



Half Yearly Report (Un-Audited)
For the period ended June 30, 2024
KSB Pumps Company Limited

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Company Information

Board of Directors

Dr. Sven Baumgarten	Chairman
Imran Ghani	Chief Executive Officer / MD
Asif Malik	
Dieter Antonius Pott	
Ayesha Aziz	
Hasan Aziz Bilgrami	
Shahid Mahmood	
Sheikh Asim Rafiq	

Company Secretary

Faisal Aman Khan

Management

Imran Ghani	Chief Executive Officer /MD
M. Imran Malik	Chief Commercial Officer
Imran Ahmed	Chief Financial Officer
Fida Hussain	Chief Manufacturing Officer

Auditors

A.F. Ferguson & Co.	Chartered Accountants
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Internal Auditors

Tariq Abdul Ghani	Chartered Accountants
Maqbool & Co.	

Legal Advisors

Mandviwala & Zafar

Bankers

Allied Bank Limited
 BankIslami Pakistan Limited
 Bank Alfalah Limited
 Deutsche Bank AG
 Habib Bank Limited
 MCB Bank Limited
 National Bank of Pakistan
 United Bank Limited
 Meezan Bank Limited
 Bank Al Habib Limited
 The Bank of Punjab

Audit Committee

Ayesha Aziz	Chairperson
Dieter Antonius Pott	Member
Shahid Mahmood	Member

HR & R Committee

Asif Malik	Chairman
Imran Ghani	Member
Hasan Aziz Bilgrami	Member

Registered Office

16/2 Sir Aga Khan Road, Lahore - 54000.
 Ph: (042) 36304173, 36370969
 Fax: (042) 36368878, 36366192
 Email: info@ksb.com.pk

Manufacturing Facility

Hazara Road, Hassanabdal
 Ph: (057) 2520236
 Fax: (057) 2520237
 Email: info@ksb.com.pk

Share Registrar

CDC Share Registrar Services Limited
 CDC House, 99-B, Block B, SMCHS
 Shakra-e-Faisal, Karachi-74000
 Tel: (021) 111-111-500
 Fax: (021) 34326053

Sales Offices

Lahore

16/2 Sir Aga Khan Road Lahore.
Ph: (042) 111 572 786, 36304173
Fax: (042) 36366192, 36368878
Email: info@ksb.com.pk

Rawalpindi

Racecourse Landmark, 299-A, Main
Peshawar Road, Rawalpindi Cantt
Tel: +92 51 5491481-82 Fax: +92 51 5491237
Email: info@ksb.com.pk

Multan

Office # 15 & 16, 3rd Floor, Bomanji Square
84/2-Nusrat Road, Bomanji Chowk Multan Cantt
Ph: (061) 111 572 786 Fax: (061) 4541784
Email: info@ksb.com.pk

Karachi

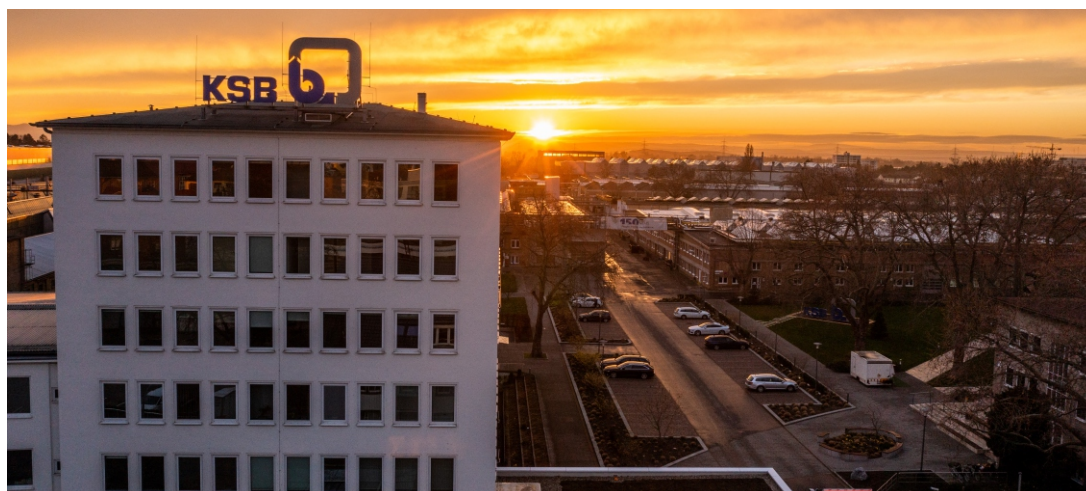
Plot No. 6, Sector 24, Main Korangi Road,
Korangi Industrial Area, Karachi
Ph: (021) 111 572 786 Fax: (021) 34388302
Email: info@ksb.com.pk

