

Annual Report 2022
KSB Pumps Company Limited





KSB Pumps Company Limited

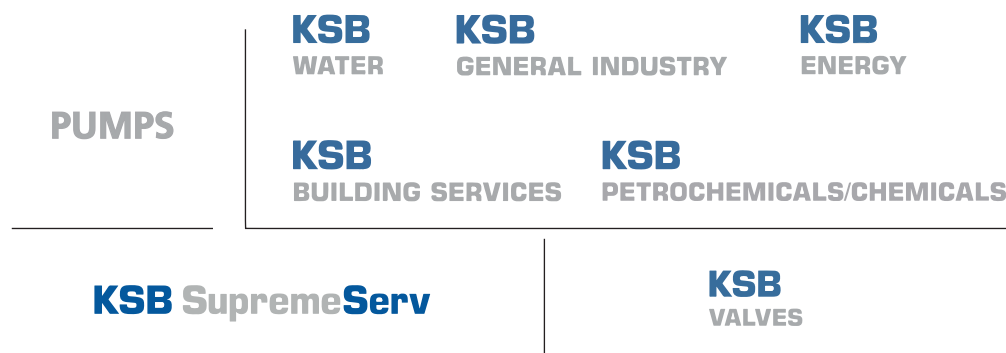
KSB - Technology that makes its mark

Two symbols, three letters: pumps, valves and KSB are all closely connected – thematically and visually. Wherever there are fluids to be transported, controlled or shut off, customers globally rely on our expertise and products. The KSB brand promises them competent advice, excellent quality and to preliability along with guaranteed after sales service that they can count on, worldwide.

In 1959, “The KSB Group” established its first Asian subsidiary in Lahore – Pakistan, while built its first factory in Hassanabdal in 1964. After becoming a Public Limited Company in 1979, KSB Pakistan received its first ISO Certification in 1997, and moved on to become the First Foundry based Engineering Company in Pakistan that was QHSE Certified for ISO 9001, ISO 14001 & ISO 18001 Certifications for complete Integrated Management System Certification by TUV, Germany. Continuing its commitment to quality and excellence, KSB Pakistan has successfully completed its six decades of operations in Pakistan.

KSB Pumps Company Limited is a leading international supplier of pumps, valves and related systems for industrial applications, building services, process engineering, energy conversion, water treatment, water transport, solids transportation and other related applications. KSB combines innovative technology and excellent service to provide intelligent solutions. This approach means that KSB is close to its customers, providing them with pumps, valves and systems for almost all applications involving the transportation of liquids.

Over the years, KSB Pakistan has developed a diversified and motivated pool of human resource and today the Company employs more than 400 proficient people that operates through its sales offices in Lahore, Karachi, Rawalpindi and Multan. To enable easy access to its customers, KSB Pakistan has a nation wide operating network of Franchise & Dealers, also known as KSB Exclusive Partners and KSB Authorized Dealers respectively. In addition to these, the Company also has an efficient Customer Service Department comprising of qualified and experienced personnel: KSB’s comprehensive service includes bespoke solutions for all customer applications which ensures the running of pumps & systems efficiently.



Today KSB Pakistan stands as a market leader in its line of business and is a benchmark for new entrants. The Company’s products, quality standards, people, business partners and leadership have all contributed to imprint this company’s score in the history of Pakistan.

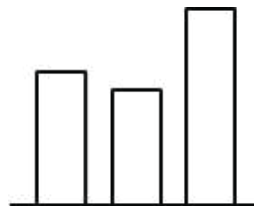
2022 in Figures

Order intake



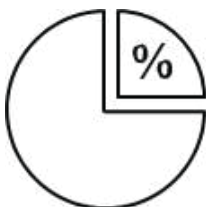
PKR **5,014** million

Sales



PKR **4,965** million

EBIT



PKR **327** million

Employees



306 as on 31st December 2022

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CORPORATE OBJECTIVES

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Occupational Health & Safety
Guidelines

Vision

KSB provides the best solution worldwide through technology to make its mark.

