

SIEMENS

**Condensed Interim Financial Statements
for the nine months period
ended June 30, 2019
(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 NINE MONTHS PERIOD ENDED JUNE 30, 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

SIEMENS

Dear Shareholders,

We, the undersigned, for and on behalf of the Board of Directors are pleased to present your company's, Siemens (Pakistan) Engineering Co. Ltd. ("**Company**"), unaudited condensed interim financial statements and a review of the Company's performance for the nine months period ended June 30, 2019.

Company's Performance: Key Financial Indicators (KPI) for the nine months period ended June 30, 2019, compared to the same period last year are summarized below:

KPIs	Rs in million	
	Nine Months Ended June 30, 2019	Nine Months Ended June 30, 2018
New Orders	11,364	11,001
Net sales and services	12,463	15,097
Profit before tax	1,363	1,965
Net profit after tax	877	1,045
Earnings per share (Rupees)	106.35	126.71

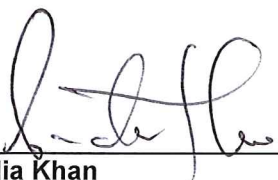
Considering the challenging economic situation of the country, the Company delivered a solid performance for the quarter. After a strong FY 2018, the net sales and profit level normalized as the Company's profit before tax stood at 11% against net sales and services. Profit after tax decreased against the comparative period mainly due to the sales margin variations and an increase in financial expenses during the period. EPS doubled from the previous quarter EPS of Rs 52.55/- mainly due to gains arising from foreign currency impacts.

Future Outlook: The Company is positioned to provide substantive solutions for the Country's growing energy and infrastructure needs and efforts to enhance industrial competitiveness through modernization, 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 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 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


Sadia Khan
Director

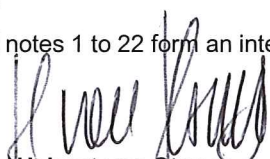

Helmut von Struve
Managing Director

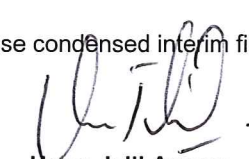
Munich, July 29, 2019

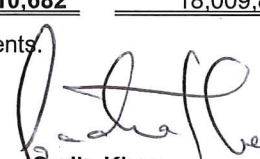
Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Financial Position
As at June 30, 2019

		June 30, 2019 (Unaudited)	September 30, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
Equity and liabilities			
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		5,330,071	5,071,507
		<u>5,954,263</u>	<u>5,695,699</u>
		6,036,733	5,778,169
Non-current liabilities			
Retention money		57,318	143,698
Others		36,581	27,206
		93,899	170,904
Current liabilities			
Trade and other payables	5	6,521,765	7,330,409
Contract liabilities	6	2,105,708	1,574,356
Provisions	7	638,641	634,416
Short-term running finance	8	1,180,961	1,876,320
Taxation - net		599,718	615,468
Unclaimed dividend		33,257	29,787
		<u>11,080,050</u>	<u>12,060,756</u>
Total liabilities		11,173,949	12,231,660
Commitments			
	9		
Total equity and liabilities		<u>17,210,682</u>	<u>18,009,829</u>
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	10	366,073	388,095
Intangible assets		1,771	3,842
		367,844	391,937
Long-term loans and trade receivables		584,798	350,268
Long-term deposits and prepayments		241	3,793
Deferred tax asset - net		839,000	873,190
		<u>1,791,883</u>	<u>1,619,188</u>
Current assets			
Inventories	11	1,688,814	1,314,431
Trade receivables	12	8,296,224	7,909,930
Contract assets	13	3,397,306	4,479,227
Loans and advances		171,986	227,741
Deposits and short-term prepayments		273,965	156,387
Other receivables	14	897,066	853,217
Cash and bank balances	15	693,438	1,449,708
		<u>15,418,799</u>	<u>16,390,641</u>
Total assets		<u>17,210,682</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



Sadia Khan
Director

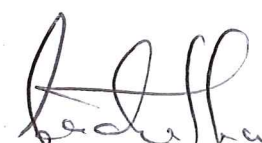
Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Profit or Loss (Unaudited)
For the nine months period ended June 30, 2019