KSB Authorized Partners

Sr.	Channel	City	Location	Province	Service Partners	Contact No.	Email
1	Dominar Engineers	Lahore	65-A Ferozpur Road Link Samanabad Road, near LOS	Punjab	Hammad Malik/ Syed Mehdi	0302-874449/8 042-37500078	hammad.malik@de.com.pk
2	B&I Engineering	Lahore	House # 6-E Skindar Mali Road Gulberg II, Lahore	Punjab	Imran Yousaf	0300-4056939 042-32801273	imran@biengr.com
3	Industrial Development & Engineering Associates	Karachi	20-C Mezzanine Floor, Indus Centre 14th Com st PH-II DHA	Sindh	Saqib Khawaja	0300-8203077 021-35390481/2	saqib@idea.com.pk
4	Modern Technology & Traders	Karachi	4th Floor, Building # 11-C2 Lane-11 Bukhari Commercial DHA Phase-6	Sindh	Abdul Qayyum	0333-7299905 021-35156121-4 0311-1000953	qayoomshaikh3@gmail.com
5	Wali Muhammad & Co.	Quetta	Zonkiram Road Near Millennium Mall	Balochistan	Wali Muhammad	0300-8387668 081-2829635	gulistanmachinery@yahoo.com

KSB SupremeServ - AUTHORIZED SERVICE PARTNER

Sr.	Channel	City	Location	Province	Service Partners	Contact No.	Email
1	Faisal Engineering Services	Lahore	140-Block D, Jubilee Town Lahore.	Punjab	Waqas Ahmed	0333-5549156 042-5231151	waqas@faisalengg.com
2	Mastek Associates	Faisalabad	4-A Koh-i-Noor City, Jaranwala Road, Faisalabad.	Punjab	Altaf Hussain	0321-7060604 041-5391835	mas@mascorporation.com.pk



DIRECTOR'S REVIEW

I am pleased to present KSB Pumps Company Limited's financial statements for the first half year ending on June 30, 2024.

Elections leading to Central & Provincial governments have eased the political instability. With staff level agreement with IMF and downward trend of inflation despite substantial hikes in electricity and natural gas tariffs have eased the business challenges to some extent. Businesses are moving in the direction of a known outcome with budget announcement in June. As expected, the policy rates have also been cut by 350 basis points which hope to have a positive outcome.

Despite tough economic and political environments, KSB Pakistan has outperformed in line with the budgeted numbers of Order Intake of PKR 4,195 Million in the first half of 2024. A better sales mix has led to slightly increased Gross margin compared with the same period despite lower turnover. The Earnings Before Interest and Tax (EBIT) are at a level of 3.3%, though a decrease in 2024 compared to 2023, being PKR 197 Million PKR as opposed to PKR 81 Million in 2024 due to overall reduction in turnover during the first half. The inventory turnover period has increased to 127 days, a situation that management is closely monitoring. This rise is primarily due to lower sales (caused by supply chain disruption, mainly attributed to red sea issue) and a strategic inventory build-up aimed at mitigating supply chain disruptions that could impact future order fulfilment. However, with sales expected to accelerate in the second half of the year, we anticipate bringing inventory days back to more typical levels.

Furthermore, the company is nearing the completion of its Rights Issuance process. The proceeds from this issuance will be used to meet working capital needs and to pay off outstanding running finance balances. This strategic move is fully aligned with the trust of KSB SE & Co. KGaA in the activities of its company as well as a strategic decision to Pakistan, being focus country.

Company is confident of achieving/ exceeding the budgeted numbers of the year 2024 by reaching the budgeted turnover with the improved trend of gross margin in the 2nd half as the orders in hand will materialize in this period.

To cope with higher inflation and energy costs, KSB has continued its initiatives in the areas of sustainability and green energy. In 2024, the additional 850 KW solar plant at its production facility, with expected yearly savings of PKR 38 Million and a 600 tons savings of CO2 emission is in progress and is expected to be fully operational by End October, 2024. This is in addition to already installed capacities of 1000KW and 120KW in Hasanabdal and Lahore. The facility in Karachi will also have the Solar generation within 2024, which means that all locations will have Solar footprint.

KSB expects promising business prospects in Water and General Industry markets with a strong outlook locally and export business via intercompany sales activities. The company's export sales remained at PKR 553 Million in the first half of year 2024, indicating a continued positive growth prospect for intercompany business.