Mission Statement

We aim to manufacture and market a wide range of standard and engineered pumps and castings of world class quality. Our efforts are directed to have delighted customers in the water, sewage, oil, energy, industry and construction sectors. In line with the Group's strategy, we are committed to develop into a center of excellence in water application pumps and be a strong regional player. We want to market valves, complete system solutions and foundry products including patterns for captive, automotive and other industries. We will develop a world class human resource with highly motivated and empowered employees. The measure of our success is, being a clear market leader, achieving quantum growth and providing attractive returns to stakeholders.

Strategic Objective

To defend high market share in a growing but competitive market area & continuously expand product & service offerings in order to strengthen the position as a complete solution provider in the market.



Values

Trust

Trust has to be earned. It requires a level of credibility, which each of us should seek to achieve and actively develop through reliability and professionalism in our day - to - day work.

Honesty

The overall interest of the Company has top priority in our work and ranks ahead of departmental and individual interests. What we do therefore should not serve to gain advantage at the expense of others. Integrity and appropriate level of modesty are defining elements of the way we present ourselves.

Responsibility

Responsibility means accepting the consequences of one's actions. This especially applies to each and every one of us in our work. And it also applies to our Company in its business and social relations.

Professionalism

We have a good command of the techniques and methods we need for our work, and seek to continually acquire further knowledge to improve our effectiveness and efficiency. In the search of solutions to problems we apply due care and act with foresight.

Appreciation

We are attentive to others and further our cooperation by showing respect and appreciation. Remaining receptive and open to other people and ideas enables us to learn from each other and develop together.



Sustainability at KSB

The United Nations Commission defines sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” Today, there are almost 140 developing countries in the world seeking ways of meeting their development needs. Still, with the increasing threat of climate change, concrete efforts must ensure development today does not negatively affect future generations. Sustainable development requires an integrated approach that takes into consideration environmental concerns along with economic development.

At the KSB Group, sustainability is an indispensable pillar of our corporate strategy. Acting responsibly means maintaining a balance between social responsibility and profitable growth for our employees and shareholders, as sustainable action affects the entire area of the company. The Group operates a globally integrated management system to ensure consistently high standards worldwide in quality, risk management, environment, health, occupational safety, compliance and sustainability. We take responsibility for striking the right balance between growth and sustainability and invest accordingly. KSB is stepping up and contributing towards a sustainable world for our customers and employees.

KSB Pakistan follows the same imprints as that of KSB Germany and has defined a comprehensive sustainable management system intending to minimize our impact on the environment and reduce our energy consumption and carbon dioxide emissions to a minimum while manufacturing our products. This is a continuous process that leads to improvements in our products, processes and services to meet the requirements of sustainable development and set new standards.

The defined points include,

1. Energy Profiling and Monitoring,
2. Renewable Energy - Solar Power Project,
3. Replacement of conventional Lights with LED Lights,
4. Production Planning with effective Peak Load Management
5. Improved Compressed Air System.



The energy profiling & monitoring will certainly be aligned with the ISO-50001 (EMS). For a Solar Power Project of (1 MW), the estimated power production/year is expected to be 1280 MWH, while the reduction in CO₂ emissions is expected to be 870 Tons/Year. The replacement of conventional halogen lights with led lights and through the Compressed Air Leakages Audit, the estimated reduction in CO₂ emissions is expected to be 112 Tons/Year, whereas effective production planning according to peak hours is estimated to reduce CO₂ emissions to 337 Tons/Year. We hope to have approximately 1300 Tons/Year of CO₂ emissions reduced with these sustainability measures. With all these factors, KSB Pakistan firmly believes that it can play a significant role in contributing to the environment's betterment.

Quality Guidelines

Achieve maximum customer satisfaction

Our customers set the standard for the quality of our products and services. We satisfy their wishes in full and on time.

Promote quality awareness

We ensure that all our employees are highly qualified by providing them with ongoing training and comprehensive information. Each of our managers champions a high-quality mindset.

All employees are focused on their customers

The principle of customer-supplier relations also applies internally: Colleagues further along the work process are also customers; work completed for them must be impeccable.

Avoid mistakes instead of remedying them

We establish causes so that we can prevent errors and put a stop to them.

Improve quality

The continuous improvement of work processes, methods of work and the work environment secures our leading position in the market.

