged in the execution of projects under contracts and in manufacturing, sale and installation of electronic and electrical capital goods. The Company's registered office is situated at B-72, Estate Avenue, S.I.T.E., Karachi.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

- 2.1** These condensed interim financial statements of the Company for the six months period ended March 31, 2019 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard 34 - 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 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.

These condensed interim financial statements are unaudited but subject to limited scope review by the auditors. The figures for the quarter ended March 31, 2019 and March 31, 2018 appearing in the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income have not been subject to limited scope review by the auditors, as the scope of the review covered only the cumulative figures for the half year ended March 31, 2019 and March 31, 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, except for following:

- IFRS 15, 'Revenue from Contracts with Customers', which has already been early adopted by the Company; and
- IFRS 9 'Financial Instruments', which replaces IAS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after July 01, 2018.

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2019

IFRS 9 categorizes financial assets at (a) amortised cost; (b) fair value through other comprehensive income (FVOCI); and (c) fair value through profit or loss (FVTPL) and their classification based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 has changed the accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires to recognise a loss allowance for ECLs on debt instruments measured subsequently at amortised cost or at FVOCI. There are no significant changes in the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

As allowed under IFRS 9, the comparative periods have not been restated in the enclosed condensed interim financial statements, as initial application of IFRS 9 did not have a significant impact on the classification, measurement and impairment of the Company's existing financial assets and liabilities as at October 01, 2018.

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 444.468 million as at March 31, 2019.

		As at March 31, 2019 (Unaudited)	As at September 30, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
5. TRADE AND OTHER PAYABLES			
Trade creditors [including retention money of Rs 605.958 million (September 30, 2018: Rs 494.327 million)]		4,391,640	5,528,372
Accrued liabilities		733,553	912,279
Defined benefit plan - Gratuity fund		421,783	403,308
Accrued interest		190,401	149,471
Workers' Welfare Fund (WWF)		165,910	157,893
Workers' Profit Participation Fund (WPPF)		41,020	6,218
Derivative financial instruments		-	19,795
Withholding tax payable		15,667	10,160
Other liabilities		166,418	142,913
	5.1	<u>6,126,392</u>	<u>7,330,409</u>

5.1 These include sums aggregating to Rs 1,548.196 million (September 30, 2018: Rs 1,339.566 million) due to related parties.

		As at March 31, 2019 (Unaudited)	As at September 30, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
6. CONTRACT LIABILITIES			
Advances from customers			
- for goods		235,028	284,195
- for projects and services	6.1	1,143,474	917,332
		1,378,502	1,201,527
Unearned portion of revenue		156,362	120,465
Refund liabilities		283,520	252,364
		<u>1,818,384</u>	<u>1,574,356</u>

6.1 This includes advance of Rs 141.001 million (September 30, 2018: Rs 127.355 million) from a related party as per the contractual payment terms.

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2019

	Warranties	Losses on contracts	Total
	----- (Rupees in '000) -----		
7. PROVISIONS			
Balance as at September 30, 2018 (Audited)	603,805	30,611	634,416
Additional provisions	104,727	5,182	109,909
Cost incurred	(69,576)	(4,588)	(74,164)
Reversal of unutilised amounts	(43,504)	(7,578)	(51,082)
Balance as at March 31, 2019 (Unaudited)	<u>595,452</u>	<u>23,627</u>	<u>619,079</u>

		As at March 31, 2019 (Unaudited)	As at September 30, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
8. SHORT-TERM BORROWINGS			
Short term loans			
Secured - other than a related party	8.1	2,500,000	-
Short term running finance			
Unsecured - related party	8.2	222,832	360,438
- other than a related party	8.3	-	35,560
		222,832	395,998
Secured - other than a related party	8.4	1,228,482	1,480,322
		<u>3,951,314</u>	<u>1,876,320</u>

- 8.1 During the period the Company has obtained short-term loans from a bank in Pakistan at mark-up rates ranges between 8.95% and 11.13% per annum for a period of one month and are secured against the joint hypothecation of inventories and trade receivables to the extent of Rs 6,533 million, in aggregate. These loans are extended under the limit of facility described in note 8.4 to these condensed interim financial statements.
- 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 96.13 million (September 30, 2018: Rs 84.6 million) at interest rate ranging 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) at interest rate ranging between 8.72% and 11.09% per annum (September 30, 2018: 6.48% and 8.41% per annum).

