

REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Siemens (Pakistan) Engineering Company Limited** (the Company) as at **31 March 2009**, and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half-year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The financial statements of the Company for the year ended 30 September 2008 and the condensed interim financial information for the period ended 31 March 2008 were audited and reviewed respectively by another firm of Chartered Accountants, who had expressed an unqualified opinion and unqualified conclusion thereon, vide their audit report dated 31 October 2008 and review report dated 28 April 2008, respectively.

Scope of Review

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

Conclusion

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

Karachi -

27 April 2009

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Siemens (Pakistan) Engineering Company Limited
 Condensed Interim Balance Sheet (Unaudited)
 As at March 31, 2009

| | Note | March 31, 2009 (Rupees in '000) | September 30, 2008 (Audited) |
|---|------|---|------------------------------------|
| Share capital and reserves | | | |
| Share capital | | | |
| - Authorised | | | |
| 20,000,000 (September 30, 2008: 20,000,000) | | | |
| Ordinary shares of Rs.10 each | | 200,000 | 200,000 |
| - Issued, subscribed and fully paid-up | | | |
| 8,247,037 (September 30, 2008: 8,247,037) | | | |
| Ordinary shares of Rs 10 each | | 82,470 | 82,470 |
| Reserves | | | |
| - Capital | | 624,192 | 624,192 |
| - Revenue | | 5,455,881 | 5,581,595 |
| | | 6,080,073 | 6,205,787 |
| | | 6,162,543 | 6,288,257 |
| Non-current liabilities | | | |
| Retention money payable | | 86,732 | 87,010 |
| Other non-current liabilities | | 19,554 | 19,081 |
| | | 106,286 | 106,091 |
| Current liabilities | | | |
| Trade and other payables | 4 | 15,182,912 | 13,974,641 |
| Provisions | 5 | 2,070,727 | 2,031,788 |
| Short-term running finances | 6 | 3,227,710 | 907,909 |
| Provision for taxation | | 1,553,772 | 1,466,696 |
| | | 22,035,121 | 18,381,034 |
| Total liabilities | | 22,141,407 | 18,487,125 |
| Total equity and liabilities | | 28,303,950 | 24,775,382 |
| Contingencies and commitments | 7 | | |

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Siemens (Pakistan) Engineering Company Limited
Condensed Interim Balance Sheet (Unaudited)
As at March 31, 2009

| | Note | March 31, 2009 | September 30, 2008 (Audited) |
|---------------------------------------|------|--------------------------|------------------------------------|
| | | (Rupees in '000) | |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 8 | 1,664,494 | 1,589,664 |
| Intangible assets - softwares | | 7,533 | 6,051 |
| Long-term receivables and prepayments | | 1,195,973 | 1,179,717 |
| Deferred tax asset | | 1,053,238 | 851,611 |
| | | <u>3,921,238</u> | <u>3,627,043</u> |
| Current assets | | | |
| Inventories | 9 | 5,237,249 | 4,588,682 |
| Trade receivables | 10 | 15,973,444 | 11,127,285 |
| Other receivables | | 1,693,266 | 2,025,133 |
| Cash and bank balances | 11 | 1,478,753 | 3,407,239 |
| | | <u>24,382,712</u> | <u>21,148,339</u> |
| Total assets | | <u><u>28,303,950</u></u> | <u><u>24,775,382</u></u> |

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.


Sohail Wajahat H. Siddiqui
 Chief Executive Officer

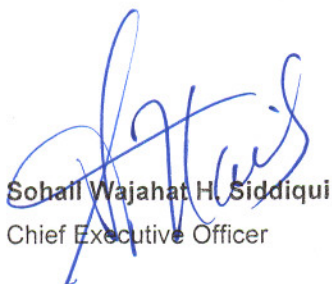

Gerhard Wilcke
 Chief Financial Officer & Director

Siemens (Pakistan) Engineering Company Limited
Condensed Interim Cash Flow Statement (Unaudited)
For the six months period ended March 31, 2009