Involve suppliers

In fair and open partnership we support our suppliers in the pursuit of shared quality objectives.





Environmental Protection, Occupational Health and Safety Guidelines

Publicise environmental relevance

We talk about the environmental relevance of our products, processes and services.

Promote awareness of environmental issues , occupational health and safety

To protect the environment and our employees we implement measures that go beyond what is required by law.

Strengthen our employees' sense of responsibility

Our employees are quick to recognise situations that could harm the environment or jeopardise safety and pass on the appropriate information.

Recognise and avoid risks

We constantly and systematically review the impact of our production processes on people and the environment. By recognising risks ,we can take any preventive action

that may be necessary in good time We review the environmental impact of new production processes and products right from the development stage and minimise or avoid this as far as technologically and economically feasible. In the process, we take account of both occupational health and safety.

Comply with requirements

Using the procedures defined in the Integrated Management System, we monitor our activities to ensure compliance both with national legislation and our own policies for the environment occupational health and safety.

Ensure third-party firms meet obligations

We require third-party firms working at our sites to observe country-specific laws in the areas of environmental protection, occupational health and safety and to comply with our own provisions and specifications.

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MANAGEMENT

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KSB - the brand standing for quality, expertise, reliability and a global perspective

KSB is a leading international supplier of pumps, valves and related systems for the Industrial applications, building services, process engineering, energy conversion, water treatment, water transport, solids transport and other areas of application. KSB combines innovative technology and excellent service to provide intelligent solutions. This approach means that KSB employees are close to customers all over the world, providing them with pumps, valves and systems for almost all applications involving the transportation of liquids. A comprehensive range of services rounds off this customer-focused portfolio.

KSB has been growing continuously since it was founded in 1871. Today, the Group has a presence all over the globe with its own sales and marketing companies, manufacturing facilities and service operations. KSB Pumps Company Limited, established in July 1959 in Lahore, Pakistan, is also a proud subsidiary of KSB Group. KSB Pakistan runs the largest state of the art manufacturing facility in the country in Hassanabdal and a full-fledged Foundry. The Company is ISO 9001 certified since 1994 and lately has added ISO-14001 and 45001 certifications for complete Integrated Management System certified by TUV, Germany. A range of global certifications of the company's products and locations is a proof that KSB's work in all areas is in compliance with the very latest quality standards - from energy engineering to building services.



Over the years KSB Pakistan has developed a diversified and motivated pool of human resources and today the Company employs around 300 proficient people and operates through its Sales offices in Lahore, Karachi, Rawalpindi and Multan. To enable easy access to its customers, KSB Pakistan has started operating through a Franchise network, KSB Partners, across the country and a widespread dealer network alongside. In addition, the Company has full-fledged Service Department and state of the art service facility comprising qualified and experienced personnel: KSB's comprehensive service includes bespoke solutions for all customer applications, and ensures that pumps and systems are running efficiently. KSB offers professional services under the brand name **KSB SupremeServ** at a global scale, for products by KSB but also other manufacturers. The main advantage in this is our widespread network of easy-to-reach service centre.

KSB pumps are produced strictly in accordance with the design and specifications of KSB SE & Co. KGaA, Germany, in order to maintain standards of the highest quality. Comprehensive inspection and latest test bed facilities are available at Works, Hassanabdal to ensure compliance with the global quality standards. The production facilities are also being regularly modernized and extended to cope with the challenges of new product technology. One among few KSB manufacturing facilities, our plant at Hassanabdal is MbK (Made by KSB) certified. This is the feature that ensure consistent KSB processes and products to its customers not only in Pakistan but around the globe as well. During the last 35 years, the Company has rapidly expanded its product portfolio to include a large number of pumps and valves according to the changing market needs in various segments.

KSB believes in continuous innovation; adding new products and business ideas to strengthen the portfolio and help to open up new markets. Keeping in view increasing market demand and modernization requirement, a major project of Foundry expansion has been carried out in year 2017. The newly established fully automated state-of-the-art Foundry, with enhanced capacity, is capable of producing sophisticated automotive parts along with pump & valve castings and is a leading supplier of tractor/ automobile castings in the country.

