

SIEMENS

**Condensed Interim Financial Statements
for the three months period
ended December 31, 2017
(Unaudited)**

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

SIEMENS

Dear Shareholders,

We, the undersigned, for and on behalf of the Board of Directors are pleased to present your company, Siemens (Pakistan) Engineering Co. Ltd. ("**Company**") unaudited condensed interim financial statements for Q1 FY 2018.

Company's Performance: Key Financial Indicators (KPI) of the Q1 FY 2018 compared to Q1 FY 2017 are summarized below:

KPIs for Q1	Q1 FY 2018 Rs in million	Q1 FY 2017 Rs in million
New Orders	4,515	2,030
Net sales and services	4,004	2,229
Profit / (loss) before income tax expense and gain on sale of assets classified as held for sale	574	46
Net profit after tax	282	29
Earnings per share (Rupees)	34.15	3.48

During Q1 FY 2018 the Company has reported profit before tax which includes Rs. 121 million due to fair value change in the embedded derivatives and Rs. 69 million on account of gain on foreign currency revaluations.

For business segment wise performance please refer to Note 21 of the unaudited condensed interim financial statements for Q1 FY 2018.

Future Outlook: Despite strong prosperous quarter, we would like to caution that the sustainable growth in new orders and revenue during FY 2018 is significantly linked with the outcome of prevailing uncertainties in the politic-economic environment of the Country.

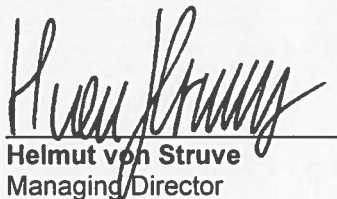
Acknowledgement: We would like to place on record our sincere appreciation and gratitude for the dedication and hard work shown by the employees and management of the Company. We express our heartfelt appreciation to our valued shareholders, customers, financial institutions, business partners and regulators for reposing their trust and confidence 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 24, 2018



SIEMENS (PAKISTAN) ENGINEERING CO. LTD.

**DIRECTORS' REPORT
FIRST QUARTER FINANCIAL YEAR 2018
ENDED ON DECEMBER 31st, 2017
ON THE
UN-AUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

Chairman of the Board	Sebastian Andreas Brachert
Executive Director	Helmut von Struve
Non-Executive Directors	Marco Jochen Schiffer Manuel Kuehn Beatrice Eva-Maria Bock Manzoor Ahmed
Independent & Non-Executive Director	Qazi Sajid Ali
Chairman of the Audit Committee	Manzoor Ahmed
Members of the Audit Committee	Qazi Sajid Ali Marco Jochen Schiffer Beatrice Eva-Maria Bock
Chairman of the Human Resource & Remuneration Committee	Qazi Sajid Ali
Members of the Human Resource & Remuneration Committee	Sebastian Andreas Brachert Manuel Kuehn Helmut von Struve
Managing Director	Helmut von Struve
Chief Financial Officer	Umer Jalil Anwer
Company Secretary	Abdul Mannan Majid
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: Abdul Mannan Majid


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

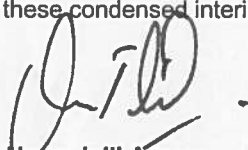
Office address:
Siemens(Pakistan) Engg. Co. Ltd.
B-72, Estate Avenue,
S.I.T.E., Karachi.
Tel: 92(21) 32574910-9

Siemens (Pakistan) Engineering Company Limited
Condensed Interim Balance Sheet
As at December 31, 2017