| | 2009 | 2008 |
|--|------------------|-------------|
| Note | (Rupees in '000) | |
| Cash flows from operating activities | | |
| Cash generated from operations | 15 (3,088,639) | (890,361) |
| Payments to employees for long service bonus | (206) | (113) |
| Financial charges paid | (129,162) | (153,984) |
| Income tax paid | (279,304) | (380,996) |
| Payment to Workers' Profit Participation Fund | (138,590) | (108,214) |
| Net cash used in operating activities | (3,635,901) | (1,533,668) |
| Cash flows from investing activities | | |
| Capital expenditure | (184,484) | (113,300) |
| Proceeds from sale of property, plant and equipment | 2,734 | 13,677 |
| Return on bank deposits and receivables | 64,186 | 95,325 |
| Net cash used in investing activities | (117,564) | (4,298) |
| Cash flows from financing activities | | |
| Short-term loans | - | (330,646) |
| Dividends paid | (494,822) | (494,822) |
| Net cash used in financing activities | (494,822) | (825,468) |
| Net decrease in cash and cash equivalents | (4,248,287) | (2,363,434) |
| Cash and cash equivalents at beginning of the period | 2,499,330 | 954,728 |
| Cash and cash equivalents at end of the period | 16 (1,748,957) | (1,408,706) |

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

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Sohail Wajahat H. Siddiqui
 Chief Executive Officer

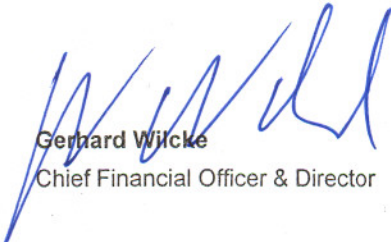

Gerhard Wilcke
 Chief Financial Officer & Director

Siemens (Pakistan) Engineering Company Limited
Condensed Interim Profit and Loss Account (Unaudited)
For the six months period ended March 31, 2009

| | Note | Six months period ended March 31, 2009 | Six months period ended March 31, 2008 | Three months period ended March 31, 2009 | Three months period ended March 31, 2008 |
|---|------|---|---|---|---|
| ------(Rupees in '000)----- | | | | | |
| Net sales | | 19,028,128 | 11,753,767 | 10,137,978 | 7,574,723 |
| Cost of sales | | (17,116,524) | (10,093,661) | (8,690,866) | (6,524,988) |
| Gross profit | | 1,911,604 | 1,660,106 | 1,447,112 | 1,049,735 |
| Commission and allowances earned | | 41,673 | 58,880 | 17,663 | 52,350 |
| | | 1,953,277 | 1,718,986 | 1,464,775 | 1,102,085 |
| Marketing and selling expenses | | (739,436) | (630,261) | (470,457) | (326,073) |
| General administration expenses | | (219,342) | (239,193) | (140,202) | (148,134) |
| Other operating income | 12 | 1,885 | 198,441 | 208 | 142,316 |
| | | (956,893) | (671,013) | (610,451) | (331,891) |
| Operating profit | | 996,384 | 1,047,973 | 854,324 | 770,194 |
| Return on bank deposits and receivables | | 56,835 | 141,296 | 20,767 | 99,578 |
| Financial charges | 13 | (519,358) | (150,704) | (269,016) | (100,928) |
| Net finance costs | | (462,523) | (9,408) | (248,249) | (1,350) |
| Profit before tax | | 533,861 | 1,038,565 | 606,075 | 768,844 |
| Taxation | | (164,753) | (328,087) | (195,285) | (237,568) |
| Profit for the period | | 369,108 | 710,478 | 410,790 | 531,276 |
| Basic and diluted earnings per share (Rupees) | 14 | 44.76 | 86.15 | 49.81 | 64.42 |

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.


Sohail Wajahat H. Siddiqui
 Chief Executive Officer


Gerhard Wilcke
 Chief Financial Officer & Director

Siemens (Pakistan) Engineering Company Limited
 Condensed Interim Statement of Changes in Equity (Unaudited)
 For the six months period ended March 31, 2009