At KSB Pumps Company Limited, Pakistan, we see Corporate Social Responsibility as the link that joins the Organization, including internal and external stakeholders to a brighter future of Pakistan. Working under the name of KSB Care, our Corporate Social Responsibility program is focused to provide a sustainable infrastructure and basic amenities to underprivileged students at schools in the rural areas of Pakistan. Our commitment towards our Country shines through the efforts we put in our business and our corporate social responsibility.

KSB Pakistan has received Merit Trophies for exports of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) and Top Company Award for exemplary payment to the shareholders by Karachi Stock Exchange. Corporate & Environmental Excellence Awards have also been bestowed on the Company.

With a 62 years journey of successful operations in the country, today KSB Pakistan stands as a market leader in its line of business and is a benchmark for new entrants. The Company's products, quality standards, people, business partners and leadership have all contributed to imprint this company's score in the history of Pakistan.

Board of Directors



Dr. Sven Baumgarten
Chairman Board of Directors

Dr. Sven Baumgarten joined KSB Aktiengesellschaft (now KSB SE & Co. KGaA) in 1997 and started his career in the R&D division for Engineered Pumps in Frankenthal / Germany. After various management positions in the Global Project Business organization of KSB (Vice President Sales Energy & Desalination, 2010 - 2015), Dr. Baumgarten became Managing Director of KSB Pumps and Valves (Pty) Ltd. in South Africa as well as Vice President Sub-Saharan Africa from 2015 to 2019. Since 2019 he is in charge of the entire KSB Region Middle East, Africa & Russia as Regional Executive Officer.



Imran Ghani
Chief Executive Officer / MD

Mr. Ghani holds the office of Managing Director & CEO of KSB Pakistan. He obtained his Master's Degree in Mechanical Engineering from University of Engineering & Technology, Lahore and did his MBA from IBA – University of the Punjab, Lahore. His wide, diversified and extensive professional experience is spread over a period of above 31 years where he has performed at different key positions in multicultural environments. Mr. Ghani has an exhaustive experience related to Sales, After Sales and Engineering with a special emphasis on extremely large mechanical systems. He has attended a number of leadership & management courses, workshops and seminars in Pakistan as well as abroad, including a certification from Ken Blanchard which makes him a Certified Trainer of Situational Leadership. Mr. Ghani is also serving as the Vice President Pakistan Foundry Association.



Dieter Antonius Pott
Director

Mr. Dieter Antonius Pott is member Board of Directors KSB Pakistan and is also member Audit Committee. After various senior positions of Finance & Accounting in different organizations he joined KSB SE & Co. KGaA Germany in 2017 as Global Executive Officer Finance/Accounting.



Ayesha Aziz
Director

Ms. Aziz has over 25 years of financial sector experience on senior positions and holds the office of CEO/Managing Director of Joint Venture Pak Brunei Investment Company. She is a qualified Chartered Financial Analyst (CFA) and serving on the board of directors of various financial institutions and industries.



Hasan Aziz Bilgrami

Director

Mr. Hasan A. Bilgrami is Chief Executive Officer of BioMasdar (Pakistan) Limited, a biotechnology start up that focuses on processing of natural products for applications in food, pharmaceuticals and cosmetic industries. Earlier in his career he worked as founding President & CEO of BankIslami Pakistan Limited. He has also been the President of Institute of Cost & Management Accountants between 2009-2011. He is also a member of the Board of Mehran Sugar Mills, Education Committee of Institute of Bankers in Pakistan & Quality Assurance Board of Institute of Chartered Accountants of Pakistan. Mr. Bilgrami is a commerce graduate of Karachi University as well as Fellow member of Institute of Cost & Management Accountants of Pakistan and CPA Australia



Asif Malik

Director

Mr. Asif Malik is a Mechanical Engineer by profession with over 30 years of experience in the corporate sector globally, in fields of manufacturing, sales & marketing, human resource, organizational development, and business leadership with companies like Midas Safety INC., AkzoNobel, ICI and Engro Chemicals. In his current role as CEO of US Apparel & Textiles, Asif is spearheading the overall performance of the company in Pakistan and regional offices in New York, London, and Turkey. Asif has served as a Director on the Boards of Pakistan Society of Training & Development (PSTD), Arabian Sea Golf & Country Club, and Pakistan Society of Human Resources Management (PSHRM). He is currently a member of the Midas Safety advisory board and leading board's HR&R committee, a member of Pakistan Textile Council's (PTC) Board of Directors, and chair of its HR&R and Membership Committee. An alumnus of the INSEAD Business School, has also attended Technical Development Program at Oxford University, UK.



