

Siemens (Pakistan) Engineering Co. Ltd

Annual Report 1998

Corporate Objectives

Our prime objective is to offer to our customers quality products and services at competitive prices to their complete satisfaction.

We constantly endeavor to maintain our position as market leaders and technology pace-setters in all areas of our operations and to continuously improve our efficiency and competitive strength.

To enhance their creativity and job satisfaction, we provide our employees, opportunity for personal development, limited only by their own ability and drive; we consider this to be an important means of achieving our corporate goals.

By continually improving our performance, we aim to generate earnings sufficient to ensure a secure future for the Company and to protect and increase shareholders' investment.

Local presence, backed fully by the high-tech engineering expertise of Siemens world wide, is our special strength. We are an integral part of national economy with a strong sense of responsibility to society and the environment.

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Company information

Board of Directors

Syed Babar Ali, Lahore, Chairman
Martin Sulger, Karachi, Managing Director
Karl Friedrich Hunke, Munich
Razi-ur-Rahman Khan, Karachi
Asadullah Khawaja, Karachi
Roll Schlotfeldt, Munich
Herbert Steffen, Erlangen (Until September, 1998)
Klaus Voges, Erlangen (Effective October, 1998)

Management

Martin Sulger Managing Director
Farhat Ali Systems & Projects Division
Daud Ansari Finance & Business Admn. Div. (Until September, 1998)
Tertius Vermeulen Finance & Business Admn. Div. (Effective October, 1998)
Pervez Iftikhar Telecommunication Division
Bakhtiyar Saeed Power Engineering Division
Sohail Wajahat Products and Services Division (Until February, 1998)
Hamiduddin Ahmed Products and Services Division (Effective March, 1998)

Auditors

Taseer Hadi Khalid & Company, Karachi

Legal Advisor

Syed Imran Bokhari, Lahore

Registered Office

B-72, Estate Avenue
Sind Industrial Trading Estates

Karachi - 75700

Corporate Structure**Managing Director****Divisions**

Telecommunication
 Systems & Projects
 Power Engineering
 Products & Services
 Finance & Business Administration

Business Units

Telecom Networks
 Private Networks
 Special Systems
 Siemens Nixdorf
 Medical Engineering
 Industrial Projects
 Rail Transportation System
 Solar
 Power Generation
 Transmission & Distribution
 Transformers
 Switchboards
 Diesel Generating Sets
 Motors & Alternators
 Standard Products
 Engg & Const. Services Traffic Control Systems IT Services

Central Depts.

Finance & Accounting
 Audit
 Central Comm Services

Corporate Depts.

Planning & Development
 Security General Services SITE Industrial Relations
 Human Resources
 Quality
 Communication

Joint Venture Partners of Siemens AG with Pakistan Telecommunication**Company Limited:**

Telephone Industries of Pakistan (Pvt.) Limited, Haripur
 Carrier Telephone Industries (Pvt.) Limited, Islamabad

Regional Offices:

Karachi, Lahore, Islamabad, Quetta, Peshawar

Directors' Report

Your Directors take pleasure in presenting their report and the audited accounts for the year ended 30 September, 1998 alongwith the Auditors' report.

(Rupees in thousand)

Net profit for the year after taxation	219,606
Unappropriated profit brought forward	64
Available for appropriation	219,670
Transfer to asset replacement reserve	(75,000)
Transfer to revenue reserve - general	(121,100)
Proposed final dividend @ 30%	(23,479)
Unappropriated profit carried forward	91

The earning per share (EPS) amounted Rs. 28.06

Mr. Mr. Herbert Steffen who had been on the Board since January 1, 1993 has resigned with effect from 30 September, 1998 due to change in his assignments. He has been replaced by Mr. Klaus Voges with effect from October 1, 1998. The Board acknowledges the valuable services of Mr. Steffen and welcomes Mr. Voges.

No material changes and commitments affecting the financial position of your

Special Systems

Our contract with Civil Aviation Authority for the expansion of ground-to-air communication system is in progress.

Siemens Nixdorf Information Systems

Siemens Nixdorf (SNI) Computer Systems were standardized in the telecommunication and banking organizations. We supplied Computers to Pakistan Telecom Company Limited and the National Bank of Pakistan for their country-wide operations. SNI, together with CTI, also obtained an order for computerised directory assistance service from PTCL for Islamabad region.

SYSTEMS & PROJECTS DIVISION

Sales	432 million - 42 %
New Orders	283 million - 34 %

Medical Engineering

Our latest state-of-the-art Sonoline Prima Ultrasound machine has been introduced in Pakistan, a large number of which have been supplied to the Health Department, Government of Punjab.

Latest diagnostic x-ray units were supplied to Children's Hospital, Lahore which are now under installation. Siemens new Servoventilator, SV-300 was introduced for the first time in Pakistan. Two units of which were installed at Aga Khan Hospital, Karachi.

Children's Hospital Project, Quetta, which includes civil works, engineering services and medical equipment, has been completed successfully and handed over to the Government of Baluchistan.

Maintenance contracts have also increased from the previous year and vigorous efforts are being made to increase them further in order to provide excellent after-sales service to our customers. Our Medical Technical Services unit is fully equipped to provide more than 95 % of the uptime to those customers who have entered into maintenance agreements with us.

Industrial Projects

The highlights of this unit during the year include completion of Bestway Cement Plant at Haripur which produces 3,300 tons per day, in which we executed the project including designing, engineering and developing process control software. Other projects where work is in progress include Instrumentation and Control System for Siddiqsons Tinning Line, first ever in Pakistan requiring precision dependent processing, electrical infrastructure for Port Qasim expansion, electrification, fire alarm and security system, emergency power etc. for State Bank Building at Muzaffarabad, and Fauji Foundation Head Office Building at Rawalpindi. Process Control and Visualisation for BASF Pakistan Limited incorporates latest control system based on our SIMATIC S7 and user friendly Software Win CC.

Solar

Solar energy is suited to the needs of the country. It can be installed in far flung areas where there is no road and no grid power or any other alternate source of power. We have installed Solar power supply systems for Microwave Repeater Stations on the Lahore-Islamabad Motorway. These systems are installed on the hilltops of Salt range near Kallar Kahar.

We have also supplied Solar Power to 360 emergency call boxes on the Lahore-Islamabad Motorway, which will help vehicles in distress. Siemens Solar System is also being used at the airfield built by-Lasmo Oil in Kirthar range of mountains near Sehwan Shareef (Sindh). The system supplies power to runway lights and beacon.

Rail Transportation System

There has not been any investment by Pakistan Railways, either in the field of rolling stock or in the field of Signaling. The Track Circuiting project for 94 stations is under execution and more than 50 % of the work has been completed while the work on other stations is under way.

POWER ENGINEERING DIVISION

Sales	1.089 million - 32%
New Orders	1.302 million + 30%

Power Generation

Kot Addu extension project (400 Mw) was completed and handed over to the new owners KAPCO. Construction of Rousch Power Plant, an IPP Project (412 MW) was proceeding well with successful commissioning of the two gas turbines but the Combined Cycle part and its commissioning had to be stopped due to the problems being faced by the customer.

A Service Center for Power Plants has been established which will ensure prompt attention to Power Plants service/maintenance requirements.

The Steam Turbine (7.5 Mw) at the National Refinery under commissioning is expected to be completed by December, 1998. The 4 MW Diesel Plant, part of the same project, is already in operation.

Transmission & Distribution

The new business was below-the target due to delays in KESC Sixth Power Project and reduced investment in the Private Sector. We succeeded in winning WAPDA's 500 kV Muzaffargarh Station con-

tract in consortium with another company. We are intensifying our efforts to get export business from the neighboring countries. First orders have been received. Among the ongoing projects, KESC's Fifth Power Project suffered delays due to delay in clearance of the consignments by KESC on account of their financial difficulties and right of way problems. This resulted in shortfall in the sales planned for this year. The Switchyards of Japan Power and Saba Power Projects are in commissioning stage.