| | Issued, subscribed and paid-up share capital | Capital reserves | | | Revenue reserves | | Total |
|---|---|------------------|---|-----------------------------|--------------------|----------------------|-----------|
| | | Share premium | Capital repurchase reserve account | Other capital reserve | General reserve | Retained earnings | |
| ------(Rupees in '000)----- | | | | | | | |
| Balance as at September 30, 2007 | 82,470 | 619,325 | 567 | 4,300 | 2,023,026 | 2,621,734 | 5,351,422 |
| Final dividend @ Rs 60 per share for the year ended September 30, 2007 | - | - | - | - | - | (494,822) | (494,822) |
| Transfer to general reserve | - | - | - | - | 1,000,000 | (1,000,000) | - |
| Profit for the six months period ended March 31, 2008 | - | - | - | - | - | 710,478 | 710,478 |
| Balance as at March 31, 2008 | 82,470 | 619,325 | 567 | 4,300 | 3,023,026 | 1,837,390 | 5,567,078 |
| Profit for the six months period ended September 30, 2008 | - | - | - | - | - | 968,590 | 968,590 |
| Interim dividend @ Rs 30 per share for the six months period ended March 31, 2008 | - | - | - | - | - | (247,411) | (247,411) |
| Balance as at September 30, 2008 | 82,470 | 619,325 | 567 | 4,300 | 3,023,026 | 2,558,569 | 6,288,257 |
| Final dividend @ Rs 60 per share for the year ended September 30, 2008 | - | - | - | - | - | (494,822) | (494,822) |
| Transfer to general reserve | - | - | - | - | 500,000 | (500,000) | - |
| Profit for the six months period ended March 31, 2009 | - | - | - | - | - | 369,108 | 369,108 |
| Balance as at March 31, 2009 | 82,470 | 619,325 | 567 | 4,300 | 3,523,026 | 1,932,855 | 6,162,543 |

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.


 Sohail Wajabat H. Siddiqui
 Chief Executive Officer


 Gernard Wicke
 Chief Financial Officer & Director

DIRECTORS' REVIEW FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2009

The Board of Directors is pleased to present the unaudited condensed interim financial statements of the Company for the six months period ended March 31, 2009.

The current financial crisis has also affected our business particularly in the United Arab Emirates (UAE).

NEW ORDERS of over Rs 8.2 billion have been received during the six months of the current financial year. Major contributions include supply of power and distribution transformers to power distribution companies in Pakistan, supply of hospital equipments, a project for mechanical, electrical and instrumentation services and a project for building 220 KV Grid station.

SALES increase by 62% when compared to the corresponding six months period to just over Rs 19 billion mainly due to the projects being undertaken in the energy sector particularly in the UAE.

PROFIT BEFORE TAX decreased by 49% in absolute terms and decreased from 9% to 3% of sales as compared to the corresponding six months period. This is mainly due to exchange rate fluctuations in Euro and other currencies and reduced margins due to change in sales mix.

PROFIT AFTER TAX is in line with profit before tax.

ORDERS IN HAND position is adequate as at the end of the second quarter.


INTERIM DIVIDEND @ 300% (Rs 30 per share) has been declared by the Board of Directors considering the performance of the first six months of the financial year.

Considering the orders in hand position of the Company as at the end of second quarter we are confident to achieve our targets budgeted for the whole financial year but due to the uncertainties involved in different segments of our business and current financial crisis it is difficult to predict about the results of the Company for the whole financial year.

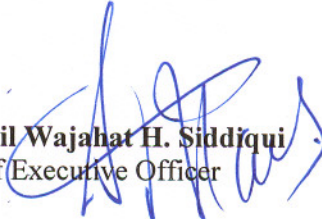
The enclosed condensed interim financial statements are unaudited. The auditors have, however, carried out a 'limited scope review' as required under the listing regulations of the stock exchanges of Pakistan.

On behalf of the Board

Siemens (Pakistan) Engineering Company Limited



Syed Babar Ali
Chairman



Sohail Wajahat H. Siddiqui
Chief Executive Officer

Karachi, April 27, 2009

1. LEGAL STATUS AND OPERATIONS

Siemens (Pakistan) Engineering Company Limited (the Company) is incorporated in Pakistan as a public limited company and its shares are quoted on the Karachi, Islamabad and Lahore Stock Exchanges. The Company is principally engaged in the execution of projects under contracts and in the manufacture, installation and sale 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 are unaudited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi, Lahore and Islamabad Stock Exchanges and have been prepared in accordance with the requirements of the International Accounting Standard 34 'Interim Financial Reporting', as applicable in Pakistan.

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, 2008.

2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupees which is the functional currency and figures are rounded off to the nearest thousand of rupees.