Jamal Nasim

Director

Mr. Jamal Nasim, member Board of Director KSB Pakistan and Managing Director, Industrial Development Bank of Pakistan and has more than 39 years of professional experience with NDFC and IDBP, which includes Commercial Banking, Project Management, Operations, Treasury, Risk Management, Internal Audit and Compliance etc. He also has a substantial experience of serving on the Boards of Directors of different companies in Textile, Sugar and Food sectors. He holds a Masters degree, in Business Administration, from Asian Institute of Management, Manila - Philippines.



Shezada Mazhar

Director

Mr. Shezada Mazhar is member Board of Director KSB Pakistan. He received his LL.M degree from University of Hull, U.K and is Ex-Justice of Lahore High Court & Senior Advocate of Supreme Court of Pakistan. He has represented in number of High Profile case in the Superior Courts.

Dr. Sven Baumgarten **Chairman Board of Directors**



Chairman's Review

I am pleased to present the annual review for year ended December, 2022.

The year has been affected by strong political instability, a severe currency devaluation and supply chain disruptions caused by depleting foreign reserves of the country. The impacts of Russia-Ukraine war further added fuel to instability. And nature did not help either; Pakistan was hit by its worst floods in the history, damaging infrastructure and displacing millions of people requiring strong efforts to bring the life to normal situation.

Despite all above challenges, KSB Pakistan has been able to achieve results above the committed numbers for the year 2022. A strong order intake of PKR 5,014 Million with 10% higher sales compared to year 2021 and an EBIT of 6.6% well above budget and previous year speak of the strong operational performance of the company.

KSB Pakistan has not lagged behind Sustainability, a license to operate in global environment as a responsible company. We have installed green energy, both at our factory and at Lahore thereby reducing our carbon footprint. Apart from this, KSB Germany, KSB Pakistan and employees of KSB Pakistan generously donated during the difficult days of flood devastation. Food, shelter and rebuilding the houses, we contributed in all areas.

KSB Globally conducted a Voice Survey, listening to it's own employees. KSB Pakistan team had an 88% participant rate, already above the global bench mark. The feedback has been evaluated and action plan is being prepared to improve the areas highlighted by the employees.

A strong qualified board adds value to the company's decision making. Fellow board members are well acquainted with the global and local economic trends in addition to having strong business acumen which helps in future investments and outreach to markets. Regular meetings of the board and evaluations of the past results and bringing in strategies for the future are hall mark of the board of KSB Pakistan.

I would like to thank the fellow board members and all stake holders for the trust in the management of the company.



Dr. Sven Baumgarten

Chairman

Lahore: March 10, 2023

Imran Ghani

Chief Executive Officer & MD - KSB Pakistan



From the desk of CEO

KSB Pakistan, the only European pump manufacturer continues on its growth course despite numerous challenges in the 2022 financial year. With an order intake of 5,014 million PKR (+10%) and a sales revenue of 4,965 million PKR (+14.6%), the company achieved its highest ever figures for order intake and sales revenue in last 05 years. The EBIT margin was increased to 6.6% (+).

The export sales strategy has brought dividends (up by 114.58%) by exporting to the mother company, KSB Germany apart from the sister companies in Saudi Arabia, South Africa and Turkey. This flourishing journey is expected to continue in the year 2023 too. We are on the move to increase our product portfolio for the export market, thanks to the steady research and development center at HasanAbdal. Supplies of castings for components is expected to grow manifolds in 2023; the developments are in progress at a fast pace.

Apart from our diverse product portfolio catering different market areas, including building, water transportation & treatment and power plant processes, we strategized to focus on Marine Industry in Karachi. KSB signed MoUs with Karachi Shipyard and Engineering Works Ltd. and K-Electric Ltd. while providing reverse engineered parts to marine base customers.