9. COMMITMENTS

- 9.1 As at March 31, 2019 capital expenditure contracted for but not incurred amounted to Rs 78.740 million (September 30, 2018: Rs 23.145 million).
- 9.2 Post dated cheques issued to the Collector of Customs against import duty aggregate to Rs 31.446 million (September 30, 2018: Rs 44.824 million).
- 9.3 The Company has entered into various ijarah arrangements for vehicles with an Islamic bank. The aggregate amount of commitments against these arrangements are as follows:

	As at March 31, 2019 (Unaudited)	As at September 30, 2018 (Audited)
	----- (Rupees in '000) -----	
- Not later than one year	6,320	16,494
- Later than one year but not later than five years	5,938	6,118
	<u>12,258</u>	<u>22,612</u>

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2019

		As at March 31, 2019 (Unaudited)	As at September 30, 2018 (Audited)
		----- (Rupees in '000) -----	
10. PROPERTY, PLANT AND EQUIPMENT	<i>Note</i>		
Operating assets - at net book value	10.1	342,632	367,270
Capital work in progress		8,496	20,825
		<u>351,128</u>	<u>388,095</u>
		For the six months period ended March 31, 2019	For the year ended September 30, 2018
		----- (Rupees in '000) -----	
10.1 Operating assets	<i>Note</i>		
Opening net book value		367,270	311,376
Additions during the current period / year	10.2	53,270	216,345
		<u>420,540</u>	<u>527,721</u>
Disposals during the current period / year	10.2	(26,346)	(105,005)
Accumulated depreciation and impairment on disposals		25,992	101,927
Depreciation and impairment for the period / year		(77,554)	(157,373)
		<u>(77,908)</u>	<u>(160,451)</u>
Net book value as of period end		<u>342,632</u>	<u>367,270</u>

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

	Additions		Disposals	
	For the six months period ended March 31, 2019	For the six months period ended March 31, 2018	For the six months period ended March 31, 2019	For the six months period ended March 31, 2018
	----- (Rupees in '000) -----			
Buildings on leasehold land	-	5,839	-	-
Plant and machinery	3,278	5,058	815	3,839
Furniture and fixtures	13,309	6,661	2,057	13,512
Office equipment	17,334	23,266	10,835	14,358
Vehicles	15,889	2,455	12,639	1,283
Tools and patterns	3,460	8,953	-	1,971
	<u>53,270</u>	<u>52,232</u>	<u>26,346</u>	<u>34,963</u>

	As at March 31, 2019 (Unaudited)	As at September 30, 2018 (Audited)
	----- (Rupees in '000) -----	
11. INVENTORIES		
Raw materials and components	542,231	417,521
Work-in-process	515,424	438,543
Finished goods	413,444	323,543
	<u>1,471,099</u>	<u>1,179,607</u>
Provision for slow moving and obsolete items	(155,119)	(146,847)
	<u>1,315,980</u>	<u>1,032,760</u>
Goods-in-transit	170,104	281,671
	<u>1,486,084</u>	<u>1,314,431</u>

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the six months period ended March 31, 2019

		As at March 31, 2019 (Unaudited)	As at September 30, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
12. TRADE RECEIVABLES			
Considered good			
Due from related parties	12.1	495	20,973
Due from others		8,161,222	7,888,957
		8,161,717	7,909,930
Considered doubtful		1,154,924	1,052,495
		9,316,641	8,962,425
Provision for doubtful trade receivables		(1,154,924)	(1,052,495)
		8,161,717	7,909,930
12.1 Represents amounts due from Rousch (Pakistan) Power Limited, a related party.			
13. CONTRACT ASSETS			
Considered good		4,444,068	4,479,227
Considered doubtful		277,766	273,526
		4,721,834	4,752,753
Provision for doubtful contract assets		(277,766)	(273,526)
		4,444,068	4,479,227
14. OTHER RECEIVABLES			
Considered good			
Other costs reimbursable from customers		253,773	567,498
Derivative financial instruments		212,873	66,373
Sales tax refundable		127,167	174,691
Interest accrued		33,461	31,100
Others		14,713	13,555
		641,987	853,217
Considered doubtful			
Costs reimbursable from customers		12,140	110,724
Sales tax refundable		54,373	54,373
Others		97,405	127,989
		163,918	293,086
Provision against doubtful other receivables		(163,918)	(293,086)
		641,987	853,217
15. CASH AND BANK BALANCES			
With banks in			
Current accounts		209,754	167,711
Deposit accounts		1,095,267	1,231,561
		1,305,021	1,399,272
Cheques in hand		788,325	49,187
Cash in hand		920	1,249
		2,094,266	1,449,708