Transformers

The loading of manufacturing capacities both of Distribution & Power Transformers was considerably reduced due to declining volume of business from main customers WAPDA and KESC and reduced investment in the private sector. The shortfall was compensated to some extent by export orders from Bangladesh and Kuwait. In case of Power Transformers the shortfall in the orders could be partially compensated through refurbishing jobs. We successfully completed the rebuilding of a 30 years old 80 MVA, 132/66 kV Transformer for KESC.

Switch boards

Due to the shrinking market and low level of investments we were below our target. Export orders helped to improve loading of the manufacturing capacity.

Supply of 250 Nos. Relay/Control Panels to WAPDA was the major order executed besides some other orders for switchboards for industrial projects.

The Paint Processing Plant has been completely upgraded and modernized based on Powder Coating Process, which will bring higher degree of automation and will ensure still better quality finish of the products.

PRODUCTS & SERVICES DIVISION

Sales	754 million + 60 %
New Orders	842 million + 46 %

Diesel Generating Sets

In spite of adverse prevailing economic and market conditions, we achieved increase in new orders and sales. "Food" and "Communication" businesses were especially targeted because these are growing market segments and the strategy proved effective. McDonald's the world renowned fast food chain, and Mobilink, the main GSM provider in the country, now have reliable power solutions from Siemens throughout Pakistan.

We have entered into a Licensing Agreement with Siemens A G for transfer of technology to manufacture new type of alternators, which will enhance the spectrum, and quality of our Diesel Generating Sets.

Motors and Alternators

The business of Motors & Alternators was affected due to shrinking retail market and the problems being faced by the cement, sugar and textile industries.

Due to lack of resources WAPDA could not continue the SCARP project leading to low sales of vertical hollow shaft motors.

To make up for the declining market volumes in the local market we increased our efforts to enhance exports and were successful in obtaining orders of air-conditioning fan motors from Gulf Region and have also made a successful beginning in Bangladesh.

Standard Products

The significant business in the year was supply of High Voltage Motors to the Karachi Water & Sewerage Board for the expansion of Dhabeji Pumping Station, which will ensure improved supply of water to Karachi. Industrial automation products such as Programmable Logic Controllers (PLC) and their varied applications also added to the already wide-ranging spectrum of this business. PLC - specific training is also being conducted for customers from different segments of industry.

The concept of industry-specific products is being introduced through marketing of special variable speed drives meant for sugar, cement, chemical and fiber industries and HVAC plants.

Ex-stock availability of low ranges of UPS upto 3000 VA rating has improved our share in this fast emerging market.

Engineering & Construction

Services/Traffic Control Systems

Information Technology Services

Engineering & Construction Services (ECS) has been successful this year in establishing Siemens Pakistan also as strong in mechanical construction & maintenance field as in the electrical and electronics field. Recognition of our competency in the field of mechanical construction for oil & gas, cement and power industry is in itself an achievement. We were successful in winning contracts for projects like PARCO mid country refinery near Multan, the Galadari Cement at Winder and the Habibullah Coastal Power project in Quetta. Our other major mechanical construction projects of the year are the Kunnar LPG Plant near Hyderabad, Rehabilitation & Expansion Project at Sui, Airconditioning of Data Darbar Complex at Lahore and maintenance works for the life time extension of gas turbines at the Kot Addu Power

Plant. In the area of Project Management and Engineering Design we also received an order for Siddiq Sons Tinning Line Project. In electrical construction works we secured a substantial share of project business. Major projects include Saba Power Plant near Lahore, Glaxo Wellcome and Abbott Pharmaceuticals at Karachi. In addition to the electrical and I&C maintenance jobs, we received orders for testing of protection relays and overhauling of HT motors of Hubco Power Plant. An Information Technology Service Group has been established. Besides providing in-house services, this group is also involved in Offshore Software Development for Siemens AG. Furthermore, Information Technology Group has also established a training facility especially for SAP (Systems, Applications and Products in Data Processing) to provide training to our customers besides our own employees.

In recognition of its performance in the previous year ECS was honored by Siemens to host the International ECS Conference 1998 which was attended by Managers of Siemens Companies from all over the world engaged in this field.

Notice of meeting

Notice is hereby given that the Fortysixth Annual General Meeting of the shareholders of Siemens (Pakistan) Engineering Company Limited will be held on Monday, January 4, 1999 at B-72, Estate Avenue, S.I.T.E., Karachi at 9:30 a.m. to transact the following business:

1. To confirm the minutes of the Annual General Meeting of the shareholders of the Company held on January 24, 1998.
2. To receive and adopt the audited accounts for the year ended 30 September, 1998 and reports of the directors and auditors thereon.
3. To declare the dividend.
4. To appoint auditors and to fix their remuneration.
5. To transact such other ordinary business as may be placed before the meeting with the permission of the Chair.

Notes:

1. The Share Transfer Books of the Company will remain closed from December 24, 1998 to January 5, 1999 (both days inclusive).
2. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of him/her. Proxy forms must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the meeting. A member shall not be entitled to appoint more than one proxy.

If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

Every proxy shall have the right to attend, speak and vote in the place of the member appointing him/her at the meeting.

A proxy must be a member.

By order of the Board

Karachi: December 12, 1998.

M. Haleem Khan
Company Secretary

Auditors' report to the members

We have audited the annexed balance sheet of Siemens (Pakistan) Engineering Company Limited as at 30 September 1998 and the related profit and loss account and cash flow statement, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and, after due verification thereof we report that:

(a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984:

(b) in our opinion:

(i) the balance sheet and profit and loss account, together with the notes thereon, have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied:

(ii) the expenditure incurred during the year was for the purpose of the company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account and the cash flow statement, together with the notes forming part thereof, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 September 1998 and of the profit and the changes in financial position for the year then ended; and

(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

TASEER HADI KHALID & CO.
Chartered Accountants

Karachi: 18 November, 1998

Balance Sheet
As at 30 September 1998

	Note	1998	1997
		(Rupees in '000)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
20,000,000 ordinary shares of Rs 10 each		200,000	200,000
		=====	=====
Issued, subscribed and fully paid-up capital	3	78,263	78,263
Reserves	4	1,087,669	891,569
Unappropriated profit		91	64
		-----	-----
		1,166,023	969, 896
REDEEMABLE CAPITAL	5	57,936	81,513
LONG-TERM LIABILITIES	6	35,598	5,572
DEFERRED LIABILITIES			
Provisions for employees			
- retirement gratuities	2.2	-	4,557
- long service bonus	2.3	8,043	7,633
		-----	-----
		8,043	12,190
CURRENT LIABILITIES			
Short-term loans	7	-	203,106
Current maturity of redeemable capital and long term liabilities	5	23,577	310,583
Short-term finances under mark-up arrangements	8	392,000	48,476
Creditors, accrued expenses and other liabilities	9	662,482	718,746
Provision for taxation	2.6&31	8,380	39,039
Unclaimed dividend		736	633
Proposed dividend		23,479	23,479
		-----	-----
		1,110,654	1,344,062
CONTINGENCY AND COMMITMENTS			
	11	-----	-----
		2,378,254	2,413,233
		=====	=====
TANGIBLE FIXED ASSETS			
Operating assets	12	376,318	24,942.10
Capital work-in-progress	13	7,919	88,200
		-----	-----
		384,237	337,621
DEFERRED TAXATION	2.6&14	15,613	4,116

LONG TERM LOANS	18	18,026	-
LONG-TERM TRADE DEBTS, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	2.8&15	127,420	58,080
CURRENT ASSETS			
Stocks	2.9&16	664,927	332,506
Trade debts	2.10&17	869.25	1,422,189
Loans & Advances	19	119.26	92,556
Trade deposits and short-term prepayments	20	35,565	13.81
Marketable Securities	21	4,750	10,000
Other receivables	22	72,957	31,200
Cash and bank balances	23	66,258	111,152
		-----	-----
		1,832,958	2,013,416
		-----	-----
		2,378,254	2,413,233
		=====	=====

The annexed notes form an integral part of these accounts.