		Nine months period ended		Three months period ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Note		----- (Rupees in '000) -----			
Net sales and services	16	12,463,019	15,097,023	3,603,727	4,889,649
Cost of sales and services		(9,993,389)	(12,287,097)	(2,655,745)	(4,234,829)
Gross profit		2,469,630	2,809,926	947,982	654,820
Marketing and selling expenses		(608,522)	(641,414)	(172,437)	(178,992)
General administrative expenses		(211,230)	(161,064)	(90,497)	(36,275)
		(819,752)	(802,478)	(262,934)	(215,267)
		1,649,878	2,007,448	685,048	439,553
Other income		10,009	106,427	3,603	46,675
Other operating expenses		(101,499)	(147,574)	(44,190)	(32,541)
Net other operating expenses	17	(91,490)	(41,147)	(40,587)	14,134
Operating profit		1,558,388	1,966,301	644,461	453,687
Financial income		5,174	35,531	1,383	1,515
Financial expenses		(200,191)	(36,636)	(58,344)	(21,674)
Net finance expense		(195,017)	(1,105)	(56,961)	(20,159)
Profit before income tax		1,363,371	1,965,196	587,500	433,528
Income tax		(486,279)	(920,249)	(143,790)	(267,078)
Net profit for the period		877,092	1,044,947	443,710	166,450
Basic and diluted earnings per share (Rupees)		106.35	126.71	53.80	20.18

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


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Managing Director


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Chief Financial Officer


Sadia Khan
Director

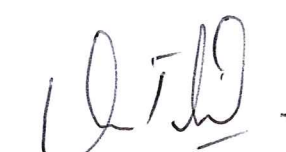
Siemens (Pakistan) Engineering Co. Ltd.**Condensed Interim Statement of Other Comprehensive Income (Unaudited)****For the nine months period ended June 30, 2019**

	Nine months period ended		Three months period ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----			
Net profit for the period	877,092	1,044,947	443,710	166,450
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>877,092</u>	<u>1,044,947</u>	<u>443,710</u>	<u>166,450</u>

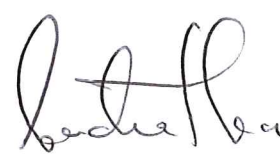
The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



Helmut von Struve
Managing Director



Umer Jalil Anwer
Chief Financial Officer




Sadia Khan
Director


Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Changes in Equity (Unaudited)
For the nine months period ended June 30, 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 nine months period ended June 30, 2018	-	-	-	-	-	-	1,044,947	1,044,947
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	1,044,947	1,044,947
Balance as at June 30, 2018	82,470	619,325	567	4,300	4,523,026	(235,800)	759,135	5,753,023
Net profit for the three months period ended September 30, 2018	-	-	-	-	-	-	114,273	114,273
Other comprehensive income for the period	-	-	-	-	-	(89,127)	-	(89,127)
Total comprehensive income	-	-	-	-	-	(89,127)	114,273	25,146
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 nine months period ended June 30, 2019	-	-	-	-	-	-	877,092	877,092
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	877,092	877,092
Balance as at June 30, 2019	82,470	619,325	567	4,300	4,523,026	(324,927)	1,131,972	6,036,733

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Helmut von Struve
Managing Director

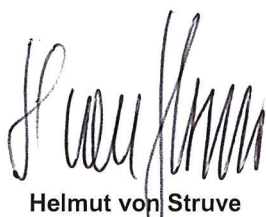

Umer Jalil Anwer
Chief Financial Officer


Sadia Khan
Director

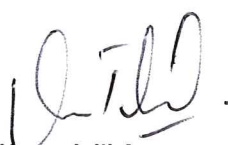
Siemens (Pakistan) Engineering Co. Ltd.
Condensed Interim Statement of Cash Flows (Unaudited)
For the nine months period ended June 30, 2019