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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, 2019

		For the six months period ended	
		March 31, 2019	March 31, 2018
		----- (Rupees in '000) -----	
16. NET SALES AND SERVICES	<i>Note</i>		
Sales disaggregation by type of contracts			
Execution of contracts		5,276,834	5,022,014
Sale of goods		1,434,173	3,440,744
Rendering of services		2,148,285	1,744,616
		8,859,292	10,207,374
Sales tax		1,109,738	1,071,551
Gross sales and services		9,969,030	11,278,925
Sales tax		(1,109,738)	(1,071,551)
		8,859,292	10,207,374
17. NET OTHER OPERATING EXPENSES			
Other income			
Gain on sale of property, plant and equipment		6,213	2,570
Liabilities no longer payable written back		193	57,182
		6,406	59,752
Other operating expense			
WWF		16,289	32,468
WPPF		41,020	82,565
		57,309	115,033
Net other operating expense		(50,903)	(55,281)
18. CASH UTILISED IN OPERATIONS			
Profit before tax for the period		775,871	1,531,668
Adjustments for non-cash items:			
Depreciation and amortisation		78,935	70,107
Provision / (reversal of provision) for slow moving and obsolete items of inventories - net		8,272	(85,363)
Provision for doubtful trade receivables - net		108,274	106,298
Reversal of provision for doubtful contract assets - net		4,240	10,739
(Reversal of provision) / provision for doubtful deposits and other receivables - net		(97,124)	38,167
Discounting of long-term loans and trade receivables		(8,640)	(7,582)
Provision for WPPF		41,020	82,565
Gain on sale of property, plant and equipment		(6,213)	(2,570)
Financial expenses		141,847	14,962
Financial income		(3,791)	(34,016)
Adjustment for other items:			
Long-term loans and trade receivables		(26,410)	(185,495)
Long-term deposits and prepayments		3,420	2,428
Retention money payable		(90,405)	21,511
Other non-current liabilities		(202)	4,169
Working capital changes	18.1	(1,341,418)	(3,569,056)
		(412,324)	(2,001,468)

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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, 2019

		For the six months period ended	
		March 31,	March 31,
		2019	2018
		----- (Rupees in '000) -----	
18.1 Working capital changes			
(Increase) / decrease in current assets:			
Inventories		(179,925)	167,669
Trade receivables		(354,216)	(2,211,935)
Contract assets		30,919	(2,137,693)
Loans and advances		73,226	(24,648)
Deposits and short-term prepayments		(203,123)	(29,318)
Other receivables		342,759	(74,986)
		<u>(290,360)</u>	<u>(4,310,911)</u>
Increase / (decrease) in current liabilities:			
Trade and other payables		(1,279,749)	837,598
Contract liabilities		244,028	(259,740)
Provisions		(15,337)	163,997
		<u>(1,051,058)</u>	<u>741,855</u>
		<u>(1,341,418)</u>	<u>(3,569,056)</u>

		As at March	As at March
		31, 2019	31, 2018
		----- (Rupees in '000) -----	
19. CASH AND CASH EQUIVALENTS	Note		
Cash and bank balances	15	2,094,266	1,050,206
Short-term borrowings	8	(3,951,314)	(534,993)
		<u>(1,857,048)</u>	<u>515,213</u>

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	For the
		six months	six months
		period ended	period ended
		March 31,	March 31,
		2019	2018
		----- (Rupees in '000) -----	
Parent company	Note		
Sales of goods and rendering of services		13,752	58,396
Purchases of goods and receipt of services		2,151,363	1,294,081
Commission and allowances earned		18,881	1,565
Dividends paid		461,759	461,759
Associated companies			
Sales of goods and rendering of services		173,517	173,135
Purchases of goods and receipt of services		754,436	498,206
Commission and allowances earned		1,607	17,233
Financial expenses		4,929	2,293
Others			
Dividend paid		75	38
Employees' retirement benefits		77,606	57,110
Compensation to key management personnel	20.1	65,719	60,320