2.3 Use of estimates and judgements

The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In preparing these condensed interim financial statements, the significant judgements made by the management in applying accounting policies include:

- Provision for warranties
- Provision for liquidated damages
- Provision against inventories and doubtful receivables
- Actuarial assumptions for the gratuity scheme and provision thereagainst
- Provision for current taxes and deferred taxation
- Cost of completion of contracts in progress and their results

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended September 30, 2008.

4. TRADE AND OTHER PAYABLES

| | | As at March 31, 2009 | As at September 30, 2008 (Audited) |
|---|------|-------------------------|--|
| | Note | (Rupees in '000) | |
| Trade creditors | 4.1 | 7,712,327 | 4,890,917 |
| Accrued liabilities | | 1,625,351 | 1,496,336 |
| Advances from customers | | | |
| - for goods | | 1,012,736 | 1,560,302 |
| - for services including projects | | 4,071,559 | 5,309,275 |
| Accrued mark-up on running finance facilities | | 906 | 1,077 |
| Unearned portion of revenue and maintenance contracts | | 46,068 | 61,798 |
| Workers' Profits Participation Fund | | 33,010 | 141,646 |
| Workers' Welfare Fund | | 100,682 | 82,860 |
| Unclaimed dividend | | 8,820 | 8,208 |
| Derivative financial instruments | | 331,597 | 242,950 |
| Other liabilities | | 239,856 | 179,272 |
| | | <u>15,182,912</u> | <u>13,974,641</u> |

4.1 Included herein is a sum of Rs 1,225.079 million (September 30, 2008: Rs 787.464 million) due to associates.

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5. PROVISIONS

| | Warranties | Liquidated damages | Losses on sales contracts | Total |
|--|-----------------------------|--------------------|---------------------------|------------------|
| | ------(Rupees in '000)----- | | | |
| Balance as at October 1, 2008 | 431,589 | 1,507,887 | 92,312 | 2,031,788 |
| Additional provisions | 253,196 | 207,776 | 9,928 | 470,900 |
| Reversals of utilised and unutilised amounts | (109,995) | (271,800) | (50,166) | (431,961) |
| Balance as at March 31, 2009 | 574,790 | 1,443,863 | 52,074 | 2,070,727 |

6. SHORT-TERM RUNNING FINANCES

| | Note | As at March 31, 2009 (Rupees in '000) | As at September 30, 2008 (Audited) (Rupees in '000) |
|-------------------------------|------|--|---|
| From an associate - unsecured | 6.1 | 3,187,310 | 900,528 |
| From others - secured | 6.2 | 40,400 | 7,381 |
| | | 3,227,710 | 907,909 |

6.1 This facility is available from Siemens Financial Services (SFS) amounting to Rs 3,900 million (September 30, 2008: Rs 901 million) to be utilised in the United Arab Emirates (UAE). The mark-up on this facility ranges between 4.96% and 7.95% per annum (September 30, 2008: 2.28% and 5.30% per annum).

6.2 These facilities available from various banks aggregated to Rs 3,403 million as at March 31, 2009 (September 30, 2008: Rs 2,392 million). The mark-up on these facilities ranges between 3.62% and 18.10% per annum (September 30, 2008: 2.78% and 15.38% per annum), and are secured against joint hypothecation of inventories of finished goods, work-in-process, raw materials and components and present and future trade receivables. These include facilities aggregating Rs 1,155 million (September 30, 2008: Rs 1,115 million) obtained in the UAE at mark-up rates ranging between 3.62% and 6.49% (September 30, 2008: 2.78% and 5.80%) per annum.

7. CONTINGENCIES AND COMMITMENTS

7.1 As at March 31, 2009 capital expenditure contracted for but not incurred amounted to Rs 52.225 million (September 30, 2008: Rs 150.997 million).

7.2 The following amounts of forward exchange contracts have been taken to hedge the foreign currency liabilities:

| | As at March 31, 2009 (Rupees in '000) | As at September 30, 2008 (Audited) (Rupees in '000) |
|----------------------------|--|---|
| Forward exchange contracts | | |
| - Purchased value | 5,776,579 | 7,917,909 |
| - Fair value | 5,497,452 | 7,797,659 |

7.3 There has been no change in the status of contingencies as stated in notes 11.2 to 11.6 to the financial statements of the Company for the year ended September 30, 2008.