M. Sulger
Chief Executive Officer

S. Babar All
Director

Profit and Loss Account
For the year ended 30 September 1998

	Note	1998	1997
		(Rupees in '000)	
Net sales	24	2,632,576	3,065,315
Less: Cost of goods sold	25	2,051,139	2,343,398
		-----	-----
Gross profit		581,437	721,917
Commission and allowances earned		64,410	76,742
		-----	-----
		645,847	798,659
Less: Selling and administration expenses	27	328,812	460,503
		-----	-----
Operating profit		317,035	460,503
Other income	28	4,450	8,963
		-----	-----
		321,480	469,466
Less:			
Financial charges (net)	29	43,172	144,301
Other charges	30	7,801	28,066
		-----	-----
		50,973	172,367
		-----	-----
Profit before taxation		270,512	297,099
Less:			
Taxation	31	50,906	76,491
		-----	-----
Profit after taxation		219,606	220,608
Unappropriated profit brought forward		64	235
		-----	-----
Available for appropriation		219,670	220,843
Appropriations			
Transfer to asset replacement reserve		75,000	55,200
Transfer to revenue reserve - general		121,100	142,100
Proposed final dividend 30% (1997: @30%)		23,479	23,479
		-----	-----
		219,579	220,779
		-----	-----
Unappropriated profit carried forward		91	64
		=====	=====

The annexed notes form an integral part of these accounts.

M. Sulger
Chief Executive Officer

S. Babar Ali
Director

Cash Flow Statement

For the year ended 30 September 1998

	Note	1998	1997
		(Rupees in '000)	
Cash flow from operating activities			
Cash generated from operations	32	466,417	267,031
Payments to employees gratuity fund		(9,925)	(10,437)
Payments to employees for long service bonus		(419)	(208)
Financial charges paid- (net)		(43,697)	(141,753)
Taxes paid		(93,062)	(116,212)
Long-term trade debts, deposits, prepayments and other receivables - (net)		(69,340)	(25,508)
Long term loans		(18,026)	-
Net cash inflow/(outflow) from operating activities		231,948	(27,087)
Cash flow from investing activities			
Capital expenditure		(107,473)	(153,445)
Proceeds from sale of fixed assets		3,966	5,199
Net cash (outflow) from investing activities		(103,507)	(148,246)
Cash flow from financing activities			
Proceeds (payment) from redeemable capital less repayments		(210,583)	172,030
Proceeds (payment) from long-term loans/liabilities		(69,974)	103,398
Short-term loans		(203,106)	203,106
Dividends paid		(23,376)	(23,612)
Net cash (outflow)/inflow from financing activities		(507,039)	454,922
Net increase/(decrease) in cash and cash equivalents		(1378,598)	279,589
Cash and cash equivalents at the beginning of the year		64,149	(215,440)
Cash and cash equivalents at the end of the year	33	(314,449)	(64,149)

The annexed notes form an integral part of these accounts.

M. Sulger
Chief Executive Officer

S. Babar Ali
Director

Notes to the Accounts for the year ended 30 September, 1998

1. Legal Status and Operations

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 manufacture, installation and sale of electronic and electrical capital goods and also executes projects under contracts.

2. Significant accounting policies

2.1 Accounting convention

These accounts are prepared under the 'historical cost' convention, except that certain long term local trade debts, deposits and other receivables are discounted to their present values.

2.2 Employees retirement benefits

The Company operates a defined benefit plan i.e. funded gratuity scheme for its regular permanent employees except expatriates. Contributions are made annually to the fund on the basis of actuarial recommendations at the rate of 8.33% of basic salary and cost of living allowance wherever applicable. An actuarial valuation is performed once every three years and the most recent actuarial valuation of the scheme was carried out at 30 September 1998, which reflected the fair value of the fund's assets and the liabilities at

Rs.154.834 million and Rs.149.768 million respectively. The actuarial valuation was carried out using "Projected Unit Credit Method". Main valuation assumptions used for actuarial valuation were as under:

- Expected average rate of increase in salaries 10% per annum in the long term.
- Long term rate of return on investment average 12% per annum.
- Withdrawal from service at 2% per annum upto age of 40 years.

In addition, the Company also operates a defined contribution plan i.e. Provident Fund for all its regular permanent employees. Contributions are made to the fund equally by the company and the employees at the rate of 10% of basic salary and cost of living allowance wherever applicable.

2.3 Provision for employees long service bonus

The Company accounts on accrual basis its obligations towards long service bonus payable to its employees who are expected to complete twenty five/forty years of service.

2.4 Warranty obligations

The Company accounts for its warranty obligations on accrual basis.

2.5 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred.

2.6 Taxation current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credit and tax rebates available, if any.

Deferred

The Company accounts for deferred taxation on all major timing differences using the liability method.

2.7 Tangible fixed assets and depreciation

Operating fixed assets are stated at cost less accumulated depreciation. Cost in relation to self manufactured fixed assets includes direct cost of materials, labour and applicable manufacturing overheads. Capital work-in-progress is stated at cost. Items costing Rs. 10,000 or less individually are not capitalized and charged off in the year of purchase. Depreciation is charged to profit and loss account applying the straight line method whereby the cost of an asset is written off over its estimated service life. The full annual rate of depreciation is applied on the cost of additions while no depreciation is charged on assets deleted during the year. Maintenance and normal repairs are charged to income as incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Profit or loss on sale or retirement of fixed assets is included in income currently.

2.8 Long-term trade debts, deposits and other receivables

Long-term trade debts, deposits and other receivables, except those on which mark-up is earned by the Company and utility deposits, are discounted to their present values. Consistent with prior years utility deposits are charged off over a period of five years. Certain government trade debts expected to be realised beyond one year have been additionally discounted.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value. Finished goods, both manufactured and purchased, are valued at average cost. Cost in relation to raw materials is arrived at on a moving average basis except components which are value at average cost. The cost of supply and erection contracts-in-progress, work-in-process, and finished goods includes direct materials, labour and applicable production overheads. Goods-in-transit are valued at actual cost accumulated to the balance sheet date. Net realisable value is arrived at by considering the depletion span and technical obsolescence of stocks and the replacement cost thereof. The cost of stores and spares is charged to income in the year of purchase.

2.10 Trade debts

Debts considered irrecoverable are written off and provision is made against those considered doubtful to recovery.

2.11 Research and development

Expenditure incurred on research and development and fixed assets acquired specifically for this purpose are charged to current year's income.

2.12 Foreign currencies

Assets and liabilities in foreign currencies are translated into rupees at the composite rates of

exchange prevailing at the balance sheet date. Foreign exchange gains and losses are included in income currently.

2.13 Revenue recognition

Sales are recognized when deliveries are made, goods are specifically contractually appropriated or services are rendered to customers. In case of export, sales are recorded when goods have been shipped. Commission income is recognised on receipt of credit. Revenue from long term construction contracts is recognized on the percentage of completion method. Contract revenue and contract costs relating to construction contracts are recognized as revenue and expenses respectively by references to stage of completion of contract activity at the balance sheet date. Stage of completion is determined on the basis of evaluation made by the customer, consultant or engineer. Expected losses on contracts are recognized as an expense immediately. In respect of certain sales contracts, the price differentials are accounted for in the year in which they are finally determined.

Refunds of customs duty/duty draw back for goods exported or supplied against international tenders are accounted for on receipt basis and credited to purchases.

2.14 Marketable Securities

Marketable securities are valued at lower of cost or market value.