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

21. OPERATING SEGMENTS

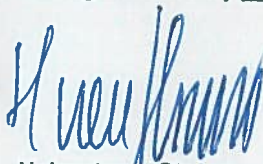
The Company is operating through business divisions namely Power and Gas (PG), Power Generation Services (PS), Energy Management (EM), Digital Factory (DF), Process Industries and Drives (PD) and Logistics & Airport Solutions (LAS). The PG & PS Divisions deal with supply, installation, commissioning and services for power plants and related equipment. EM Division deals with solution of various projects including for substations and transmission, 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		Energy Management					Logistics & Airport Solutions		Digital Factory	Process Industries & Drives	Eliminations	Company as a whole
Business Units		Power and Gas	Transmission Solutions	Digital Grid	Medium Voltage & Systems	Others	Total					
For the six months period ended March 31, 2019												
(All rupees in '000)												
REVENUE												
Sales to external customers		1,364,323	4,194,885	289,560	729,400	436,940	5,650,785	268,797	1,040,881	534,506	-	8,859,292
Inter-segment sales		-	-	1,230,044	244,368	-	1,474,412	-	58,633	211	(1,533,256)	-
Total revenue		1,364,323	4,194,885	1,519,604	973,768	436,940	7,125,197	268,797	1,099,514	534,717	(1,533,256)	8,859,292
RESULT												
Segment result		258,666	498,543	54,135	(105,406)	(976)	446,296	117,003	97,292	(14,757)	-	904,500
Interest expense		-	-	-	-	-	-	-	-	-	-	(130,058)
Interest income		-	-	-	-	-	-	-	-	-	-	1,429
Income tax		-	-	-	-	-	-	-	-	-	-	(342,489)
Net profit for the period		-	-	-	-	-	-	-	-	-	-	433,382
OTHER INFORMATION												
Capital expenditure		3,369	6,046	1,276	7,910	783	16,015	239	2,275	1,789	-	-
Depreciation and amortisation		7,041	27,840	2,193	11,323	673	42,029	820	4,557	3,506	-	-
As at March 31, 2019												
ASSETS AND LIABILITIES												
Segment assets		825,922	8,652,114	610,811	1,630,954	36,106	10,929,985	424,669	2,675,563	711,564	-	15,567,703
Segment liabilities		1,007,554	3,108,447	413,243	909,734	22,231	4,453,655	539,058	1,125,528	472,752	-	7,598,547
For the six months period ended March 31, 2018												
REVENUE												
Sales to external customers		1,237,559	4,500,459	796,625	754,984	215,524	6,267,592	339,734	1,698,623	663,866	-	10,207,374
Inter-segment sales		-	-	215,634	408,949	9,668	634,251	-	46,355	3,743	(684,349)	-
Total revenue		1,237,559	4,500,459	1,012,259	1,163,933	225,192	6,901,843	339,734	1,744,978	667,609	(684,349)	10,207,374
RESULT												
Segment result		296,472	728,547	130,149	6,577	36,301	901,574	70,154	141,548	119,733	-	1,529,481
Interest expense		-	-	-	-	-	-	-	-	-	-	(8,102)
Interest income		-	-	-	-	-	-	-	-	-	-	31,841
Others		-	-	-	-	-	-	-	-	-	-	(21,552)
Income tax		-	-	-	-	-	-	-	-	-	-	(653,171)
Net profit for the period		-	-	-	-	-	-	-	-	-	-	878,497
OTHER INFORMATION												
Capital expenditure		2,582	8,197	4,597	13,839	826	27,459	1,403	13,677	2,033	-	-
Depreciation and amortisation		1,855	30,389	1,114	7,264	314	39,081	1,187	3,457	4,039	-	-
As at September 30, 2018												
ASSETS AND LIABILITIES												
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		566,526	4,333,008	454,799	988,616	137,942	5,914,365	545,256	1,322,996	592,245	-	8,941,388

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.
- 22.1 These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in the meeting held on May 2, 2019. *ETM*


Helmut von Struve
Managing Director


Umer Jalil Anwer
Chief Financial Officer


Tim Dawidowsky
Director