The Board would like to acknowledge the dedication and hard work of the entire KSB team. I would like to thank the fellow board members and all stake holders for the trust in the management of the company.

On behalf of the Board



Imran Ghani

MD/Chief Executive Officer

22nd August, 2024

Lahore, Pakistan



A.F. FERGUSON & CO.

Independent Auditor's Review Report

To the members of KSB Pumps Company Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of KSB Pumps Company Limited as at June 30, 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the three-month period ended June 30, 2024 and June 30, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended June 30, 2024.

Scope of Review

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

Conclusion

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

The engagement partner on the audit resulting in this independent auditor's report is Khurram Akbar Khan.

A.F. Ferguson & Co.

Chartered Accountants

Name of engagement partner: Khurram Akbar Khan

Lahore

Date: August 27, 2024

UDIN: RR2024100700ZybIXiMw

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Tel: +92 (42) 3519 9343-50 / Fax: +92 (42) 3519 9351 www.pwc.com/pk*

Condensed Interim Statement of Financial Position As at June 30, 2024 (Un-audited)

	Note	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
45,000,000 (December 31, 2023: 15,000,000) ordinary shares of Rs 10 each		450,000	150,000
Issued, subscribed and paid up capital			
13,200,000 (December 31, 2023: 13,200,000) ordinary shares of Rs 10 each		132,000	132,000
Revenue reserves		1,712,845	1,882,372
		1,844,845	2,014,372
NON CURRENT LIABILITIES			
Employees' retirement and other benefits		94,586	88,105
CURRENT LIABILITIES			
Trade and other payables	7	2,661,175	2,378,963
Contract liability		148,305	9,139
Short term finances - secured		1,597,122	1,676,112
Provisions for other liabilities and charges		26,027	57,914
Unclaimed dividend		10,540	10,644
Due to provident fund		7,561	12,423
		4,450,730	4,145,197
CONTINGENCIES AND COMMITMENTS			
	8	-	-
		6,390,161	6,247,674

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.


Director


Chief Executive Officer


Chief Financial Officer

	Note	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	884,197	947,122
Intangible assets	10	565	721
Capital work-in-progress		147,346	147,803
Long-term loans and deposits		-	2,419
Deferred tax assets		116,745	123,666
		1,148,853	1,221,731
CURRENT ASSETS			
Stores, spares and loose tools		194,583	164,263
Stock-in-trade	11	1,676,053	1,378,430
Trade debts - unsecured	12	1,482,958	1,761,969
Contract Asset		511,641	510,029
Advances, deposits, prepayments and other receivables		732,208	630,077
Income tax recoverable		429,794	422,684
Cash and bank balances	13	214,071	158,489
		5,241,308	5,025,941
		6,390,161	6,247,674


Director


Chief Executive Officer


Chief Financial Officer

Condensed Interim Statement Of Profit Or Loss And Other Comprehensive Income

For the three-month and six-month period ended June 30, 2024 (Un-audited)

	Note	Three month ended		Six month ended	
		June 30, 2024	June 30, 2023 Restated	June 30, 2024	June 30, 2023 Restated
(Rupees in thousands)					
Sales	14	1,205,090	1,552,036	2,437,717	2,885,882
Cost of sales	15	(956,598)	(1,268,905)	(1,955,772)	(2,371,674)
Gross profit		248,492	283,131	481,945	514,208
Distribution and marketing expenses		(125,602)	(115,464)	(252,190)	(217,502)
Net impairment (loss) / gain on financial assets		(29,075)	1,323	(30,100)	9,863
Administrative expenses	16	(81,739)	(67,408)	(158,096)	(142,152)
Other operating expenses		(241)	(1,611)	(1,125)	(2,674)
Profit from operations		11,835	99,971	40,434	161,743
Other income		20,257	13,857	40,706	34,827
Finance costs		(100,615)	(86,587)	(214,237)	(159,666)
(Loss) / Profit before levy and taxation		(68,523)	27,241	(133,097)	36,904
Levy					
- Minimum Tax		(12,683)	(9,727)	(23,553)	(18,063)
- Final Tax		(2,229)	(4,385)	(5,957)	(13,430)
(Loss) / Profit before taxation		(83,435)	13,129	(162,607)	5,411
Income tax					
- Current Tax		-	-	-	-
- Deferred Tax		13,518	3,763	(6,921)	6,023
(Loss) / Profit for the period		(69,917)	16,892	(169,528)	11,434
Other comprehensive income:		-	-	-	-
Total comprehensive (loss) / income for the year		(69,917)	16,892	(169,528)	11,434
Earnings per share - basic & diluted Rupees		(5.30)	1.28	(12.84)	0.87

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.