3. Issued, Subscribed and fully paid-up capital

	1998	1997
	(Rupees in '000)	
Ordinary shares of Rs 10 each		
2,118,300 issued for cash	21,183	21,183
81,700 issued for consideration other than cash	817	817
4,099,480 issued for cash as right shares	40,995	40,995
1,526,800 issued as bonus shares	15,268	15,268
-----	-----	-----
7,826,280	78,263	78,263
=====	=====	=====

Siemens Aktiengesellschaft, Germany held 4,973,680 ordinary shares (1997:4,973,680 ordinary shares) of Rs. 10 each of the Company as at 30 September, 1998.

4. Reserves

	1998	1997
	(Rupees in '000)	
Movement in and composition of reserves is as follows:		
Capital reserves		
Share premium		
At the beginning and end of the year	24,969	24,969
Other		
At the beginning and end of the year	4,300	4,300
	-----	-----
	29,269	29,269
Revenue reserves		
Asset replacement reserve		
At the beginning of the year	263,200	208,000
Transfer from profit and loss appropriation account	75,000	55,200
	-----	-----
At the end of the year	338,200	263,200
General		
At the beginning of the year	599,100	457,000
Transfer from profit and loss appropriation account	121,100	142,100
	-----	-----
At the end of the year	720,200	599,100
	-----	-----
	1,058,400	862,300
	-----	-----
	1,087,669	891,569
	=====	=====

5. Redeemable capital (non-participatory)

Secured			
National Investment Trust Limited	5.1	81,513	102,096
ABN AMRO Bank		-	190,000
		-----	-----
		81,513	292,096
Less: Current maturity of redeemable			

capital shown under current liabilities	23,577	210,583
	-----	-----
	57,936	81,513
	=====	=====

5.1 The Company has entered into an Investment Agreement with National Investment Trust Limited (NIT) for the sale and repurchase of 'investment property' under which the Company has issued in favour of NIT or their nominee 'term finance certificates' (TFCs) of the amount of purchase price payable to NIT as referred to in paragraph 5.1.2 below.

5.1.1 Under the investment Agreement, the Company had agreed to sell the investment property, when acquired, to NIT for a sum of Rs. 150 million.

5.1.2 The Company had also agreed to purchase the 'investment property' from NIT for a sum of Rs. 307.569 million. The balance remaining is redeemable in six semi-annual installments of Rs. 17.113 million each.

5.1.3 The TFCs are secured by an unconditional guarantee issued by Deutsche Bank, Karachi, which is in turn secured by the Company's counter guarantee and equitable mortgage of Company's immovable properties.

5.2 In view of the substance of the transactions, sale and repurchase of assets referred to above and in note 8 below have not been recorded in these accounts.

1998 1997
(Rupees in '000)

6. Long-term liabilities

Long- term loan - secured from Mashreq Bank	-	100,000
Less: Current maturity of long-term loan shown under current liabilities	-	100,000
Long-term retention money	35,598	5,572
	-----	-----
	35,598	5,572
	=====	=====

7. Short-term loans

Un- secured	-	203,106
	=====	=====

8. Short-term finances

(Under mark-up arrangements and accrued mark-up thereon) from banking companies

Running finances including export refinance	8.1 & 8.2	380,707	47,003
Accrued mark-up		11,293	1,473
		-----	-----
		392,000	48,476
		=====	=====

8.1 Running finances - secured

The Company has arranged short-term running finances from various banks. Under these arrangements the aggregate sale price of Rs. 1025.600 million (1997:Rs. 772.767 million) represents funds made available from different banks against which the aggregate purchase price (net of prompt payment rebates) eventually payable to those banks on or before 30 September, 1998 has been determined to be Rs. 1172.270 million (1997: Rs. 794.588 million). The mark-up on these short-term running finances ranges between Rs. 0.3836 to Rs. 0.4384 per Rs. 1,000 per diem or part thereof on the price outstanding. If the Company makes default in repaying the above aggregate purchase price by their respective due dates then the aggregate purchase price will increase to Rs. 1291.487 million (1997: Rs. 895.987 million). Finances under mark-up arrangements are secured by the joint hypothecation of stocks of finished goods, work-in-process, raw materials, components and present and future trade debts.

8.2 Other facilities granted by the banks and amounts remaining unutilized thereof as at 30 September, 1998 are as follows:

1998 1997
(Rupees in '000)

Export refinance (including for supplies against international tenders)			
- limit		66,500	20,000
		=====	=====

- unutilized portion	-	20,000
	=====	=====
Letters of credit		
- limit	709,232	926,718
	=====	=====
- unutilized portion	667,300	794,207
	=====	=====
Guarantees		
- limit	2,180,499	3,072,745
	=====	=====
- unutilized portion	1,001,243	1,476,386

1998 1997
(Rupees in '000)

9. Creditors, accrued expenses and other liabilities

Creditors	244,897	269,192
Accruals		
- For contract obligations	153,577	122,627
- Others	188,839	183,916
Unexpired portion of maintenance contracts	3,226	2,869
Bills payable	5,654	17,772
Accrued interest on unsecured loan	-	4,958
Accrued interest on secured loan	-	4,693
Accrued mark-up on redeemable capital	2,863	4,599
Warranty obligations and other contingencies	5,837	52,345
Sales tax	11,219	10,367
Provision for penalty	1,000	1,000
Workers' profits participation fund	10	14,506
Workers' welfare fund	4,628	5,932
Other liabilities	26,104	22,223
Central excise duty	132	220
	-----	-----
	662,482	718,746
	=====	=====

Amount payable to associated undertakings included in creditors, accrued expenses and other liabilities	11,520	44,476
	=====	=====

10. Workers' profits participation fund

Balance at the beginning of the year	16,033	20,400
Add: Interest paid on funds utilized in Company's business	909	1,874
	-----	-----
	16,942	22,274
Less: Amount paid to fund's trustees	16,942	22,274
	-----	-----
	-	-
Add: Amount allocated for the year	14,506	16,033
	-----	-----
Balance at the end of the year	14,506	16,033
	=====	=====

11. Contingency and commitments

11.1 At 30 September, 1998 capital expenditure contracted for but not incurred amounted to Rs. 7.653 million (1997: Rs.43.115 million).

11.2 The Company has acquired certain plant and machinery, equipment and vehicles on lease. Commitments for minimum lease payments under such non-cancellable operating leases entered into by the Company are as follows:

Year		
1998-99	1,495	1,564
	=====	=====

11.3 The company has entered into forward exchange contracts with principal sums amounting to Rs. 36.240 million (1997: Rs. 341.384 million) to hedge foreign currency payables which are due within the next 6 months. Unamortised premium at balance sheet date arising from these contracts which will be charged to profit and loss account in the subsequent period amounted to Rs. 1.197 million (1997: Rs. 3.765 million).

12. Operating assets

Rupees in thousand

	Cost at 01 October 1997	Additions/ (deletions)	Cost at 30 September 1998	Accumulated depreciation 01 October 1997	Accumulated depreciation at 30 September 1998	Net book value at 30 September 1998	Depreciation for the year Rates as a % of cost	Amount
Leasehold lands	53,149	-	53,149	8,737	10,066	43,083	2.5	1,329
Buildings on leasehold lands	144,611	79,383	223,994	20,897	26,750	197,244	2.5&10	5,855
Plant and machinery	131,434	62,441 (4,922)	188,953	94,051	98,693	90,260	10.20&25	15,858
Tools and patterns	62,897	1,770 (205)	64,462	60,769	63,578	884	50	3,014
Furniture and equipment	121,643	32,934 (6,158)	148,419	93,036	110,044	38,375	20&33.3	23,587
Transport	38,615	11,227 (5,323)	44,519	25,438	38,047	6,472	25&50	10,275
1998	552,349	187,755 (16,608)	723,496	302,928	347,178	376,318		59,918
1997	439,143	126,717 (13,511)	552,349	265,534	302,928	249,421		48,315

2.1 Details of disposal of some operating assets during the year:

(Rupees in '000)