8. PROPERTY, PLANT AND EQUIPMENT

| | Note | As at March 31, 2009 (Rupees in '000) | As at September 30, 2008 (Audited) (Rupees in '000) |
|--|------|--|---|
| Tangible | | | |
| Operating fixed assets - at net book value | | 1,497,262 | 1,503,534 |
| Capital work in progress - at cost | 8.2 | 167,232 | 86,130 |
| | | 1,664,494 | 1,589,664 |

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

| | Additions | | Disposals | |
|-------------------------|--|--|--|--|
| | For the six months period ended March 31, 2009 (Rupees in '000) | For the six months period ended March 31, 2008 (Rupees in '000) | For the six months period ended March 31, 2009 (Rupees in '000) | For the six months period ended March 31, 2008 (Rupees in '000) |
| Plant and machinery | 47,597 | 29,108 | 909 | 1,292 |
| Tools and patterns | 8,264 | 13,464 | 633 | 673 |
| Furniture and equipment | 28,778 | 18,525 | 11,100 | 14,018 |
| Vehicles | 15,752 | 37,271 | 4,887 | 22,842 |
| | 100,391 | 98,368 | 17,529 | 38,825 |

8.2 Capital work in progress

| | As at March 31, 2009 | As at September 30, 2008 (Audited) |
|---|-------------------------|--|
| | (Rupees in '000) | |
| Note | | |
| Building under construction | 21,129 | 14,840 |
| Plant, machinery and equipment under installation | 138,747 | 60,533 |
| Advances to suppliers | 7,356 | 10,757 |
| | 167,232 | 86,130 |

9. INVENTORIES

| | | |
|--|-----------|-----------|
| Raw materials and components | 1,748,657 | 1,537,010 |
| Goods-in-transit | 773,998 | 972,811 |
| Work-in-process | 1,866,282 | 1,549,276 |
| Finished goods | 1,237,995 | 914,873 |
| | 5,626,932 | 4,973,970 |
| Provision for slow moving and obsolete items | (389,683) | (385,288) |
| | 5,237,249 | 4,588,682 |

10. TRADE RECEIVABLES

| | | |
|--|------------|------------|
| Considered good | | |
| Due from associates | 122,182 | 984,050 |
| Due from others | 10,201,630 | 7,869,017 |
| | 10,323,812 | 8,853,067 |
| Due against construction work in progress - others | 5,649,632 | 2,274,218 |
| | 15,973,444 | 11,127,285 |
| Considered doubtful - others | 516,176 | 203,099 |
| | 16,489,620 | 11,330,384 |
| Provision for doubtful receivables | (516,176) | (203,099) |
| | 15,973,444 | 11,127,285 |

11. CASH AND BANK BALANCES

| | | |
|--------------------|-----------|-----------|
| With banks in | | |
| - current accounts | 267,787 | 167,260 |
| - deposit accounts | 919,373 | 3,008,978 |
| Cheques in hand | 264,665 | 224,497 |
| Cash in hand | 26,928 | 6,504 |
| | 1,478,753 | 3,407,239 |

11.1 The rates of mark-up on these accounts range between 10.60% and 12.50% (September 30, 2008: 7.50% and 13.70%) per annum.

12. OTHER OPERATING INCOME

| | For the six months period ended March 31, 2009 | For the six months period ended March 31, 2008 | For the three months period ended March 31, 2009 | For the three months period ended March 31, 2008 |
|---|--|--|--|--|
| | (Rupees in '000) | | | |
| Exchange gain | - | 173,896 | - | 121,415 |
| Profit on sale of property, plant and equipment | 1,881 | 9,636 | 204 | 5,992 |
| Gain on sale of marketable securities | - | 14,909 | - | 14,909 |
| Others | 4 | - | 4 | - |
| | 1,885 | 198,441 | 208 | 142,316 |

13. FINANCIAL CHARGES

| | | | | |
|--|---------|---------|---------|---------|
| Exchange loss | 361,374 | - | 181,023 | - |
| Mark-up on Workers' Profits Participation Fund | 17,448 | 6,836 | - | - |
| Mark-up on short-term running finance facilities | 40,610 | 67,109 | 31,585 | 52,579 |
| Mark-up on trade and other payables | 7,589 | 7,689 | 7,589 | 6,131 |
| Commission on guarantees | 48,552 | 33,208 | 23,960 | 18,002 |
| Bank charges for services | 43,785 | 35,862 | 24,859 | 24,216 |
| | 519,358 | 150,704 | 269,016 | 100,928 |