Director


Chief Executive Officer


Chief Financial Officer

Condensed Interim Statement of Changes In Equity

For the six-month period ended June 30, 2024 (Un-audited)

	Issued, subscribed and paid up capital	Revenue reserves		Total equity
		General reserves	Unappropriated profit	
(Rupees in thousand)				
Balance as at January 1, 2023	132,000	1,843,100	36,562	2,011,662
Final dividend for the year ended December 31, 2022 Rs 0.00 per share	-	-	-	-
Transfer to general reserve	-	36,000	(36,000)	-
Total comprehensive income for the period	-	-	11,434	11,434
Balance as at June 30, 2023	132,000	1,879,100	11,996	2,023,096
Total comprehensive loss for the period	-	-	(8,723)	(8,723)
Balance as at January 1, 2024	132,000	1,879,100	3,273	2,014,373
Final dividend for the year ended December 31, 2023 Rs 0.00 per share	-	-	-	-
Transfer to general reserve	-	-	-	-
Total comprehensive loss for the period	-	-	(169,528)	(169,528)
Balance as at June 30, 2024	132,000	1,879,100	(166,255)	1,844,845

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.


Director


Chief Executive Officer


Chief Financial Officer

Condensed Interim Statement of Cash Flows

For the six-month period ended June 30, 2024 (Un-audited)

	Note	Six month ended	
		June 30, 2024	June 30, 2023
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	17	424,066	372,598
Finance costs paid		(218,132)	(141,007)
Levy and Taxes paid		(36,620)	(42,855)
Payments to worker's profit participation fund		(660)	(3,886)
Payments to worker's welfare fund		-	(2,386)
Employees' retirement and other benefits paid		(16,307)	(26,107)
Net decrease in long term loans and deposits		2,419	1,736
Net cash generated from operating activities		154,766	158,093
Cash flows from investing activities			
Fixed capital expenditure		(26,096)	(43,221)
Proceeds from sale of property, plant and equipment		6,006	4,649
Net cash used in investing activities		(20,090)	(38,572)
Cash flows from Financing activities			
Dividend paid		(104)	-
Net cash used in from financing activities		(104)	-
Net increase in cash and cash equivalents		134,572	119,521
Cash and cash equivalents at the beginning of the period		(1,517,623)	(1,387,458)
Cash and cash equivalents at the end of the period		(1,383,051)	(1,267,937)

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.


Director


Chief Executive Officer


Chief Financial Officer

Notes to the Condensed Interim Financial Statements

For the three-month and six-month period ended June 30, 2024 (Un-audited)

1. Legal status and nature of business

KSB Pumps Company Limited (the Company) was incorporated in Pakistan on July 18, 1959 under the Companies Act, 1913 (now Companies Act, 2017) and is listed on the Pakistan Stock Exchange Limited. The Company is a subsidiary of KSB SE & Co. KGaA and principally engaged in the manufacture and sale of industrial pumps, valves, castings and related parts and provision of after market services. The registered office of the Company is situated at KSB Building, 16/2 Sir Agha Khan road, Lahore. The factory of the Company is situated at Hazara Road, Hassanabdal. The Company also has four regional offices. These regional offices are located in Lahore, Rawalpindi, Karachi and Multan.

2. Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International accounting standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of (IAS) 34, the provisions and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information is un-audited and is being submitted to the members of the Company as required by Section 237 of the Companies Act, 2017 (the "Act").

3. Basis of presentation and measurement

The condensed interim financial statements do not include all the information required for annual financial statements including financial risk management information and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2023.

These condensed interim financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless specified otherwise.

4. Material accounting policies, estimates and judgements

The preparation of these condensed interim financial statements is in conformity with the approved accounting and reporting standards as applicable in Pakistan. Interim reporting requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events.

Furthermore, the basis of significant estimates are same as those that were applied to the financial statements for the year ended December 31, 2023.

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended December 31, 2023 except for the following:

During the period, the Institute of Chartered Accountants of Pakistan has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). In accordance with the guidance with respect to the situation where an entity expects that the minimum tax paid by it may not be reliable / adjustable in future tax years, the management has made the following assessments:

The Company expects that the minimum tax paid under section 113 will be realizable/adjustable in future tax years due to expectation that sufficient taxable profits / tax liabilities will be available in future years.