Original Cost	Net Book Value	Sale Proceeds	Mode of Disposal	Name and address of purchaser
Plant & Machinery				
696	139	139	Transferred to stocks	
Furniture & Equipment				
279	99	0	Scrapped/Written off	
113	76	24	Negotiation	Mr. Mushtaq A. Sheikh Site Office, Abdul Hakim
29	19	10	Negotiation	Mr. Nadeem A. Shahid Executive
74	49	24	Negotiation	Mr. Aijaz Lahore
191	108	92	Tender	M/s. J&K Enterprises Suraj Ganj Bazar, Quetta
125	0	1	Auction	Mr. Rashid Umar Executive
26	5	3	Negotiation	Mr. Ahmed Hussain E218 GTPS, Kapco Colony
95	19	25	Trade in	South Technology Services Block 6, PECHS, Karachi
16	13	6	Negotiation	Mian Aneesuddin Executive
5	0	0	Negotiation	Mr. Rashid Umar Executive
20	0	0	Company Policy	Mr. A Rahim Executive
20	0	0	Company Policy	Mr. Kamil Siddiqui Executive
20	0	0	Company Policy	Mr. Ishtiaque-ul-Haque Executive
20	0	0	Company Policy	Mr. I.U. Haque Executive
20	0	0	Company Policy	Mr. S.P. Alam Executive
20	0	0	Company Policy	Mr. Shahid Ahmed Executive
20	0	0	Company Policy	Mr. Mehboob Mir Executive
20	0	0	Company Policy	Mr. S. Akhtar Hussain Former Executive
20	0	0	Company Policy	Mr. Faheem Ahmed Executive

20	4	4 Company Policy	Mr. Rana Sadiq Former Executive
20	8	8 Company Policy	Mr. Shujaat Hussain Former Executive
20	12	12 Company Policy	Mr. Saleem Mandviwalla Former Executive

Transport

610	0	122 Negotiation	Mr. Ilyas Executive
300	0	216 Negotiation	Mr. Zubair Minto Executive
501	376	530 Insurance Claim	EFU. General Insurance Business Plaza, Karachi

1998 1997
(Rupees in '000)

13. Capital work-in-progress

Building under construction	-	79,912
Plant, machinery and equipment under installation	7,297	7,790
Others	622	498
	-----	-----
	7,919	88,200
	=====	=====

14. Deferred taxation

This is composed of the following:

Debit balances arising in respect of provisions for		
- employees retirement gratuities	-	137
- employees long service bonus	2,413	229
- other liabilities and accruals	3,040	1,700
- doubtful debts and trade deposits	9,453	1,541
Discounting of long-term trade debts and security deposits	8,748	394
Balance arising due to accelerated tax depreciation allowances	(8,041)	115
	-----	-----
	15,613	4,116
	=====	=====

15. Long-term trade debts, deposits, Prepayments and other receivables

Trade debts		
Considered good - unsecured		
Others	154,211	69,414
Less: Discounting	29,160	13,126
	-----	-----
	125,051	56,288
Security deposits	1,595	1,758
Non-current portion of prepaid rentals	774	34
	-----	-----
	127,420	58,080
	=====	=====

16. Stocks

Raw materials and components	273,774	291,147
Goods-in-transit	34,881	97,614
Work-in-process	161,605	118,609
Supply and erection contracts-in-progress	484,717	372,112
Finished goods	76,014	141,853
	-----	-----
	1,030,991	1,021,335
Less: Advances from customers	366,064	688,829
	-----	-----
	664,927	332,506
	=====	=====

17. Trade debts

Considered good		
Secured	60,592	77,174

Unsecured		
Due from associated undertakings	44,380	117,173
Others	764,274	1,227,842
	-----	-----
	808,654	1,345,015
	-----	-----
	869,246	1,422,189
Considered doubtful - others	29,401	49,638
	-----	-----
	898,647	1,471,827
Less: Provision for doubtful debts	29,401	49,638
	-----	-----
	869,246	1,422,189
	=====	=====
The maximum amount due at the end of any month during the year from associated undertakings	119,986	117,173
	=====	=====

18. Long term loans

Considered good

This amount represents loans given to Company's executives.

18,026	-
=====	=====

19. Loans & advances

Short term loans to:

Executives	5,695	-
Other employees	36	19
	-----	-----
	5,731	19

Considered good

Advances to:

Associated Undertakings	-	212
Suppliers	107,151	86,441
Others	3,858	3,481

Advances to

Executives	1,196	197
Other employees	1,319	2,206
	-----	-----
	2,515	2,403
	-----	-----
	119,255	92,556
	=====	=====

The maximum amount due at the end of any month during the year from

Executives	10,657	4,122
	=====	=====

20. Trade deposits and short-term prepayments

Trade deposits	33,699	11,110
Short-term prepayments	3,976	4,306
	-----	-----
	37,675	15,416
Less: Provision for doubtful trade deposits	2,110	1,603
	-----	-----
	35,565	13,813
	=====	=====

1998 **1997**
(Rupees in '000)

21. Marketable securities - listed

Japan Power Generation Limited.	10,000	10,000
Less: Provision to bring at market price	(5,250)	-
	-----	-----
1,000,000 ordinary shares of Rs. 10 each.	4,750	10,000
	=====	=====

Market price of the above mentioned securities as at 30 September, 1998 was Rs. 4.750 million. 1997: Rs. 10.450 million)

22. Other receivables

Due from		
Associated undertakings	21,047	20,956
Income tax refund receivable	37,807	-
Others	14,072	9,083
Interest/mark-up receivable	31	1,161
	-----	-----
	72,957	31,200
	=====	=====

The maximum amount due at the end of any month during the year from associated undertakings	58,223	31,990
	=====	=====

23. Cash and bank balances

Cheques in hand	29,424	54,199
Balances with banks		
Current accounts	22,833	22,520
Deposit accounts	14,001	34,433
	-----	-----
	66,258	111,152
	=====	=====

24. Net sales

Gross sales		
Local	2,226,561	2,570,364
Export - Goods	90,070	47,530
Export -Services	60,048	61,330
Export -International Tenders	256,790	387,697
	-----	-----
	2,633,469	3,066,921
Less: Commission Paid	(893)	11,606)
	-----	-----
	2,632,576	3,065,315
	=====	=====

25. Cost of goods sold

Opening stock of finished goods	141,853	85,389
Cost of goods manufactured and services rendered - Note 26	1,959,886	2,223,166
Finished goods purchased	25,413	176,696
	-----	-----
	2,127,152	2,485,251
Less: Closing stock of finished goods	(76,013)	141,853
	-----	-----
Cost of goods sold	2,051,139	2,343,398
	=====	=====

26. Cost of goods manufactured and services rendered

Opening stock		
Raw materials and components	291,147	310,912
Goods-in-transit	97,614	115,528
Work-in-process	118,609	124,617
Supply and erection contracts-in-progress	372,112	368,329
	-----	-----
	879,482	919,386
Purchases	1,511,870	1,640,705
Salaries, wages and employees welfare cost	276,547	270,029
Fuel, power and water	67,039	47,597
Repairs and maintenance	33,698	29,599
Stores and spares	8,182	10,595
Rent, rates and taxes	14,346	5,933
Rentals of non-cancellable operating leases	3,851	11,790
Insurance	11,347	17,886
Depreciation	40,750	34,348
Travelling and conveyance	57,144	58,920
Stationery, telex and telephone	32,367	32,620
Other manufacturing expenses	39,127	44,776
	-----	-----
	2,975,750	3,124,184
Less: Closing stock		
Raw materials and components	273,774	291,147
Goods-in-transit	34,882	97,614
Work-in-process	161,605	118,609