		December 31, 2017 (Unaudited)	September 30, 2017 Restated
Equity and liabilities			
	Note	----- (Rupees in '000) -----	
Share capital and reserves			
Share capital			
- Authorised			
20,000,000 (September 30, 2017: 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, 2017: 8,247,037)			
Ordinary shares of Rs 10 each		82,470	82,470
Reserves			
Capital		624,192	624,192
Revenue		4,901,610	4,619,942
		<u>5,525,802</u>	<u>5,244,134</u>
		<u>5,608,272</u>	<u>5,326,604</u>
Non-current liabilities			
Retention money		48,823	50,202
Other non-current liabilities		21,233	18,466
		<u>70,056</u>	<u>68,668</u>
Current liabilities			
Trade and other payables	5	5,498,007	6,051,360
Contract liabilities	6	1,900,522	1,670,922
Provisions	7	784,560	751,822
Short-term running finances	8	155,523	167,415
Taxation - net		415,049	410,083
		<u>8,753,661</u>	<u>9,051,602</u>
Total liabilities		<u>8,823,717</u>	<u>9,120,270</u>
Contingencies and commitments	9		
Total equity and liabilities		<u>14,431,989</u>	<u>14,446,874</u>
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	10	296,901	312,647
Intangible assets		3,693	4,216
		<u>300,594</u>	<u>316,863</u>
Long-term loans and trade receivables		408,610	385,150
Long-term deposits and prepayments		6,787	7,507
Deferred tax asset		972,503	1,114,274
		<u>1,688,494</u>	<u>1,823,794</u>
Current assets			
Inventories	11	1,983,475	1,617,439
Trade receivables	12	5,639,941	4,927,341
Contract assets		2,419,292	1,584,452
Loans and advances		146,407	129,685
Deposits and short-term prepayments		111,659	76,970
Other receivables	13	723,842	539,178
Cash and bank balances	14	1,718,879	3,748,015
		<u>12,743,495</u>	<u>12,623,080</u>
Total assets		<u>14,431,989</u>	<u>14,446,874</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

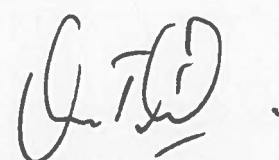

Manuel Kuehn
 Director

Siemens (Pakistan) Engineering Company Limited
Condensed Interim Profit and Loss Account (Unaudited)
For the three months period ended December 31, 2017

	Note	Three months period ended December 31, 2017	Three months period ended December 31, 2016
(Rupees in '000)			
Net sales	15	4,004,488	2,229,179
Cost of sales		(3,137,391)	(2,025,017)
Gross profit		<u>867,097</u>	<u>204,162</u>
Marketing and selling expenses		(258,232)	(171,428)
General administrative expenses		(68,070)	(33,703)
		<u>(326,302)</u>	<u>(205,131)</u>
		540,795	(969)
Other income	16	57,109	-
Other operating expenses	16	(43,306)	(3,744)
Net other operating income / (expense)		<u>13,803</u>	<u>(3,744)</u>
Operating profit / (loss)		554,598	(4,713)
Financial income		28,716	53,590
Financial expenses		(9,169)	(3,092)
Net finance income		<u>19,547</u>	<u>50,498</u>
Profit before income tax		<u>574,145</u>	<u>45,785</u>
Income tax		(292,477)	(17,098)
Net profit for the period		<u>281,668</u>	<u>28,687</u>
Basic and diluted earnings per share (Rupees)		<u>34.15</u>	<u>3.48</u>

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


Helmut von Struve
 Managing Director

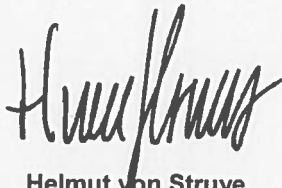

Umer Jalil Anwer
 Chief Financial Officer


Manuel Kuehn
 Director

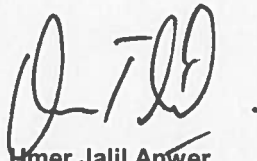
Siemens (Pakistan) Engineering Company Limited
Condensed Interim Statement of Comprehensive Income (Unaudited)
For the three months period ended December 31, 2017

	Three months period ended December 31, 2017	Three months period ended December 31, 2016
	(Rupees in '000)	
Net profit for the period	281,668	28,687
Other comprehensive income	-	-
Total comprehensive income for the period	<u>281,668</u>	<u>28,687</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 Cash Flow Statement (Unaudited)
For the three months period ended December 31, 2017