Our efficient & dynamic aftersales team, under the brand of KSB SupremeServ, is committed to address the customer needs 24/7, 365 days a year. We have grown our SupremeServ Network within the country by appointing KSB SupremeServ Authorized Service Partners in Lahore, Faisalabad and Karachi; the workshops network is expected to be fully operational by mid 2023.

KSB inaugurated its new furnace dedicated to reverse engineering the components for the entire Middle East Africa – Russia Region, apart from local needs. This gives us the flexibility to produce components at a fast pace and in smaller batches indigenously for 3rd party services.

In addition, KSB is consistently pursuing its nine sustainability goals in which the increased use of renewable energies such as green electricity is playing an important role. KSB Pakistan participated in the Global Voice Survey for the employees and maintained its engagement score compared with the last survey in 2019. The areas of improvement have been clearly identified and action plans have all set in place to make KSB Pakistan an employer of choice.

Company continued to build on the initiatives for the well-being of its employees and is committed to update the policies to meet the industry's standards and employees' aspirations. A company facilitated cafeteria "Kafe KSB" has been extended to HasanAbdal as well where the employees can enjoy fresh and delicious food under a well-managed and subsidized rate. The company has worked upon and improved the office ambience by having it branded at all locations across the country this year. This will undoubtedly enhance the productivity of the employees and will be a place where they can feel more comfortable and passionate to contribute towards the betterment of the organization.

KSB has invested around 120 million PKR in sustainability, energy optimization, digitalisation and productivity improvements in the 2022 financial year. A major chunk of investments are in Hasanabdal and additional Investments are due to be further increased in 2023.

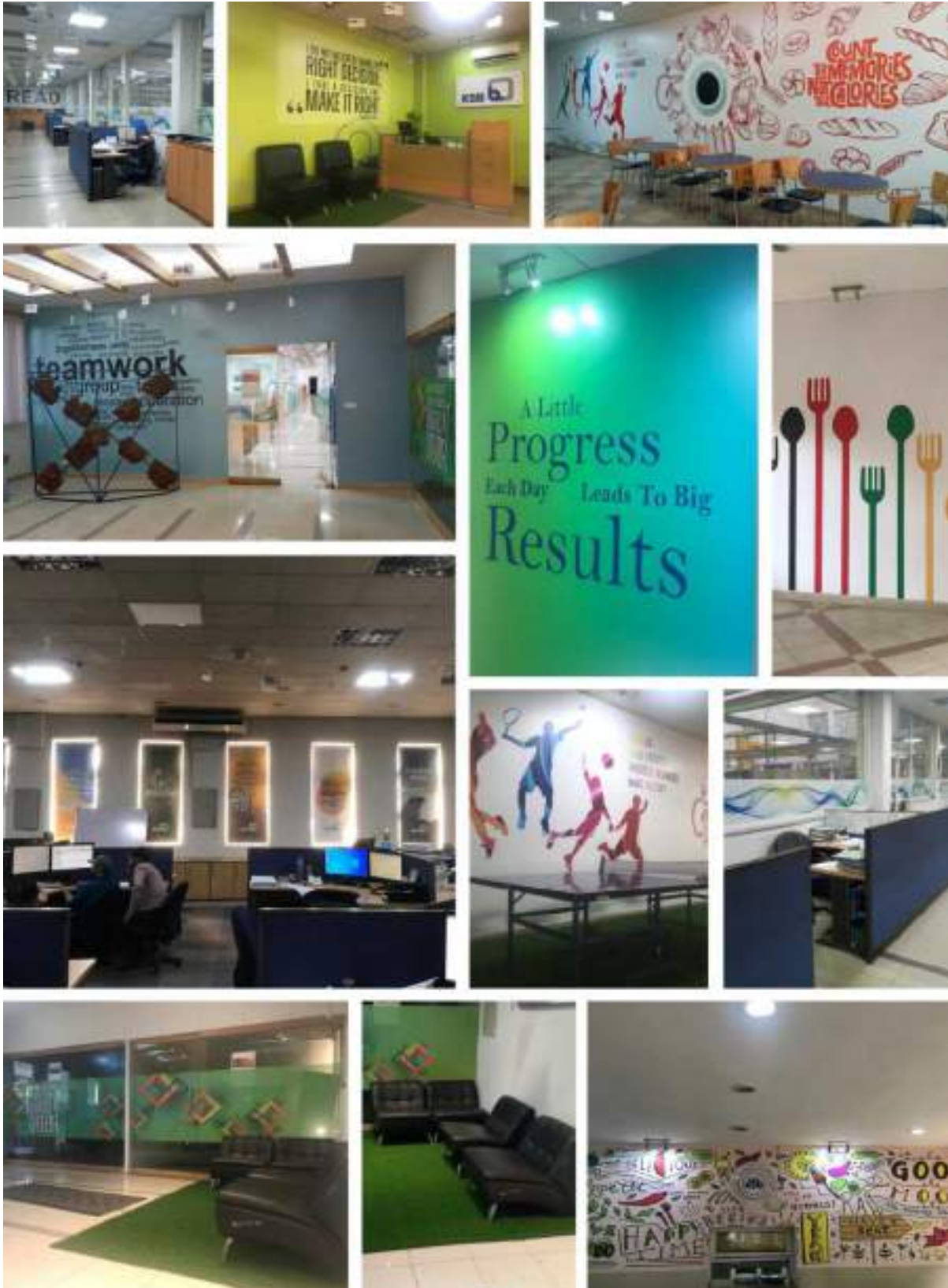
As part of its commitment to contribute in the CSR activities in countries of its operations, KSB Germany along with KSB Pakistan and its employees, supported in flood relief actively by donating funds and equipment in the effected areas.