Supply and erection contracts-in-progress	484,717	372,112
	-----	-----
	954,978	879,482
	-----	-----
	2,020,772	2,244,702
Less:		
Transfers to fixed assets	49,044	4,786
Services charged and expenses allocated to selling and administration	4,191	998
Sale of scrap net of sales tax	7,537	15,187
Services charged and expenses allocated to research and development	114	565
	-----	-----
	60,886	21,536
	-----	-----
	1,959,886	2,223,166
	=====	=====

1998 **1997**
(Rupees in '000)

27. Selling and administration expenses

Salaries, wages and employees welfare cost	27.1	131,133	133,185
Fuel, power and water		11,166	11,271
Repairs and maintenance		12,911	10,183
Advertising and sales promotion		5,209	2,922
Rent, rates and taxes		9,089	11,826
Rentals of non-cancellable operating leases		2,943	6,132
Insurance		3,869	4,056
Auditors' remuneration - note 34		1,291	772
Liquidated damages for late deliveries net of recoveries		10,057	9,508
Provision for doubtful debts, trade deposits and other receivables		(19,730)	(3,258)
Depreciation		19,168	13,967
Travelling and conveyance		28,389	32,474
Transportation charges		50,093	58,012
Stationery, telex and telephone		33,703	31,701
Donations - note 36		59	143
Other expenses		26,693	20,237
Recovered expenditure		(1,422)	(5,973)
Services charged and expenses allocated by manufacturing units		4,191	998
		-----	-----
		328,812	338,156
		=====	=====

27.1 Salaries, wages and employees welfare cost shown under cost of goods manufactured and services rendered (note 26) and selling and administration expenses (note 27) includes:

- Gratuity	5,368	(13,057)
	=====	=====
- Provident fund	11,187	10,379
	=====	=====

28. Other income

Profit on sale of fixed assets	3,026	2,609
Balances no longer payable written back	1,043	4,019
Others	381	2,335
	-----	-----
	4,450	8,963
	=====	=====

29. Financial charges (net)

Interest/mark-up		
- on long-term loan	-	12,117
- on workers' profits participation fund	909	1,874
	-----	-----
	909	13,991
Mark-up on redeemable capital	33,140	32,177
Mark-up on short-term finances	45,902	67,866
Charges on finances under export refinancing scheme	5,656	-
Exchange loss/(gain)	(32,635)	35,923
Commission on guarantees	5,585	5,234

Bank charges for services	4,683	6,151
Excise duty on short-term finances	-	4,160
	-----	-----
Gross financial charges	63,240	165,502
Less: Financial income		
Mark-up from trade debtors		
- associated undertakings	58	14,352
- others	17,858	2,489
Income on amounts placed with banks		
- under special arrangements	1,509	-
- under deposit account	600	4,360
Interest/mark-up on other receivables	43	-
	-----	-----
Total financial income	20,068	21,201
	-----	-----
Net financial charges	43,172	144,301
	=====	=====

30. Other charges

Research and development	863	386
Provision for contingent loss - Note 30.1	(27,800)	-
Discounting of long-term trade debts and deposits	16,034	5,987
Workers' profits participation fund	14,506	16,033
Workers' welfare fund	4,198	5,660
	-----	-----
	7,801	28,066
	=====	=====

30.1 Provision for contingent loss provided in 1992 has been reversed on the basis of legal opinion.

31. Taxation

Current		
For the year	63,072	82,662
For prior years	(669)	(9,441)
	-----	-----
	62,403	73,221
Deferred		
For the year	(20,012)	(166)
For prior years	8,515	3,436
	-----	-----
	(11,497)	3,270
	-----	-----
	50,906	76,491
	=====	=====

31.1 The income tax assessment of the company have been finalised upto and including assessment year 1997-98 (income year 1995-96). Appeals for income years from 1986-87 to 1997-98 mainly relating to disallowances are pending before various Appellate Authorities against which full tax provision have been made.

1998 1997
(Rupees in '000)

32. Cash generated from operations

Profit before taxation	270,512	297,099
Adjustment for non cash charges and other items:		
Depreciation	59,918	48,315
(Profit) on sale of fixed assets	(3,026)	(2,609)
Provision Ibr employees retirement gratuities	5,368	13,057
Provision Ibr employees long service bonus	828	659
Financial charges (net)	43,172	144,301
Working capital changes - note 32.1	89,645	(233,791)
	-----	-----
	466,417	267,031
	=====	=====

32.1 Working capital changes

Decrease/(increase) in current assets		
Stocks	(332,421)	132,693
Trade debts	552,943	(422,977)
Loans & Advances	(26,699)	(41,857)
Trade deposits and short-term prepayments	(21,752)	19,774

Marketable Securities	5,250	-
Other receivables	(42,887)	(17,534)
	-----	-----
	134,434	(329,901)
(Decrease)/increase in current liabilities		
Creditors, accrued expenses and other liabilities	(44,789)	96,110
	-----	-----
	89,645	(233,791)
	=====	=====

33. Cash and cash equivalents

Cash and bank balances-note 23	66,258	111,152
Short-term finances under mark-up arrangements-note 8	(380,707)	(47,003)
	-----	-----
	(314,449)	64,149
	=====	=====

34. Auditors' remuneration

Audit fee	380	328
Tax representation and advisory services	535	135
Special reports and certifications, audits of workers' profits participation/gratuity funds and other services	290	200
Out of pocket expenses	85	75
Central excise duty and provincial levy	-	34
	-----	-----
	1,290	772
	=====	=====

1998 1997
(Rupees in '000)

35. Long term construction contracts

Contract revenue for the year	400,313	564,786
	=====	=====
Contract costs incurred	599,507	473,667
	=====	=====
Recognized profit to date	50	71,486
	=====	=====
Advances received	75,130	128,993
	=====	=====
Retention money receivable	78,354	5,876
	=====	=====
Unbilled cost	250,619	38,517
	=====	=====
Receivables against contract revenue	133,401	100,635
	=====	=====

36. Donations

No director or his spouse has any interest in the donee's fund.

37. Penalties

The Company has paid Rupees Six Thousand Two Hundred Fifty as penalty during the year to the Collector of Customs, Govt. of Pakistan. (1997: NIL)

38. Remuneration of Chief Executive, Alternate Directors and Executives

The aggregate amounts charged in the financial statements in respect of remuneration and fringe benefits of the chief executive, and executives of the Company are as follows:

	1998		1997	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in '000)		(Rupees in '000)	
Managerial remuneration	2,522	158,886	2,416	145,902
Retirement benefits and company's contribution to provident fund	-	7,593	-	6,583
Perquisites and benefits:				
Rent, utilities and maintenance	198	3,667	198	7,436
Group insurance	-	538	-	481
Club subscriptions	15	132	21	88
Long service bonus	-	447	-	785

Medical expenses and leave fares	96	3,986	10	4,348
	-----	-----	-----	-----
	2,831	175,249	2,645	165,623
	=====	=====	=====	=====
Number of persons	1	415	1	366
	=====	=====	=====	=====

38.1 In addition to the above remuneration and fringe benefits of twenty two (1997: Thirty Nine) expatriate executives hired for certain projects amounted to Rs. 7 million (1997: Rs 8 million).

38.2 The aggregate amount charged in these accounts in respect of directors' fee paid to nine directors (1997: eight directors) was Rs. Seven Thousand Five Hundred Only (1997: Rs. Eight Thousand). It includes fees paid to three alternate directors (1997: three alternate directors) Rs. Two Thousand Five Hundred Only (1997: Rs. Three Thousand Five Hundred (1997: Rs. Three Thousand Five Hundred Only)).

38.3 The Chief Executive and sixty three executives (1997: forty six) have been provided with free use of Company's cars and Chief Executive has also been provided with Company's owned and maintained unfurnished accommodation.

38.4 The Chief Executive and one hundred and eight executives (1997: one hundred and twenty eight) have been provided with telephone facility at their residences.