14. BASIC AND DILUTED EARNINGS PER SHARE

| | For the six months period ended March 31, 2009 | For the six months period ended March 31, 2008 | For the three months period ended March 31, 2009 | For the three months period ended March 31, 2008 |
|---|--|--|--|--|
| | (Rupees in '000) | | | |
| There is no dilutive effect on the basic earning per share of the Company, which is based on: | | | | |
| Profit for the period | 369,108 | 710,478 | 410,790 | 531,276 |
| | (Number of shares) | | | |
| Weighted average number of ordinary shares | 8,247,037 | 8,247,037 | 8,247,037 | 8,247,037 |
| | (Rupees) | | | |
| Basic and diluted earnings per share | 44.76 | 86.15 | 49.81 | 64.42 |

15. CASH GENERATED FROM OPERATIONS

| | Note | For the six months period ended March 31, 2009 | For the six months period ended March 31, 2008 |
|--|------|--|--|
| | | (Rupees in '000) | |
| Profit before tax | | 533,861 | 1,038,565 |
| Adjustment for non-cash expenses and other items: | | | |
| Depreciation and amortisation | | 107,319 | 102,071 |
| Provision for slow moving and obsolete inventories | | 4,395 | 32,847 |
| Provision for doubtful trade receivables | | 313,077 | 86,816 |
| Provision for Workers' Profit Participation Fund | | 29,954 | 57,497 |
| Profit on sale of property, plant and equipment | | (1,881) | (9,636) |
| Other non-current liabilities | | 679 | 1,560 |
| Long-term receivables and prepayments | | (16,256) | (53,630) |
| Retention money payable | | (278) | 33,664 |
| Financial charges | | 128,991 | 150,704 |
| Return on bank deposits and receivables | | (56,835) | (77,385) |
| Working capital changes | 15.1 | (4,131,665) | (2,253,434) |
| | | (3,088,639) | (890,361) |

15.1 Working capital changes

| | | | |
|---|--|-------------|-------------|
| (Increase) / decrease in current assets | | | |
| Inventories | | (652,962) | (654,543) |
| Trade receivables | | (5,159,236) | (4,163,455) |
| Other receivables | | 324,516 | (92,551) |
| | | (5,487,682) | (4,910,549) |
| Increase in current liabilities | | | |
| Trade and other payables | | 1,317,078 | 2,424,654 |
| Provisions | | 38,939 | 232,461 |
| | | 1,356,017 | 2,657,115 |
| | | (4,131,665) | (2,253,434) |

16. CASH AND CASH EQUIVALENTS

| | As at March 31, 2009 | As at March 31, 2008 |
|-----------------------------|----------------------|----------------------|
| | (Rupees in '000) | |
| Cash and bank balances | 1,478,753 | 2,425,483 |
| Short-term running finances | (3,227,710) | (3,834,189) |
| | (1,748,957) | (1,408,706) |

17. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Siemens AG (SAG), its subsidiaries and associates and other companies with common directorship with significant influence on such other companies, employees retirement benefit funds and key management employees. Transactions with related parties can be summarised as follows:

| | For the six months period ended March 31, 2009 | For the six months period ended March 31, 2008 |
|--|--|--|
| Note | (Rupees in '000) | |
| Parent company (SAG) | | |
| Sales of goods and rendering of services | 45,060 | 107,263 |
| Purchases of goods and receipt of services | 1,690,598 | 1,439,672 |
| Commission and allowances earned | 12,679 | 20,305 |
| Dividends | 327,067 | 327,067 |
| Associated companies | | |
| Sales of goods and rendering of services | 90,640 | 220,340 |
| Purchases of goods and receipt of services | 1,245,313 | 798,824 |
| Commission and allowances earned | 28,994 | 35,928 |
| Financial charges | 31,437 | 56,431 |
| Return on receivables | 8,984 | 1,313 |
| Others | | |
| Dividends | 30 | 30 |
| Contribution to employees retirement benefit funds | 34,994 | 15,000 |
| Compensation to key management personnel | 76,307 | 65,097 |
| | As at March 31, 2009 | As at September 30, 2008 (Audited) |
| | (Rupees in '000) | |
| Amounts due from | | |
| - associates | 122,182 | 984,050 |
| - others | 19,772 | - |
| | <u>141,954</u> | <u>984,050</u> |
| Amounts due to associates (including short-term running finances) | <u>4,412,389</u> | <u>1,687,992</u> |
| | For the six months period ended March 31, 2009 | For the six months period ended March 31, 2008 |
| | (Rupees in '000) | |
| 17.1 The details of compensation to key management personnel are as follows: | | |
| Short-term employee benefits | 82,129 | 56,612 |
| Post employment benefits | 4,577 | 1,693 |
| Other long-term benefits | 209 | 31 |
| (Reversal) / accrual for share based payments | (10,608) | 6,761 |
| | <u>76,307</u> | <u>65,097</u> |

17.2 Transactions with related parties were carried out on commercial terms and conditions and at prices agreed based on inter company prices. Shared services are charged by SAG at uniform rates to all locations in the region.

18. INFORMATION ABOUT BUSINESS SEGMENTS

| | Energy | Rotary machines and products | Industry automation and services | Other operations | Eliminations | Company as a whole |
|--|-------------------|------------------------------|----------------------------------|------------------|--------------------|--------------------|
| -----Rupees in '000----- | | | | | | |
| -----For the six months period ended March 31, 2009----- | | | | | | |
| REVENUE | | | | | | |
| External sales | 15,455,521 | 1,088,427 | 2,277,107 | 207,073 | - | 19,028,128 |
| Inter-segment sales | 1,641,367 | 162,683 | 73,344 | 377,674 | (2,255,068) | - |
| Total revenue | <u>17,096,888</u> | <u>1,251,110</u> | <u>2,350,451</u> | <u>584,747</u> | <u>(2,255,068)</u> | <u>19,028,128</u> |
| RESULT | | | | | | |
| Segment result | <u>616,060</u> | <u>67,180</u> | <u>(26,010)</u> | <u>(68,697)</u> | <u>-</u> | <u>588,533</u> |
| Unallocated corporate expenses | | | | | | <u>(47,777)</u> |
| Interest expense | | | | | | <u>(60,267)</u> |
| Return on bank deposits | | | | | | <u>53,372</u> |
| Taxation | | | | | | <u>(184,753)</u> |
| Profit for the period | | | | | | <u>369,108</u> |
| OTHER INFORMATION | | | | | | |
| Capital expenditure | <u>144,356</u> | <u>10,666</u> | <u>17,197</u> | <u>576</u> | <u>-</u> | |
| Depreciation and amortisation | <u>47,019</u> | <u>10,023</u> | <u>16,923</u> | <u>4,320</u> | <u>-</u> | |
| Non-cash expenses other than depreciation and amortisation | <u>(99)</u> | <u>(27)</u> | <u>42</u> | <u>10</u> | <u>-</u> | |
| -----As at March 31, 2009----- | | | | | | |
| ASSETS AND LIABILITIES | | | | | | |
| Segment assets | <u>19,233,912</u> | <u>1,815,610</u> | <u>2,016,238</u> | <u>732,844</u> | <u>-</u> | <u>23,798,604</u> |
| Unallocated corporate assets | | | | | | <u>4,505,346</u> |
| Consolidated total assets | | | | | | <u>28,303,950</u> |
| Segment liabilities | <u>12,838,978</u> | <u>1,018,266</u> | <u>1,490,019</u> | <u>278,632</u> | <u>-</u> | <u>15,625,895</u> |
| Unallocated corporate liabilities | | | | | | <u>6,515,512</u> |
| Consolidated total liabilities | | | | | | <u>22,141,407</u> |
| -----For the six months period ended March 31, 2008----- | | | | | | |
| REVENUE | | | | | | |
| External sales | 9,347,309 | 957,040 | 1,260,403 | 189,015 | - | 11,753,767 |
| Inter-segment sales | 428,941 | 166,510 | 55,302 | 352,721 | (1,003,474) | - |
| Total revenue | <u>9,776,250</u> | <u>1,123,550</u> | <u>1,315,705</u> | <u>541,736</u> | <u>(1,003,474)</u> | <u>11,753,767</u> |
| RESULT | | | | | | |
| Segment result | <u>942,465</u> | <u>64,948</u> | <u>84,451</u> | <u>(26,402)</u> | <u>-</u> | <u>1,065,462</u> |
| Unallocated corporate expenses | | | | | | <u>(78,797)</u> |
| Interest expense | | | | | | <u>(19,703)</u> |
| Return on bank deposits | | | | | | <u>71,603</u> |
| Taxation | | | | | | <u>(328,087)</u> |
| Profit for the period | | | | | | <u>710,478</u> |
| OTHER INFORMATION | | | | | | |
| Capital expenditure | <u>55,939</u> | <u>15,217</u> | <u>28,177</u> | <u>4,190</u> | <u>-</u> | |
| Depreciation and amortisation | <u>40,306</u> | <u>8,022</u> | <u>16,044</u> | <u>7,852</u> | <u>-</u> | |
| Non-cash expenses other than depreciation and amortisation | <u>1,566</u> | <u>168</u> | <u>(247)</u> | <u>(100)</u> | <u>-</u> | |
| -----As at September 30, 2008 (Audited)----- | | | | | | |
| ASSETS AND LIABILITIES | | | | | | |
| Segment assets | <u>13,839,386</u> | <u>1,517,220</u> | <u>1,928,789</u> | <u>639,723</u> | <u>-</u> | <u>17,925,118</u> |
| Unallocated corporate assets | | | | | | <u>6,850,264</u> |
| Consolidated total assets | | | | | | <u>24,775,382</u> |
| Segment liabilities | <u>11,777,042</u> | <u>1,115,411</u> | <u>1,517,081</u> | <u>233,062</u> | <u>-</u> | <u>14,642,596</u> |
| Unallocated corporate liabilities | | | | | | <u>3,844,529</u> |
| Consolidated total liabilities | | | | | | <u>18,487,125</u> |