	Three months period ended December 31, 2017	Three months period ended December 31, 2016
	(Rupees in '000)	
Cash flows from operating activities		
Cash utilised in operations	(1,786,970)	(281,689)
Financial expenses paid	(5,701)	(793)
Income tax paid	(145,740)	(100,122)
Payment to workers' profit participation fund	(82,686)	(8,905)
Net cash flows from operating activities	(2,021,097)	(391,509)
Cash flows from investing activities		
Capital expenditure incurred	(17,998)	(55,566)
Proceeds from sale of property, plant and equipment	278	115
Financial income received	27,617	53,590
Net cash flows from investing activities	9,897	(1,861)
Net decrease in cash and cash equivalents	(2,011,200)	(393,370)
Cash and cash equivalents at beginning of the period	3,580,600	5,218,175
Cash and cash equivalents at end of the period	1,569,400	4,824,805

Note

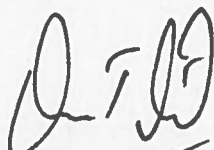
18

19

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



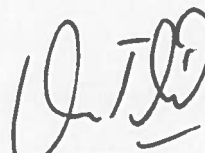
Manuel Kuehn
Director

Siemens (Pakistan) Engineering Company Limited
 Condensed Interim Statement of Changes in Equity (Unaudited)
 For the three months period ended December 31, 2017

	Issued, subscribed and paid-up share capital	Capital reserves			General reserves	Revenue reserves		Total
		Share premium	Capital repurchase reserve account	Other capital reserve		Remeasurement loss on defined benefit plan	Accumulated profit	
(Rupees in '000)								
Balance as at September 30, 2016	82,470	619,325	567	4,300	4,523,026	(217,211)	218,964	5,231,441
Net profit for the three months period ended December 31, 2016	-	-	-	-	-	-	28,687	28,687
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	28,687	28,687
Balance as at December 31, 2016	82,470	619,325	567	4,300	4,523,026	(217,211)	247,651	5,260,128
Final dividend @ Rs 120 per Ordinary share of Rs 10 each for the year ended September 30, 2016	-	-	-	-	-	-	(989,644)	(989,644)
Net profit for the nine months period ended September 30, 2017	-	-	-	-	-	-	1,074,709	1,074,709
Other comprehensive income for the period	-	-	-	-	-	(18,589)	-	(18,589)
Total comprehensive income	-	-	-	-	-	(18,589)	1,074,709	1,056,120
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

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


 Helmut von Sruve
 Managing Director


 Umer Jallil 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, 2017 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 repealed Companies Ordinance, 1984 (the repealed Ordinance). In case where requirements differ, the provisions of or directives issued under the repealed Ordinance have been followed.

The Companies Act, 2017 was enacted on May 30, 2017. Securities and Exchange Commission of Pakistan (SECP) vide its circular 23 of 2017 dated October 04, 2017 and Institute of Chartered Accountants of Pakistan (ICAP) vide its circular No 17/2017 dated October 06, 2017, have clarified that the Interim Financial Statements of the companies for the periods ending on or before December 31, 2017, shall be prepared in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017, has added certain disclosure requirements which will be applicable in future.

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, 2017.

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, 2017, except for early adoption of IFRS 15 'Revenue From Contracts With Customer' in these interim financial statements for the quarter ended December 31, 2017.

IFRS 15 supersedes IAS 11, Construction Contracts and IAS 18, Revenue as well as related interpretations. According to the new standard, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The application of IFRS 15 does not have any impact on the Company's total revenue recognized for a customer contract. However, some changes to the balance sheet are expected, e.g. separate line items for 'contract assets' and 'contract liabilities' are required. The standard also requires more extensive quantitative and qualitative disclosures which will be included in Annual Financial Statements for the year ending September 30, 2018.

The Company has applied IFRS 15 in accordance with the retrospective transitional approach and accordingly the comparative periods have been restated. The balance sheet as at the beginning of the comparative period has been presented in note 17 to these condensed interim financial statements.

The Company's accounting policy for its revenue streams is disclosed in Note 3.2 below.

3.2 Revenue recognition

Revenue from sale of goods are recognised at a point in time when the customer obtains control of the goods or services. Service revenue is recognised as per the contractual period or as and when services are rendered to customers. Commission income is recognised on receipt / acknowledged basis. Financial income is recognised as it accrues, using the effective mark-up rates.