	1998	1997
	(Rupees in '000)	
39. Transactions with associated undertakings		
Sales	178,080	287,448
	=====	=====
Purchases	136,978	133,776
	=====	=====
Commission and allowances earned	57,600	66,634
	=====	=====
Financial income	58	14,352
	=====	=====
Recovered expenditures	1,153	5,300
	=====	=====
Commission paid	229	691
	=====	=====

40. Plant capacity and actual production

	Sanctioned/ Installed Capacity	Actual Production 1998	Actual Production 1997
Electric motors	300,000 HP	75,410 HP	129,411 HP
Motors controlgears and controlboards	150,000 HP	-	12,650 HP
Electric transformers	2,000 MVA	554 MVA	1,298 MVA
Generating sets	40,000 KVA	15,674 KVA	11,400 KVA
Switchgears and distribution boards	4,500 Nos.	1,189 Nos.	2,335 Nos.
Electro-medical equipment	350 Nos.	4 Nos.	15 Nos.

The under utilization of capacity is mainly attributed to reduced demand owing to recession and imports by the private and public sectors.

41. Year 2000 compliance of computer systems

The Company has considered the impact of year 2000 issues on its computer systems and applications and developed a remediation plan which will be implemented by September, 1999.

42. Fair value of financial assets and liabilities

The company's financial assets and liabilities included in current assets and liabilities on the balance sheet are carried at amounts that approximate fair value.

43. Interest rate risk management

Interest rate risk arises from the possibility, that changes in interest rates will affect the value of financial instruments. The company is exposed to interest rate risk in respect of following:

	(Rupees in '000)			
Interest rate sensitivity position	Less than one month	One month to one year	Over one year	Total
Assets				
Cash and bank balances				
-deposit account (rate of mark-up 9%)	14,001	-	-	14,001
	=====	=====	=====	=====
Liabilities				

Running finance/export refinance				
under mark - up arrangements	179,207	201,500	-	380,707
	=====			

44. Credit risk and concentrations of credit risk

The company endeavours to cover the credit risks on government sector trade debts by restricting credit facility to the projects which are financed by multilateral financial institutions and/or financed by special allocation of funds by the provincial / federal governments.

Credit risk on private sector is covered to the maximum extent possible through legally binding contracts with availability of adequate finance for the project from the sponsors and lenders.

The sector wise analysis of the trade receivables is given below:

Government sector	(Rupees in '000) %	
Energy	382,449	34.23
Communication	17,107	1.53
Aviation	30,564	2.74
Health	25,367	2.27
Mining	19,768	1.76
Others	42,610	3.82
	-----	-----
Sub-total	517,865	46.35
Private sector		
Energy (including Independent Power Producers)	183,959	16.47
Cement Industry	28,871	2.58
Communication	20,397	1.83
Dealers and agents	66,008	5.91
Foreign trade	83,649	7.48
Others	216,510	19.38
	-----	-----
Sub-total	599,394	53.65
	-----	-----
Total	1,117,259	100.00
	=====	=====

Above analysis also includes advances to suppliers and trade deposits.

45. Comparative figures

Prior year figures have been reclassified, wherever necessary, for the purposes of comparison.

M. Sulger	S. Babar Ali
Chief Executive Officer	Director

Pattern of Shareholding as at 30 September, 1998

Number of Shareholders	Shareholding		Total Shares held
	From	To	
339	1	100 shares	13,600
562	101	500 shares	123,440
56	501	1,000 shares	39,940
43	1,001	5,000 shares	88,250
6	5,001	10,000 shares	37,750
2	10,001	15,000 shares	22,660
1	25,001	30,000 shares	28,200
1	30,001	35,000 shares	32,000
1	35,001	40,000 shares	37,520
1	270,001	275,000 shares	273,330
1	2,155,001	2,160,000 shares	2,155,910
1	4,970,001	4,975,000 shares	4,973,680
	-----	-----	-----
1,014		Total	7,826,280
	=====	=====	=====

Categories of Shareholders	Number	Shares held	Percentage
----------------------------	--------	-------------	------------

Individuals	1,001	296,640	3.7
Investment Companies	2	2,160,980	27.6
Insurance Companies	5	339,260	4.3
Joint Stock Companies	3	5,012,610	64.0
Financial Institutions	1	3,800	0.1
Modaraba Companies	1	1,200	0.1
Others			
1) Habib Bank Limited	1	11,790	0.2
A/c. Mohammad Amin			
Wakf Estate			
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	1,014	7,826,280	100%
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LOCALLY MANUFACTURED PRODUCTS AND SERVICES

TELECOMMUNICATION:

Services

- * Installation and Commissioning of Public digital exchanges (EWS) and Mobile Switching Centers (D 900)
- * Operation and maintenance support providing round the clock technical assistance for EWS and D 900 Switching Systems.
- * Network management services for PSTN and Mobile networks.
- * Expert services for SDH and Digital Microwave Radio equipment.
- * Training centre for Switching and Transmission networks for Siemens and customers.

Products

Manufacturing is carried out at Siemens joint ventures Telephone Industries of Pakistan (Pvt.) Ltd., (TIP), Haripur and Carrier Telephone Industries (Pvt.) Ltd., (CTI), Islamabad. Both factories carry out majority of equipment repair locally. Following products are produced locally:

- * Digital Switching System EWS
- * Containers for Digital Switching Systems
- * Telephone sets
- * Digital Microwave Radio System CTR 210 & PCM 30 Transmission equipment
- * SDH transmission equipment & Thyristor Controlled rectifier panels for telephone exchanges upto 200A for 48V and 60V, battery panels upto 1500 A.H.

SYSTEMS AND PROJECTS:

Services

We offer economical and complete solution to customers for execution of projects on turnkey basis, inclusive of engineering, supplies, construction, software development and application, installation, commissioning, project management, customer training and long term maintenance.

Products:

X-ray equipment

- * Design and manufacture of stationary medical diagnostic X-ray units upto 500 mA with bucky table.

Railway signaling equipment

- * Complete design and manufacture of system and power supply Racks for Auto Block, Tokenless and Track Circuiting Systems. Completely wired Track Cabinets, Control and Indication panels, and Assembly of Signal Groups.

POWER ENGINEERING

Services

Repair of power transformers upto 100 MVA

Service Centre

Our service center provides technical support and services for almost all areas of Power Plant including:

- * Minor and major inspections
- * Overhauls
- * Routine and schedule maintenance
- * Maintenance contracts
- * Calibration of instruments
- * Condition monitoring
- * Vibration analysis
- * Electrical and I & C Systems

Products

Transformers

- * Distribution transformers
- * Power transformers upto 220 kV/60 MVA
- * 11 kV auto transformers with OLTC for use as Voltage Stabilizers
- * Furnace transformers
- * Reactors
- * Neutral earthing transformers
- * Repair of power transformers upto 100 MVA

Low Voltage switchboards

- * Switchboards upto 6300 Amps upto 100 kA
- * Motor Control Centers, fixed or draw out
- * Hard wired or programmable logic controls
- * Starter units
- * Special switchboards e.g. marine type according to various classification societies
- * Controlgear for thyristor fed DC drives
- * Controlgear for variable speed AC drives
- * Power factor improvement plants
- * Relay and Control Panels for 132/220/500 kV switchyard

Instrumentation and control panels

- * Open-loop & closed-loop control panels with PLCs (SIMATIC) for automation and control
- * Control desk in mosaic technique
- * Software

High voltage switchboards

- * Upto 15 kV, indoor
- * Short circuit rating upto 40 kA
- * Basic impulse level upto 95 kV
- * SF 6 Ring Main Units
- * High Voltage Grid Sub-station upto 220 kV, with local engineering and locally manufactured components (Partly)

Switchgear components

- * HV vacuum circuit breakers
-3100 Amps, 40 kA
15 kV/36 kV/95 kV
-1250 Amps, 40 kA
15 kV/36 kV/95 kV
-800 Amps, 40 kA
15 kV/36 kV/95 kV
-800 Amps, 12.5 kA
12 kV/28 kV/75 kV
- * LV air break contractors upto 45 Amps
- * MV & LV insulators
- * LV current transformers

Package transformers substations

- * For outdoor and indoor installations Self-contained, factory-wired Separate sections for HV, LV and transformers

PRODUCTS AND SERVICES:

Services

Engineering and construction services

- * Project Management
- * Design and engineering of electro-mechanical system.
- * Construction for renovation, upgradation and expansion.
- * Procurement
- * Construction and Installation
- * Testing and Commissioning
- * Operating and Maintenance
- * PCB repairs
- * After-Sales Service and Spare Parts support
- * Customer Training.