		Nine months period ended	
		June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
Cash flows from operating activities			
Cash used in operations	18	1,273,231	(3,352,884)
Financial expenses paid		(162,199)	(10,161)
Income tax paid		(467,839)	(476,149)
Payment to Workers' Profit Participation Fund		(6,218)	(78,077)
Net cash used in operating activities		636,975	(3,917,271)
Cash flows from investing activities			
Capital expenditure incurred		(91,996)	(172,964)
Proceeds from sale of property, plant and equipment		7,536	4,001
Financial income received		1,632	32,206
Net cash used in investing activities		(82,828)	(136,757)
Cash flows from financing activities			
Dividends paid		(615,058)	(610,013)
Net cash used in financing activities		(615,058)	(610,013)
Net decrease in cash and cash equivalents		(60,911)	(4,664,041)
Cash and cash equivalents at beginning of the period		(426,612)	3,580,600
Cash and cash equivalents at end of the period	19	(487,523)	(1,083,441)

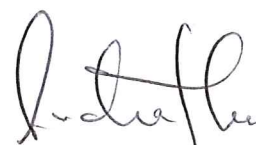
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Helmut von Struve
Managing Director



Umer Jalil Anwer
Chief Financial Officer



Sadia Khan
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 nine months period ended June 30, 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.

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.

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 FVTOCI. 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 470.107 million as at June 30, 2019.

	As at June 30, 2019 (Unaudited)	As at September 30, 2018 (Audited)
	----- (Rupees in '000) -----	
	Note	
5. TRADE AND OTHER PAYABLES		
Trade creditors [including retention money of Rs 631.459 million (September 30, 2018: Rs 494.327 million)]	4,647,832	5,528,372
Accrued liabilities	862,903	912,279
Defined benefit plan - Gratuity fund	431,021	403,308
Accrued interest	187,463	149,471
Workers' Welfare Fund (WWF)	177,836	157,893
Workers' Profit Participation Fund (WPPF)	73,282	6,218
Derivative financial instruments	-	19,795
Withholding tax payable	18,624	10,160
Other liabilities	122,804	142,913
	5.1	
	<u>6,521,765</u>	<u>7,330,409</u>

5.1 These include sums aggregating to Rs 1,641.862 million (September 30, 2018: Rs 1,339.566 million) due to related parties.

	As at June 30, 2019 (Unaudited)	As at September 30, 2018 (Audited)
	----- (Rupees in '000) -----	
	Note	
6. CONTRACT LIABILITIES		
Advances from customers		
- for goods	243,865	284,195
- for projects and services	1,303,427	917,332
	6.1	
	<u>1,547,292</u>	<u>1,201,527</u>
Unearned portion of revenue	275,603	120,465
Refund liabilities	282,813	252,364
	<u>2,105,708</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 nine months period ended June 30, 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	152,882	5,193	158,075
Cost incurred	(86,872)	(5,484)	(92,356)
Reversal of unutilised amounts	(53,916)	(7,578)	(61,494)
Balance as at June 30, 2019 (Unaudited)	615,899	22,742	638,641

	Note	As at June 30, 2019 (Unaudited)	As at September 30, 2018 (Audited)
		----- (Rupees in '000) -----	
8. SHORT-TERM RUNNING FINANCE			
Unsecured - related party	8.1	169,392	360,438
- other than a related party	8.2	-	35,560
		169,392	395,998
Secured - other than a related party	8.3	1,011,569	1,480,322
		1,180,961	1,876,320

8.1 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).

8.2 These facilities arranged with commercial banks in the United Arab Emirates (UAE) aggregated to Rs 111.8 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).

8.3 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 13.19% per annum (September 30, 2018: 6.48% and 8.41% per annum).

9. COMMITMENTS

9.1 As at June 30, 2019 capital expenditure contracted for but not incurred amounted to Rs 81.861 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 24.424 million (September 30, 2018: Rs 44.824 million).

9.3 The Company has entered into various lease arrangements for vehicles and properties with an aggregate amount of commitments as follows:

	As at June 30, 2019 (Unaudited)	As at September 30, 2018 (Unaudited)
	----- (Rupees in '000) -----	
- Not later than one year	51,627	54,207
- Later than one year but not later than five years	118,616	83,939
- Later than five years	27,070	40,514
	197,313	178,660

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the nine months period ended June 30, 2019