The Contract revenue generated from long term construction-type contracts is accounted for under the percentage-of-completion method as the customer obtains control of the goods or services over the time. Contract revenue and contract costs relating to such contracts are recognised as revenue and expenses respectively by reference to stage of completion of contract activity at the balance sheet date. Stage of completion of a contract is determined by applying 'cost-to-cost method' by reference to the proportion that contract cost incurred to date bears to the total estimated contract cost. Contract revenue on construction contracts valuing less than Rs 10 million and / or duration upto six months is recognised using completed contract method.

When it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Contract modifications which may be a change in the scope or price (or both) are included in contract revenue to the extent that they have been agreed with the customer and create enforceable rights and obligation.

- 3.3 Amendments to certain existing standards and new 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 2,540.415 million as at December 31, 2017. Information relating to Afghanistan operations is presented in note 21 to these financial statements.

5. TRADE AND OTHER PAYABLES

	As at December 31, 2017 (Unaudited)	As at September 30, 2017 Restated
Note	(Rupees in '000)	
Trade creditors [including retention money of Rs 359.420 million (September 30, 2017; Rs 302.534 million)]	3,796,041	4,137,369
Accrued liabilities	590,591	792,129
Advances from customers		
For goods	325,560	292,210
For projects and services	1,252,518	980,550
Defined benefit plan - gratuity	277,011	271,928
Accrued interest	122,135	118,667
Unearned portion of revenue and maintenance contracts	22,934	101,900
Workers' Welfare Fund (WWF)	128,045	115,842
Workers' Profit Participation Fund (WPPF)	31,103	78,077
Unclaimed dividend	24,181	24,584
Derivative financial instruments	160,427	247,154
Withholding tax payable	90,485	19,968
Other liabilities	277,988	245,642
	7,099,019	7,426,020
Less: transferred to contract liabilities	6 5.1 (1,601,012)	(1,374,660)
	5,498,007	6,051,360

5.1 These include sums aggregating to Rs 1,032.463 million (September 30, 2017: Rs 1,580.782 million) due to related parties.

6. CONTRACT LIABILITIES

	As at December 31, 2017 (Unaudited)	As at September 30, 2017 Restated
Note	(Rupees in '000)	
Advances from customers		
- for goods	325,560	292,210
- for projects and services	1,252,518	980,550
Unearned portion of revenue and maintenance contracts	22,934	101,900
	5 1,601,012	1,374,660
Refund liabilities on account of liquidated damages	7 299,510	296,262
	1,900,522	1,670,922

7. PROVISIONS

	Warranties	Losses on sales contracts	Liquidated damages	Total	Transferred to Contract Liabilities	Total
	(Rupees in '000)					
Balance at beginning of the period (Audited)	649,760	102,062	296,262	1,048,084	(296,262)	751,822
Additional provision	56,152	36,520	32,175	124,847	(32,175)	92,672
Cost incurred / imposed	(45,465)	-	(12,202)	(57,667)	12,202	(45,465)
Reversal of unutilised amounts	(4,707)	(9,762)	(16,725)	(31,194)	16,725	(14,469)
Balance at end of the period (Unaudited) - Restated	655,740	128,820	299,510	1,084,070	(299,510)	784,560

8. SHORT-TERM RUNNING FINANCES

	Note	As at December 31, 2017 (Unaudited)	As at September 30, 2017 (Audited)
		(Rupees in '000)	
Unsecured - from related party	8.1	155,523	167,415
Unsecured - from others	8.2	-	-
		155,523	167,415

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 2.32% and 2.37% per annum (September 30, 2017: 2.04% and 2.51% per annum).

8.2 These facilities arranged with commercial banks in the United Arab Emirates (UAE) aggregated to Rs 75.1 million (September 30, 2017: Rs 71.6 million) at interest rates ranges between 5.07% and 5.42% per annum (September 30, 2017: 4.32% and 5.07% per annum).

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no major change in the status of contingencies as stated in note 11.1 to the annual financial statements of the Company for the year ended September 30, 2017.

9.2 Commitments

(i) As at December 31, 2017 capital expenditure contracted for but not incurred amounted to Rs 99.395 million (September 30, 2017: Rs 84.113 million).