Information technology

- * Infra-Structure Solutions
- * IT solution for Industrial Plants
- * SAP R/3 ERP system

Products

Traffic control systems

Traffic signal controller for vehicular traffic along with pedestrian crossing.
 Vehicular/pedestrian signal heads (PVC/aluminium) 300mm or 200mm.
 Normal tubular and hanging type (cantilever) poles for signal heads mounting.

Low voltage motors

- * 3 phase squirrel cage induction type motors for horizontal and vertical applications, 1HP to 500 HP, 2,4 & 6 poles;
- * 3 phase vertical hollow shaft motors for deep well, turbine pumps, 7.5HP to 250HP, 2,4 & 6 poles;
- * Single phase motors for domestic and industrial applications and fan motors for Air Conditioners;
- * Special motors e.g.
 - Pole changing motors
 - Break motors
 - Geared motors
 - Explosion proof motors

Diesel generating sets

* Upto 1000 kVA, 40V, 50Hz. Continuous, or stand by duty
 Automatic mains failure units Skid-mounted or mobile

Service and repair

* Service and repair of all electrical equipment is available. Our expertise in repairs is not just limited to Siemens products but we undertake repairs of non-Siemens equipment as well.

* A repair laboratory is available which undertakes repair of Printed Circuit Boards

SIEMENS NATIONWIDE

	Address Code	Telephone No.	Fax No.
Karachi			
Corporate Management	1	(021) 2574910 - 19	(021) 2563563
Power Engineering Division	1	(021) 2573970	(021) 2566214
* Transformers	1	(021) 2563564	(021) 2577791
* Switchboards	1	(021) 2579250	(021) 2577790
* Transmission & Distribution	1	(021) 2566215	(021) 2566215
* Power Generation	1	(021) 2574910 - 19	(021) 2566214
Products & Services Division			
* Motors & Alternators	1	(021) 2561058	(021) 2578804
* Diesel Generating Sets	1	(021) 2560593	(021) 2576200

* Standard Products	1	(021) 2561056	(021) 2578804
* Engineering & Construction Services	1	(021) 2579248	(021) 2578804
* Traffic Control Systems	1	(021) 2560592	(021) 2578804
* Information Technology Services	1	(021) 2579248	(021) 2578804
* Business Development	1	(021) 2566804)	(021) 2578804
Telecommunication (Branch)	2	(021) 5662200 - 10	(021) 5684679
* Information & Communications Products	2	(021) 5683747	(021) 5684679
* Special Systems	2	(021) 5662200 - 10	(021) 5684679
* Information & Communications Networks	2	(021) 5662200 - 10	(021) 5684679
Systems & Projects (Branch)	2	(021) 5662200 - 10	(021) 5684679
* Medical Sales	2	(021) 5673568	(021) 5684679
* Medical Services	2	(021) 5671271	(021) 5684679
* Industrial Projects	2	(021) 5662200 - 10	(021) 5684679
Lahore			
Regional Office	3	(042) 6278758 - 67	(042) 6363126
Systems & Projects Division	4	(042) 6368374	(042) 6369631
* Medical Sales	4	(042) 6369444	(042) 6369631
* Medical Services	5	(042) 7561740 - 1	(042) 7561742
* Solar	6	(042) 7576050	(042) 6369631/7580491
* Rail Transportation System	4	(042) 6370927	(042) 6364220
* Industrial Projects	4	(042) 6302841	(042) 6370936
Telecommunication (Branch)			
* Information & Communications Products	4	(042) 6369410	(042) 6369631
Power Engineering (Branch)	3	(042) 6278758 - 67	(042) 6363126
* Transmission & Distribution	3	(042) 6368375	(042) 6370932
* Power Generation	3	(042) 6368375	(042) 6370932
* Switchboards	3	(042) 6368375	(042) 6370932
* Transformers	3	(042) 6368375	(042) 6368040
Products & Services (Branch)	3	(042) 6278758 - 67	(042) 6363126
* Motors & Alternators	3	(042) 6370935	(042) 6303038
* Diesel Generating Sets	3	(042) 6370935	(042) 6303038
* Standard Products	3	(042) 6364193	(042) 6303038
* Engineering & Construction Services	5	(042) 7565893 - 4	(042) 7561609
* Traffic Control Systems	5	(042) 7561603	(042) 7561609
Islamabad			
Regional Office	7	(051) 272200 - 14	(051) 272223/272219
Telecommunication Division	7	(051) 272217	(051) 272223/272219
* Info & Communications Products (Sales, Service & Installation)	7	(051) 272200 - 14	(051) 272219
* Information & Communications Products (Computer Systems)	7	(051) 272200 - 14	(051) 272219
* Information & Communications Networks (Sales)	7	(051) 272218	(051) 826807/272219
* Information & Communications Networks (Services)	7-A	(051) 272228	(051) 272237
* Special Systems	7	(051) 272236	(051) 272219
Systems & Projects (Branch)	7	(051) 272200 - 14	(051) 272219
* Medical Sales	7	(051) 273055	(051) 273055/272219
* Medical Services	7-B	(051) 272224	(051) 272231
* Industrial Projects	7	(051) 274994	(051) 272222
Power Engineering (Branch)	7	(051) 272200 - 14	(051) 272219
* Transformers	7	(051) 272200 - 14	(051) 272219
* Switchboards	7	(051) 826224	(051) 826298
* Transmission & Distribution	7	(051) 272200 -14	(051) 272219
* Power Generation	7	(051) 272200 -14	(051) 272219
Products & Services (Branch)	7	(051) 272200 - 14	(051) 272219
* Motors & Alternators	7	(051) 272200 - 14	(051) 272219
* Diesel Generating Sets	7	(051) 272200 - 14	(051) 272219
* Standard Products	7	(051) 272200 - 14	(051) 272219
* Engineering & Construction Services	7-B	(051) 822776	(051) 272231
* Traffic Control Systems	7-B	(051) 822776	(051) 272231
* Information Technology Services	7-B	(051) 822776	(051) 272231
Representative Offices			
Quetta	8	(081) 831311 - 2	(081) 831313
* Power Engineering			
* Telecommunication			
* System & Projects			
* Products & Services			

Peshawar

9

(091) 276029

(091) 276187

* Systems & Projects

* Medical Sales & Services

Address Code:

1. B-72, Estate Avenue, S.I.T.E. Karachi-75700
2. Haco House, Abdullah Haroon Road, P.O. Box No. 7158, Karachi-74400
3. Akhvan House, 38-Sir Aga Khan Road, P.O. Box No. 293, Lahore-54000
4. State Life Building, 15-A, Sir Aga Khan Road, P.O. Box No. 293, Lahore-54000
5. 67-Shah Jamal, Lahore.
6. 2/3-Shah Jamal, Lahore.
7. 23-West Jinnah Avenue, P.O. Box No. 1129, Islamabad-44000
- 7-A House No. 9 Street No. 15, Sector F-6/3, Islamabad-44000
- 7-B. House No. 16, street No. 25, Sector F-6/2, Islamabad-44000
8. 5-6 Patel Bagh. Off. Quarry Road, P.O. Box No. 21, Quetta-87300
9. 6th Floor State Life Building, The Mall, P.O. Box No. 341 Peshawar-25000