		As at June 30, 2019 (Unaudited)	As at September 30, 2018 (Audited)
10. PROPERTY, PLANT AND EQUIPMENT	<i>Note</i>	----- (Rupees in '000) -----	
Operating assets - at net book value	10.1	345,951	367,270
Capital work in progress		20,122	20,825
		<u>366,073</u>	<u>388,095</u>
		For the nine months period ended June 30, 2019 (Unaudited)	For the year ended September 30, 2018 (Audited)
10.1 Operating assets	<i>Note</i>	----- (Rupees in '000) -----	
Opening net book value		367,270	311,376
Additions during the current period / year	10.2	92,699	216,345
		<u>459,969</u>	<u>527,721</u>
Disposals during the current period / year	10.2	(38,465)	(105,005)
Accumulated depreciation and impairment on disposals		37,969	101,927
Depreciation and impairment for the period / year		(113,522)	(157,373)
		<u>(114,018)</u>	<u>(160,451)</u>
Net book value as of period end		<u>345,951</u>	<u>367,270</u>

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

	Additions		Disposals	
	For the nine months period ended June 30, 2019 (Unaudited)	For the year ended September 30, 2018 (Audited)	For the nine months period ended June 30, 2019 (Unaudited)	For the year ended September 30, 2018 (Audited)
	----- (Rupees in '000) -----			
Buildings on leasehold land	-	6,796	-	-
Plant and machinery	4,466	92,098	815	23,538
Furniture and fixtures	16,590	35,378	2,330	28,910
Office equipment	36,396	41,743	19,795	25,576
Vehicles	17,938	6,570	14,121	4,242
Tools and patterns	17,309	33,760	1,404	22,739
	<u>92,699</u>	<u>216,345</u>	<u>38,465</u>	<u>105,005</u>

	As at June 30, 2019 (Unaudited)	As at September 30, 2018 (Audited)
11. INVENTORIES	----- (Rupees in '000) -----	
Raw materials and components	525,047	417,521
Work-in-process	673,636	438,543
Finished goods	394,346	323,543
	<u>1,593,029</u>	<u>1,179,607</u>
Provision for slow moving and obsolete items	(169,841)	(146,847)
	<u>1,423,188</u>	<u>1,032,760</u>
Goods-in-transit	265,626	281,671
	<u>1,688,814</u>	<u>1,314,431</u>

		As at June 30, 2019 (Unaudited)	As at September 30, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
12. TRADE RECEIVABLES			
Considered good			
Due from related parties	12.1	62,433	20,973
Due from others		8,233,791	7,888,957
		<u>8,296,224</u>	<u>7,909,930</u>
Considered doubtful		1,206,878	1,052,495
		<u>9,503,102</u>	<u>8,962,425</u>
Provision for doubtful trade receivables		<u>(1,206,878)</u>	<u>(1,052,495)</u>
		<u>8,296,224</u>	<u>7,909,930</u>
12.1 Represents amounts due from Rousch (Pakistan) Power Limited, a related party.			
13. CONTRACT ASSETS			
Considered good		3,397,306	4,479,227
Considered doubtful		260,532	273,526
		<u>3,657,838</u>	<u>4,752,753</u>
Provision for doubtful contract assets		<u>(260,532)</u>	<u>(273,526)</u>
		<u>3,397,306</u>	<u>4,479,227</u>
14. OTHER RECEIVABLES			
Considered good			
Other costs reimbursable from customers		271,652	567,498
Derivative financial instruments		373,119	66,373
Sales tax refundable		179,743	174,691
Interest accrued		34,642	31,100
Others		37,910	13,555
		<u>897,066</u>	<u>853,217</u>
Considered doubtful			
Costs reimbursable from customers		12,085	110,724
Sales tax refundable		54,373	54,373
Others		98,304	127,989
		<u>164,762</u>	<u>293,086</u>
Provision against doubtful other receivables		<u>(164,762)</u>	<u>(293,086)</u>
		<u>897,066</u>	<u>853,217</u>
15. CASH AND BANK BALANCES			
With banks in			
Current accounts		295,825	167,711
Deposit accounts		397,052	1,231,561
		<u>692,877</u>	<u>1,399,272</u>
Cheques in hand		-	49,187
Cash in hand		561	1,249
		<u>693,438</u>	<u>1,449,708</u>

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the nine months period ended June 30, 2019