Therefore, in accordance with the guidance, the Company has changed its accounting policy to recognise aforementioned minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'income tax'.

The Company has accounted for the effect of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures and balances have been restated in this condensed interim financial information. The effects of restatements are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effect of change in accounting policy
	(Rupees in thousand)		
Effect on condensed interim statement of profit or loss and other comprehensive income			
For the half year ended June 30, 2024			
Levy			
- Minimum Tax	-	(23,553)	(23,553)
- Final Tax	-	(5,957)	(5,957)
Loss before taxation	(133,097)	(29,510)	(162,607)
Income tax			
- Current tax	(29,510)	29,510	-
- Deferred tax	(6,921)	-	(6,921)
Loss after taxation	(169,528)	-	(169,528)
For the half year ended June 30, 2023			
Levy			
- Minimum Tax	-	(18,063)	(18,063)
- Final Tax	-	(13,430)	(13,430)
Profit before taxation	36,904	(31,493)	5,411
Income tax			
- Current tax	(31,493)	31,493	-
- Deferred tax	6,023	-	6,023
Profit after taxation	11,434	-	11,434

The related changes to the statement of cash flows with respect to the amount of profit before taxation have also been incorporated in the financial statements as well. There is no impact on profit / (loss) after taxation and earnings per share, basic and diluted.

Furthermore, the basis of significant estimates are same as those that were applied to the financial statements for the year ended December 31, 2023.

5. Standards, amendments and interpretations to published accounting standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

5.1 Standards, amendments to published standards and interpretations that are effective in the current period

Certain standards, amendments and interpretations to the approved accounting standards are effective for the accounting periods beginning on or after January 01, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been earlier adopted by the Company

There are certain standards, amendments to accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2024, but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these condensed interim financial statements. Further, these standards, interpretations and the amendments are not expected to have significant impact on the Company's condensed interim financial statements other than certain disclosures.

6. Taxation

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes. Where different income tax rates apply to different categories of income, a separate rate is applied to each category of pre-tax income.

7. Trade and other payables

Trade creditors and accrued liabilities include amount due to holding company of Rs 612.78 million (December 2023: Rs 648.33 million) and associated undertakings of Rs 162.46 million (December 2023: Rs. 129.17 million). Further, it includes amount of Rs 403.87 million (December, 2023: Rs 346.41 million) as advance received from customers other than projects.

8. Contingencies and commitments

8.1 Contingencies

(i) There is no significant change in contingencies since the date of preceding published annual financial statements.

(ii) The Company has obtained bank guarantees amounting to Rs 678.36 million (December 2023: Rs 547.14 million) against the performance of various contracts.

8.2 Commitments

Letters of credit other than for capital expenditure approximately Rs. 274.26 million (December 2023: Rs. 25.11 million).

9. Property, plant and equipment

	Note	June 30, 2024 Unaudited	December 31, 2023 Audited
(Rupees in thousand)			
Opening book value		947,122	986,417
Add:			
Transfer from CWIP during the period	9.1	26,429	123,118
Direct Additions		124	-
		973,675	1,109,535
Less:			
Disposals during the period (at book value)		(5,186)	(1,676)
Depreciation charged during the period		(84,292)	(160,737)
		(89,478)	(162,413)
		884,197	947,122

9.1 Additions

Plant and machinery	152	12,617
Tools, jigs and attachments	-	2,699
Other equipment	2,768	38,472
Patterns	-	38,639
Furniture and fixtures	2,264	2,728
Office machines and appliances	15,372	27,734
Vehicles	5,997	229
	26,553	123,118

10. Intangible Assets

	June 30, 2024 Unaudited
(Rupees in thousand)	
Net carrying value basis	
Period ended June 30, 2024	
Opening net book value (NBV)	721
Additions (at cost)	-
Disposals (at NBV)	-
Amortization Charge	(156)
Closing Net Book Value (NBV)	565

Gross Carrying value			
As at June 30, 2024			
Cost			42,993
Accumulated Amortization			(42,427)
Net book value (NBV)			565
Amortization Rate % per annum			33.33%
Net carrying value basis			
Year ended December 31, 2023			
Opening Net book value (NBV)			274
Additions (at cost)			611
Disposals (at NBV)			-
Amortization Charge			(164)
Closing Net Book Value (NBV)			721
Gross Carrying value			
As at December 31, 2023			
Cost			42,993
Accumulated Amortization			(42,271)
Net book value (NBV)			721
Amortization Rate % per annum			33.33%