(ii) Post dated cheques issued to the Collector of Customs against import duty aggregate to Rs 70.831 million (September 30, 2017: Rs 46.407 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, 2017 (Unaudited)	As at September 30, 2017 (Audited)
	(Rupees in '000)	
- Not later than one year	19,174	23,285
- Later than one year but not later than five years	22,444	20,479
	41,618	43,764

10. PROPERTY, PLANT AND EQUIPMENT	Note	As at December 31, 2017 (Unaudited) (Rupees in '000)	As at September 30, 2017 (Audited)
Operating assets - at net book value	10.1	292,636	311,376
Capital work in progress		4,265	1,271
		296,901	312,647
10.1 Operating assets		For the three months period ended December 31, 2017	For the year ended September 30, 2017
		(Rupees in '000)	
Opening net book value		311,376	223,685
Additions during the current period / year	10.2	15,004	208,759
		326,380	432,444
Disposals during the current period / year	10.2	(18,123)	(70,344)
Accumulated depreciation on disposals		17,917	68,210
Depreciation and impairment for the period / year		(33,538)	(118,934)
		(33,744)	(121,068)
		292,636	311,376

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, 2017	For the three months period ended December 31, 2016	For the three months period ended December 31, 2017	For the three months period ended December 31, 2016
	(Rupees in '000)			
Plant and machinery	-	722	2,236	675
Furniture and fixtures	2,101	2,036	3,718	359
Office equipment	4,623	4,803	10,495	1,694
Vehicles	2,455	-	697	42
Tools and patterns	5,825	70	977	-
	15,004	7,631	18,123	2,770

Siemens (Pakistan) Engineering Company Limited
Notes to the Condensed Interim Financial Statements (Unaudited)
For the three months period ended December 31, 2017

11. INVENTORIES		As at December 31, 2017 (Unaudited)	As at September 30, 2017 Restated
	Note	(Rupees in '000)	
Raw materials and components		462,413	410,932
Work-in-process		1,142,917	862,278
Finished goods		287,402	383,091
		1,892,732	1,656,301
Provision for slow moving and obsolete items		(165,262)	(250,574)
		1,727,470	1,405,727
Goods-in-transit		256,005	211,712
		<u>1,983,475</u>	<u>1,617,439</u>
12. TRADE RECEIVABLES			
Considered good			
Due from related parties	12.1	12,691	23,227
Due from others		5,627,250	4,904,114
		5,639,941	4,927,341
Considered doubtful		1,112,577	1,047,880
		6,752,518	5,975,221
Provision for doubtful receivables		(1,112,577)	(1,047,880)
		<u>5,639,941</u>	<u>4,927,341</u>
12.1 Represents amounts due from Rousch (Pakistan) Power Limited.			
13. OTHER RECEIVABLES			
Other costs reimbursable from customers		283,455	204,202
Sales tax refundable		221,769	169,378
Interest accrued		27,680	26,581
Derivative financial instruments		35,789	-
Others		155,149	139,017
		<u>723,842</u>	<u>539,178</u>
14. CASH AND BANK BALANCES			
With banks in			
Current accounts		78,607	89,965
Deposit account		1,630,305	3,591,013
		1,708,912	3,680,978
Cheques in hand		9,110	66,125
Cash in hand		857	912
		<u>1,718,879</u>	<u>3,748,015</u>
15. REVENUE			
Execution of contracts		2,187,635	1,205,660
Sale of goods		1,345,551	700,452
Rendering of services		471,302	323,067
		<u>4,004,488</u>	<u>2,229,179</u>

Siemens (Pakistan) Engineering Company Limited
Notes to the Condensed Interim Financial Statements (Unaudited)
For the three months period ended December 31, 2017

	For the three months period ended	
	December 31, 2017	December 31, 2016
16. OTHER INCOME AND OTHER OPERATING EXPENSES		
16.1 OTHER INCOME		
Gain on sale of property, plant and equipment	72	-
Liabilities no longer payable written back	57,037	-
	57,109	-
16.2 OTHER OPERATING EXPENSES		
Workers' Welfare Fund (WWF)	31,103	1,231
Workers' Profits Participation Fund (WPPF)	12,203	2,474
Loss on disposal of property, plant and equipment	-	39
	43,306	3,744

17. BALANCE SHEET AS AT BEGINNING OF THE COMPARATIVE YEAR

The balance sheet as at the beginning of the comparative year as referred to in note 3.1 has been presented as follows:

	October 1, 2016 (Audited)	October 1, 2016 Restated
Equity and liabilities		
Share capital and reserves		
Share capital		
- Authorised		
20,000,000 Ordinary shares of Rs 10 each	200,000	200,000
- Issued, subscribed and paid-up	82,470	82,470
Reserves		
Capital	624,192	624,192
Revenue	4,524,779	4,524,779
	5,148,971	5,148,971
	5,231,441	5,231,441
Non-current liabilities		
Retention money	12,664	12,664
Other non-current liabilities	11,086	11,086
	23,750	23,750
Current liabilities		
Trade and other payables	7,908,477	5,003,682
Contract liabilities	-	3,167,233
Provisions	838,476	576,038
Short-term running finances	16,204	16,204
Taxation - net	720,379	720,379
	9,483,536	9,483,536
Total liabilities	9,507,286	9,507,286
Total equity and liabilities	14,738,727	14,738,727
Assets		
Non-current assets		
Fixed assets		
Property, plant and equipment	240,832	240,832
Intangible assets	5,083	5,083
	245,915	245,915
Long-term loans and trade receivables	126,068	126,068
Long-term deposits and prepayments	12,063	12,063
Deferred tax asset	1,296,339	1,296,339
	1,680,385	1,680,385
Current assets		
Inventories	1,180,684	1,180,684
Trade receivables	4,045,675	4,045,675
Contract assets	-	2,045,904
Due against construction work in progress	2,146,864	-
Loans and advances	56,935	56,935
Deposits and short-term prepayments	71,033	71,033
Other receivables	322,772	423,732
Cash and bank balances	5,234,379	5,234,379
	13,058,342	13,058,342
Total assets	14,738,727	14,738,727

18. CASH UTILISED IN OPERATIONS

	Note	For the three months period ended	
		December 31, 2017	December 31, 2016
(Rupees in '000)			
Profit before tax for the period		574,145	45,785
Adjustments for non-cash items:			
Depreciation and amortisation		34,062	22,550
Provision for slow moving and obsolete items of inventories - net		(85,312)	(3,961)
Provision for doubtful trade receivables - net		64,578	19,753
Reversal of provision for doubtful contract assets - net		19,351	85
(Reversal of provision) / provision for doubtful deposits and other receivables - net		12,766	(2,747)
Discounting of long-term loans and trade receivables		4,952	5,216
Provision for WPPF		35,712	2,475
(Gain) / loss on sale of property, plant and equipment		(72)	39
Financial expenses		9,169	3,092
Financial income		(28,716)	(53,590)
Adjustment for other items:			
Long-term loans and trade receivables		(28,293)	(66,502)
Long-term deposits and prepayments		720	1,365
Retention money payable		(1,379)	9,078
Other non-current liabilities		2,767	611
Working capital changes	18.1	(2,401,420)	(264,938)
		(1,786,970)	(281,689)

18.1 Working capital changes

(Increase) / decrease in current assets:

Inventories	(280,724)	(616,803)
Trade receivables	(777,297)	347,620
Contract assets	(854,191)	191,440
Loans and advances	(16,722)	(68,369)
Deposits and short-term prepayments	(32,761)	(34,229)
Other receivables	(198,259)	(59,376)
	(2,159,954)	(239,717)

Increase / (decrease) in current liabilities:

Trade and other payables	(503,804)	(190,204)
Contract liabilities	229,600	183,319
Provisions	32,738	(18,336)
	(241,466)	(25,221)
	(2,401,420)	(264,938)

19. CASH AND CASH EQUIVALENTS

		As at December	As at December
		31, 2017	31, 2016
(Rupees in '000)			
Cash and bank balances	14	1,718,879	4,852,817
Short-term running finances	8	(155,523)	(28,012)
		1,563,356	4,824,805

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:

	Note	For the three months period ended December 31, 2017 (Rupees in '000)	For the three months period ended December 31, 2016
Parent company			
Sales of goods and rendering of services		40,254	8,393
Purchases of goods and receipt of services		558,648	751,595
Commission and allowances earned		1,034	4,187
Associated companies			
Sales of goods and rendering of services		9,881	21,519
Purchases of goods and receipt of services		105,355	181,455
Commission and allowances earned		17,233	12,224
Financial expenses		998	427
Others			
Employees' retirement benefits		28,378	23,853
Compensation to key management personnel	20.1	25,275	25,186
20.1 The details of compensation to key management personnel are as follows:			
Short-term benefits		23,227	24,667
Post-employment benefits		122	73
Share based benefits		1,926	446
		<u>25,275</u>	<u>25,186</u>