		For the nine months period ended	
		June 30, 2019	June 30, 2018
16. NET SALES AND SERVICES			
	Note	----- (Rupees in '000) -----	
Sales disaggregation by type of contracts			
Execution of contracts		7,506,019	8,244,058
Sale of goods		2,651,449	4,399,645
Rendering of services		2,305,551	2,453,320
		12,463,019	15,097,023
17. NET OTHER OPERATING EXPENSES			
Other income			
Gain on sale of property, plant and equipment		7,040	2,920
Liabilities no longer payable written back		2,969	80,107
Insurance claim		-	23,400
		10,009	106,427
Other operating expense			
WWF		28,217	41,705
WPPF		73,282	105,869
		101,499	147,574
Net other operating expense		(91,490)	(41,147)
18. CASH UTILISED IN OPERATIONS			
Profit before tax for the period		1,363,371	1,965,196
Adjustments for non-cash items:			
Depreciation and amortisation		115,593	108,826
Provision / (reversal of provision) for slow moving and obsolete items of inventories - net		22,994	(94,970)
Provision for doubtful trade receivables - net		183,220	57,139
(Reversal of provision) / provision for doubtful contract assets - net		(12,994)	31,254
Reversal of provision for doubtful deposits and other receivables - net		(96,255)	(8,085)
Discounting of long-term loans and trade receivables		12,763	(17,821)
Provision for WPPF		73,282	105,869
Gain on sale of property, plant and equipment		(7,040)	(2,920)
Financial expenses		200,191	36,636
Financial income		(5,174)	(35,531)
Adjustment for other items:			
Long-term loans and trade receivables		(276,130)	84,609
Long-term deposits and prepayments		3,552	3,087
Retention money payable		(86,380)	65,677
Other non-current liabilities		9,375	10,669
Working capital changes	18.1	(227,137)	(5,662,519)
		1,273,231	(3,352,884)

		For the nine months period ended	
		June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
18.1 Working capital changes	<i>Note</i>		
(Increase) / decrease in current assets:			
Inventories		(397,377)	157,620
Trade receivables		(540,677)	(2,808,515)
Contract assets		1,094,915	(3,959,768)
Loans and advances		55,755	(23,463)
Deposits and short-term prepayments		(149,647)	(85,635)
Other receivables		88,017	(342,856)
		<u>150,986</u>	<u>(7,062,617)</u>
Increase / (decrease) in current liabilities:			
Trade and other payables		(913,700)	1,551,158
Contract liabilities		531,352	(87,906)
Provisions		4,225	(63,154)
		<u>(378,123)</u>	<u>1,400,098</u>
		<u>(227,137)</u>	<u>(5,662,519)</u>
		As at June 30, 2019	As at June 30, 2018
		----- (Rupees in '000) -----	
19. CASH AND CASH EQUIVALENTS			
Cash and bank balances	15	693,438	693,034
Short-term borrowings	8	(1,180,961)	(1,776,475)
		<u>(487,523)</u>	<u>(1,083,441)</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 nine months period ended June 30, 2019	For the nine months period ended June 30, 2018
	----- (Rupees in '000) -----	
Parent company		
Sales of goods and rendering of services	36,878	59,454
Purchases of goods and receipt of services	2,709,414	1,873,372
Commission and allowances earned	18,881	11,656
Dividends paid	461,759	461,759
Associated companies		
Sales of goods and rendering of services	278,858	214,666
Purchases of goods and receipt of services	1,318,930	981,015
Commission and allowances earned	211,581	23,279
Financial expenses	6,371	4,029
Others		
Dividend paid	75	38
Employees' retirement benefits	120,399	103,466
Compensation to key management personnel	106,669	84,580

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

Siemens (Pakistan) Engineering Co. Ltd.
Notes to the Condensed Interim Financial Statements (Unaudited)
For the Nine months period ended June 30, 2019

21. OPERATING SEGMENTS

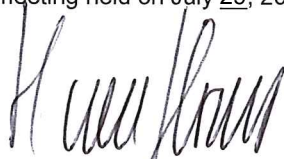
The Company is operating through business segments namely Gas and Power (GP), Smart Infrastructure (SI) and Digital Industries (DI). The segment GP consists of business units of Power Generation, Oil & Gas, Transmission, Engineering, Procurement and Construction (EPC) Projects and Services & Digital. SI deals in Regional Solutions & Services, Digital Grid, Distribution Systems, Low Voltage Products, and Control products. DI deals in Factory Automation (FA), Motion Control (MC), Process Automation (PA), Software (SW) and Customer Services. LAS deals with logistic and airport solutions and services.