11. Stock in trade

	Note	June 30, 2024	December 31, 2023
		(Rupees in thousand)	
Raw Materials		960,954	808,136
Work in process		626,120	510,027
Finished goods		106,935	78,223
		1,694,009	1,396,386
Less:Provision for obsolescence		(17,956)	(17,956)
		1,676,053	1,378,430

12. Trade debts

Considered good			
Related parties - KSB group companies		412,603	595,528
Others	12.1	1,070,355	1,166,441
		1,482,958	1,761,969
Considered doubtful		239,109	209,009
		1,722,067	1,970,978
Less:Provision for doubtful debts		(239,109)	(209,009)
		1,482,958	1,761,969

- 12.1** Included in trade debts is an amount of Rs. 101.20 million (2023: Rs. 101.20 million) receivable from Punjab Saaf Pani Company. The Company had filed writ petition in the Honorable Lahore High Court on September 16, 2020 for recovery of the outstanding balances from the aforementioned Company, which is pending adjudication.

13. Cash and bank balances

	Note	June 30, 2024	December 31, 2023
(Rupees in thousand)			
At banks			
- Saving accounts		82,416	76,694
- Current accounts		111,637	61,723
- Term deposit receipts	13.1	20,000	20,000
		214,053	158,417
Cash in hand including cheques in hand		18	71
		214,071	158,489

- 13.1 It represents Term Deposit Receipts (TDR) obtained from Bank Islami with the maturity period of 3 to 6 months readily convertible to cash on demand.

14. Sales

	Three month ended		Six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Un-audited)				
(Rupees in thousand)				
Local sales	1,195,705	1,355,842	2,219,919	2,156,361
Less: sales tax	(181,028)	(216,429)	(335,664)	(350,085)
	1,014,677	1,139,413	1,884,255	1,806,276
Export Sales	190,413	412,623	553,462	1,079,606
	1,205,090	1,552,036	2,437,717	2,885,882

15. Cost of sales

Raw material consumed	621,375	859,271	1,134,884	1,574,839
Salaries, wages, amenities and staff welfare	110,834	98,217	223,230	194,907
Electricity and power	51,349	39,566	117,659	78,778
Stores and spares consumed	105,796	63,282	196,950	121,183
Insurance	6,610	4,757	12,661	9,515
Travelling and conveyance	15,630	20,090	35,593	36,787
Postage and telephone	1,367	2,870	3,273	3,771
Printing and stationery	486	882	1,606	1,655
Rent, rates and taxes	1,211	411	3,573	1,487
Repairs and maintenance	9,461	11,440	23,572	18,159
Legal & Professional charges	6	-	9,349	875
SAP user licence fee & other IT services	18,605	16,029	34,622	30,642
Packing expenses	11,721	10,444	20,133	18,116
Outside services	79,693	112,205	189,946	197,888
Depreciation on Property, plant and equipment	36,765	36,142	73,462	73,049

Warranties	5,629	7,976	17,444	8,430
Other expenses	1,312	1,067	2,620	2,221
	1,077,850	1,284,649	2,100,577	2,372,302
Opening work-in-process	519,009	413,546	510,027	444,421
Less: Closing work-in-process	(626,120)	(410,673)	(626,120)	(410,673)
(Increase)/decrease in work in process	(107,111)	2,873	(116,093)	33,748
Cost of goods manufactured	970,739	1,287,522	1,984,484	2,406,050
Opening stock of finished goods	-	66,054	78,223	50,295
Less: Closing stock of finished goods	(14,141)	84,671	(106,935)	(84,671)
(Increase)/decrease in finished goods	(14,141)	(18,617)	(28,712)	(34,376)
	956,598	1,268,905	1,955,772	2,371,674
Less: Cost of capital assets manufactured	-	-	-	-
	956,598	1,268,905	1,955,772	2,371,674

16. Administration expenses

Administrative expenses include salaries, wages, amenities and staff welfare amounting to Rs. 87.75 million (June 2023: 73.34 million).