- 18.1 Total sales include a sum of Rs 10,961.904 million (March 31, 2008: Rs 5,583.932 million) representing sales made in the region of UAE. The aggregate carrying value of segment assets in that region as at March 31, 2009 was Rs. 13,209.595 million (September 30, 2008: Rs 8,002.478 million). Capital expenditure aggregating to Rs 11.204 million was made in that region during the six months period ended March 31, 2009 (March 31, 2008: Rs 14.375 million).
- 18.2 In order to comply with the requirements of International Accounting Standard 14 'Segment Reporting' the activities of the Company have been grouped into four segments of related products and services. The energy segment mainly relates to supply and installation of transformers, switchboards, and other related power generation, transmission, and distribution equipment and related services. Rotary machines and product segment includes diesel generating sets, motors, alternators and drives etc. Industry automation and services segment includes designing, engineering and construction services in electrical field, mechanical field and information technology services. Other operations include supply and services of health care equipment.
- 18.3 The above mentioned segments do not necessarily match with the organisational structure of the Company.


18.4 Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of receivables, inventories and property, plant and equipment, net of allowances and provisions but do not include current and deferred income taxes. Segment liabilities include all operating liabilities and consist principally of accounts payable, advances and accrued and other liabilities.

19. GENERAL

- 19.1 The figures for the three months period ended March 31, 2009 and March 31, 2008 appearing in the profit and loss account have not been subject to limited scope review by the auditors.
- 19.2 Exchange gain arisen from conversion of foreign currency denominated purchase and sales transactions for the six months and three months period ended March 31, 2008, amounting to Rs 249.098 million and Rs 133.370 million respectively, has been reclassified from 'Other operating income' to 'Cost of sales'. This change was made for better presentation of transactions in the condensed interim financial statements of the Company.
- 19.3 These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on April 27, 2009.
- 19.4 The Board of Directors in their meeting held on April 27, 2009 have declared an interim cash dividend of Rs 30 per share (March 31, 2008: Rs 30 per share) amounting to Rs 247.411 million (March 31, 2008: Rs 247.411 million) for the six months period ended March 31, 2009. FCMP


Sohail Wajahat H. Siddiqui
Chief Executive Officer


Gerhard Wilcke
Chief Financial officer & Director