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), Mobility (MO) 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. MO division deals with mobility and infrastructure solution, services and projects 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
(All rupees in '000)											
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		
As at December 31, 2017											
ASSETS AND LIABILITIES											
Segment assets	733,860	6,246,026	830,984	1,231,347	167,647	8,476,004	546,410	1,016,031	630,625		11,402,930
Segment liabilities	1,025,180	3,097,267	604,492	836,253	188,029	4,726,041	684,327	426,650	635,887		7,498,085
For the three months period ended December 31, 2016											
REVENUE											
Sales to external customers	65,931	910,769	57,691	362,572	21,921	1,352,953	220,038	375,617	214,640		2,229,179
Inter-segment sales	-	-	42,218	18,857	1,278	62,353	-	5,026	1,929	(69,308)	-
Total revenue	65,931	910,769	99,909	381,429	23,199	1,415,306	220,038	380,643	216,569	(69,308)	2,298,487
RESULT											
Segment result	42,908	(164,778)	9,509	65,372	2,587	(87,310)	(9,825)	26,557	10,741	-	(16,929)
Interest expense											(793)
Interest income											53,590
Others											9,917
Income tax											(17,098)
Net profit for the period											28,687
OTHER INFORMATION											
Capital expenditure	411	62,244	533	2,788	90	65,655	-	1,274	1,198		
Depreciation and amortisation	1,605	4,059	278	2,700	161	7,198	438	1,368	2,095		
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-	-	-	-		
As at September 30, 2017											
ASSETS AND LIABILITIES											
Segment assets	538,553	4,912,589	432,340	1,287,270	184,568	6,816,767	516,951	806,491	660,448	-	9,339,210
Segment liabilities	808,028	3,299,183	618,866	866,063	217,866	5,001,978	661,533	589,611	775,148	-	7,836,298

21.2 Geographical information

Sales to external customers

	For the three months period ended December 31, 2017	For the three months period ended December 31, 2016
	(Rupees in '000)	
Pakistan	3,287,570	2,033,432
Afghanistan	640,199	195,747
United Arab Emirates	30,421	-
Others	46,298	-
	<u>4,004,488</u>	<u>2,229,179</u>

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

Non-current assets

	As at December 31, 2017 (Unaudited)	As at September 30, 2017 (Audited)
	(Rupees in '000)	
Pakistan	740,127	668,875
United Arab Emirates	-	-
Afghanistan	47,093	40,645
	<u>787,220</u>	<u>709,520</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, 2017 (Unaudited)	As at September 30, 2017 (Audited)
	(Rupees in '000)	
Segment assets for reportable segments	11,402,930	9,339,210
Corporate assets	337,677	245,375
Unallocated		
Deferred tax asset	972,503	1,114,274
Cash and bank balances	1,718,879	3,748,015
Others	-	-
Total assets as per balance sheet	<u>14,431,989</u>	<u>14,446,874</u>

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

Segment liabilities for reportable segments	7,498,085	7,836,298
Corporate liabilities	192,613	181,752
Unallocated		
Trade and other payables	717,970	692,137
Taxation - net	415,049	410,083
Total liabilities as per balance sheet	<u>8,823,717</u>	<u>9,120,270</u>

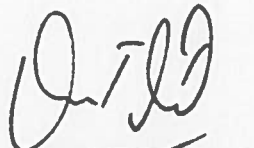
Segment assets include all operating assets used by a segment and consist principally of receivables, inventories and property, plant and equipment, net of impairment and provisions but do not include deferred taxes. Segment liabilities include all operating liabilities and consist principally of accounts payable, advances, accrued and other liabilities and short-term running finances.

22. GENERAL

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in the meeting held on January 24, 2018.



Helmut von Struve
Managing Director



Umer Jalil Anwer
Chief Financial Officer



Manuel Kuehn
Director