17. Cash generated from operations

	Note	June 30, 2024	December 31, 2023 Restated
		(Rupees in thousand)	
(Loss) / Profit before taxation		(162,607)	5,411
Adjustment of non-cash items:			
Depreciation on property, plant and equipment		84,292	79,935
Depreciation on Intangible assets		156	77
Profit on sale of property, plant and equipment		(820)	(3,520)
Levy		29,510	31,493
Employees' retirement and other benefits		22,788	18,407
Loss allowance		30,100	(9,863)
Other income - Write back		(1,754)	-
Provision for worker's profit participation fund		-	1,938
Provision for worker's welfare fund		-	736
Finance cost		214,237	159,666
Exchange loss / (gain)		1,125	(9,984)
Profit before working capital changes		217,027	274,296

17.1 Working capital changes

	Note	June 30, 2024	December 31, 2023 Restated
(Rupees in thousand)			
(Increase)/decrease in current assets:			
Stores, spares and spares		(30,320)	8,316
Stock-in-trade		(297,623)	(204,660)
Trade debts		232,882	206,931
Contract asset		142	100,087
Advances, deposits, prepayments and other receivables		(102,131)	(282,317)
		(197,050)	(171,643)
Increase/(decrease) in current liabilities:			
Trade and other payables		301,672	269,288
Contract liability		139,166	5,427
Due to provident fund		(4,862)	3,886
Provisions for other liabilities and charges		(31,887)	(8,656)
		404,089	269,945
		424,066	372,598

18. Transaction with related parties

		Three month ended		Six months ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Un-audited)					
(Rupees in thousand)					
Relationship with the Company	Nature of transaction				
i. Associated Undertaking	Purchase of goods and services	315,514	362,144	476,803	552,187
	Sale of goods and services	189,235	412,623	553,406	1,079,606
	Commission income	6,502	2,379	8,451	2,936
	Royalty and trademark	5,011	7,618	15,760	14,289
	SAP user license fee	32,023	27,588	59,591	52,739
ii. Post retirement	benefit plans	Expense charged	11,759	8,137	22,788
iii. Key management					
personnel	Compensation	81,810	87,342	163,619	174,684
				June 30, 2024	December 31, 2023
				(Un-audited)	Audited)
(Rupees in thousand)					
Period end Balances					
Receivable from related parties				440,938	595,527
Payable to related parties				912,917	777,500

19. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at December 31, 2023.

There have been no changes in the risk management policies since the year end.

20. Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As of reporting date, there are no Level 1, 2 or 3 financial assets or financial liabilities during the current period.

21. Date of authorization for issue

'These condensed interim financial statements were authorized for issue on August 22, 2024 by the Board of Directors of the Company.

22. Events after balance sheet date

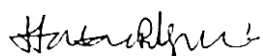
During the current period, the Company increased the authorized share capital from 15,000,000 shares to 45,000,000 shares, each with a par value of Rs. 10, vide special resolution. Thereafter, the Company initiated the process of raising rights shares amounting to Rs. 1,947,000,000 at a premium of Rs. 100 / share.

Subsequent to period ended June 30, 2024, the Company received an amount of Rs. 1,146,513,830 from the Parent Company, KSB SE & Co. KGaA Germany, and the remaining amount from other shareholders is expected to be received in due course subject to legal formalities.

23. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

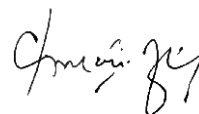
'The corresponding figures have been rearranged and reclassified, wherever considered necessary. During the period ended June 30, 2024, no major reclassifications have been carried out except for those mentioned in note 17.



Director



Chief Executive Officer



Chief Financial Officer

مجلس نظماء کا جائزہ

مجھے 30 جون 2024 کو ختم ہونے والی پہلی ششماہی کے لئے KSB پیپس کمپنی لمیٹڈ کے مالی گوشوارے پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

مرکزی اور صوبائی حکومتوں کے انتخابات سے سیاسی عدم استحکام میں کمی آئی ہے۔ آئی ایم ایف کے ساتھ عملہ کی سطح کے معاہدے اور بجلی اور قدرتی گیس کے نرخوں میں خاطر خواہ اضافہ کے باوجود فراڈز میں کمی کے رجحان سے کاروباری مشکلات کچھ حد تک کم ہو گئی ہیں۔ جون میں بجٹ کے اعلان کے ساتھ کاروباری ادارے معلوم نتائج کی سمت میں بڑھ رہے ہیں۔ توقع کے مطابق پالیسی ریٹس میں بھی 350 بیسس پوائنٹس کی کمی کی گئی ہے جس کے مثبت نتائج آنے کی امید ہے۔