21.1 INFORMATION ABOUT BUSINESS SEGMENTS

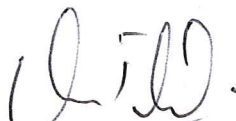
Operating Segments		Gas and Power			Smart Infrastructure			Digital Industries				Eliminations	Company as a whole
Business Units	EPC	Power Gen. & services	Total	Distribution Systems	Digital Grid	Others	Total	Software	Others	Total			
For the Nine months period ended June 30, 2019													
REVENUE													
Sales to external customers	6,246,369	1,234,596	7,480,965	1,497,718	523,019	128,365	2,149,102	1,362,344	870,877	2,233,221	599,731	12,463,019	
Inter-segment sales	-	-	-	260,642	1,704,296	9,198	1,974,135	2,831	68,405	71,236	230,509	(2,275,880)	
Total revenue	6,246,369	1,234,596	7,480,965	1,758,360	2,227,315	137,563	4,123,237	1,365,175	939,282	2,304,457	830,240	12,463,019	
RESULT													
Segment result	984,047	308,343	1,292,390	(102,881)	103,114	28,944	29,177	110,876	52,405	163,281	110,996	1,595,844	
Interest expense												(200,191)	
Interest income												1,632	
Others												(44,204)	
Income tax												(475,989)	
Net profit for the period												877,092	
OTHER INFORMATION													
Capital expenditure	24,604	5,198	29,802	13,619	2,491	6,916	23,026	2,476	4,922	7,398	31,771		
Depreciation and amortisation	44,527	8,153	52,680	17,382	3,355	6,588	27,325	6,052	5,874	11,926	23,663		
ASSETS AND LIABILITIES													
Segment assets	9,072,411	507,826	9,580,237	1,869,445	784,467	87,865	2,741,777	1,586,412	747,636	2,334,048	664,996	15,321,058	
Segment liabilities	3,692,599	608,671	4,301,270	787,043	888,335	123,401	1,798,779	993,914	525,159	1,519,073	678,151	8,297,273	
For the Nine months period ended June 30, 2018													
REVENUE													
Sales to external customers	7,463,690	1,655,724	9,119,414	1,089,689	959,796	73,354	2,122,839	2,090,037	896,476	2,986,513	868,257	15,097,023	
Inter-segment sales	-	6,417	6,417	569,607	484,567	-	1,054,173	9,770	9,770	9,770	177,823	(1,248,183)	
Total revenue	7,463,690	1,662,141	9,125,831	1,659,296	1,444,363	73,354	3,177,012	2,099,807	896,476	2,996,283	1,046,080	15,097,023	
RESULT													
Segment result	950,782	392,946	1,343,728	(16,012)	173,314	22,812	180,114	151,982	88,641	240,623	239,407	2,003,872	
Interest expense												(26,345)	
Interest income												32,206	
Others												(44,537)	
Income tax												(920,249)	
Net profit for the period												1,044,947	
OTHER INFORMATION													
Capital expenditure	17,366	11,249	28,615	84,067	5,083	165	89,315	17,070	2,808	19,878	35,156		
Depreciation and amortisation	45,693	6,176	51,869	10,899	1,812	55	12,766	5,186	5,127	10,313	33,878		
ASSETS AND LIABILITIES													
Segment assets	9,912,391	234,888	10,147,279	1,482,087	645,852	53,863	2,181,802	1,819,779	644,360	2,464,139	605,780	15,399,000	
Segment liabilities	4,494,700	484,084	4,978,784	1,006,670	456,703	72,718	1,536,091	1,222,366	539,138	1,761,504	665,009	8,941,388	

22. GENERAL

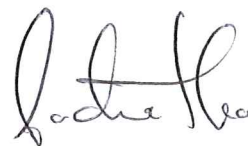
- 22.1** Previous period's figures have been reclassified wherever necessary for the purposes of better presentation and comparison of transactions in the financial statements of the Company.
- 22.1** These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in the meeting held on July 29, 2019.



Helmut von Struve
Managing Director



Umer Jalil Anwer
Chief Financial Officer



Sadia Khan
Director