مشکل معاشی اور سیاسی ماحول کے باوجود KSB پاکستان نے 2024ء کی پہلی ششماہی میں 4,195 ملین روپے کے آرڈر انٹیک کے تخمینہ اعداد و شمار کے مطابق بہتر کارکردگی کا مظاہرہ کیا ہے۔ گزشتہ اسی مدت میں کم ٹرن اور کے مقابلے میں بہتر سیلزکس کی وجہ سے مجموعی مارجن میں قدرے اضافہ ہوا ہے۔ سود اور ٹیکس سے قبل آمدنی (EBIT) 3.3 فیصد کی سطح پر ہے، اگرچہ 2023 کے مقابلے میں 2024 میں کمی آئی ہے، جو 2024 میں 81 ملین روپے کے مقابلے میں 197 ملین روپے ہے جس کی بنیادی وجہ پہلی ششماہی کے دوران کاروبار میں مجموعی کمی ہے۔ ایک ایسی صورتحال جس پر انتظامیہ گہری نظر رکھے ہوئے ہے کہ انوینٹری ٹرن اور کی مدت بڑھ کر 127 دن ہو گئی ہے۔ یہ اضافہ (بنیادی طور پر بیجہرہ احمر کے مسئلے کے باعث پلائی چین میں خلل کی وجہ سے) کم فروخت کے باعث ہے اور ایک اسٹریٹجک انوینٹری کی تعمیر جس کا مقصد پلائی چین کی رکاوٹوں کو کم کرنا ہے جو مستقبل کے آرڈر کی تکمیل کو متاثر کر سکتا ہے۔ تاہم، سال کی دوسری ششماہی میں فروخت میں تیزی کی توقع کے ساتھ، ہم انوینٹری کے دنوں کے عام سطح پر واپس آنے کی توقع کرتے ہیں۔

مزید برآں، کمپنی اپنے رائٹس اجراء کے عمل کو مکمل کر رہی ہے۔ اس اجراء سے حاصل ہونے والی آمدنی ورکنگ کپینٹل کی ضروریات کو پورا کرنے اور بقایا مالی بیلنس کی ادائیگی کے لئے استعمال کی جائے گی۔ یہ اسٹریٹجک اقدام اپنی کمپنی کی سرگرمیوں میں KSB ایس ای اینڈ کمپنی KGaA کے اعتماد اور پاکستان کے لئے اسٹریٹجک فیصلہ کے ساتھ مکمل طور پر مطابقت رکھتا ہے۔

کمپنی کو یقین ہے دوسری ششماہی میں مجموعی مارجن کے بہتر رجحان اور تخمینہ ٹرن اور تک پہنچ کر سال 2024 کے تخمینہ اعداد و شمار کو حاصل / اس سے تجاوز کر لے گی کیونکہ اس مدت میں آرڈر ز کو عملی جامہ پہنایا جائے گا۔

زیادہ فراڈز اور توانائی کی لاگت سے نمٹنے کے لئے، KSB نے پائیداری اور گرین توانائی کے شعبوں میں اپنے اقدامات جاری رکھے ہیں۔ 2024ء میں اپنی پیداواری سہولت میں اضافی 850 کلوواٹ کا سولر پلانٹ نصب کیا جائے گا جس سے سالانہ 38 ملین روپے کی بچت اور 600 ٹن کاربن ڈائی آکسائیڈ کے اخراج کی کمی ہوگی اور توقع ہے کہ اکتوبر 2024ء کے آخر تک مکمل طور پر آپریشنل ہو جائے گا۔ یہ حسن ابدال اور لاہور میں پہلے سے نصب 1000 کلوواٹ اور 120 کلوواٹ کی صلاحیت کے علاوہ ہے۔ 2024 کے اندرون کراچی کی سہولت میں بھی سولر جزییشن ہوگی جس کا مطلب ہے کہ تمام مقامات پر سولر فٹ پرنٹ ہوگا۔

KSB کو توقع ہے کہ پانی اور جزل انڈسٹری مارکیٹوں میں مقامی سطح پر مضبوط نقطہ نظر اور انٹر کمپنی سیلز سرگرمیوں کے ذریعے برآمدی کاروبار کے ساتھ امید افزاء کاروباری امکانات موجود ہیں۔ سال 2024ء کی پہلی ششماہی میں کمپنی کی برآمدی فروخت 553 ملین روپے رہی جو کہ انٹر کمپنی کاروبار کے لئے مسلسل مثبت نمو کے امکانات کی نشاندہی کرتی ہے۔

بورڈ KSB کی پوری ٹیم کی لگن اور سخت محنت کو سراہتا ہے۔ میں کمپنی کی انتظامیہ پر اعتماد کے لئے بورڈ کے فیڈبک اور تمام اسٹیک ہولڈرز کا شکریہ ادا کرتا ہوں۔

منجانب بورڈ



عمران غنی

ایم ڈی / چیف ایگزیکٹو آفیسر

22 اگست 2024ء

لاہور، پاکستان

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