I am fully convinced that with all this future outlook, rejuvenated leadership and committed team, we shall continue to take the organization to newer heights; InshaAllah.



Imran Ghani
Chief Executive Officer / MD

Glimpses of KSB Pakistan



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	
Shezada Mazhar	
Jamal Nasim	

Company Secretary

Faisal Aman Khan

Management

Imran Ghani	Chief Executive Officer /MD
Muhammad Imran Malik	Chief Commercial Officer
Imran Ahmed	Chief Financial Officer
Fida Hussain	General Manager Operations
Omar Saljouk	General Manager Services

Auditors

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

Tariq Abdul Ghani Maqbool & Co.	Chartered Accountants
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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

Audit Committee

Ayesha Aziz	Chairman
Dieter Antonius Pott	Member
Shezada Mazhar	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

Works

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
Shahra-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 Exclusive 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-C/2 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



Notice of Annual General Meeting

Notice is hereby given that the 66th Annual General Meeting of the members of KSB Pumps Company Limited, will be held on Wednesday, the 26th April, 2023, at 11.30 a.m. at Registered Office of the Company 16/2 Sir Aga Khan Road, Lahore, to transact the following business:

1. To confirm the minutes of the 65th Annual General Meeting held on April 27, 2022.
2. To consider and adopt the audited accounts of the Company for the year ended December 31, 2022 and report of Auditors and Directors thereon.
3. To appoint auditors for the year 2023 and fix their remuneration. M/s. A.F. Ferguson & Co., Chartered Accountants, the retiring auditors offer themselves for re-appointment as auditors of the Company.
4. To elect seven (7) Directors as fixed by the Board, in accordance with the provisions of the Companies Act, 2017, for a period of three years commencing from April 25, 2023 in place of the following retiring Directors.


- Mr. Sven Baumgarten
- Mr. Imran Ghani
- Mr. Dieter Antonius Pott
- Ms. Ayesha Aziz
- Mr. Asif Malik
- Mr. Shezada Mazhar
- Mr. Hasan Aziz Bilgrami

SPECIAL BUSINESS:

To approve transmission of Notice of meeting, Annual Audited Financial Statements, Director' Report, Auditors' Report etc (Annual Report) to members through QR enabled code and weblink as allowed by Securities & Exchange Commission of Pakistan (SECP) vide SRO 389 (I)/2023.

RESOLVED:

“that transmission of Notice of meeting, Annual Audited Financial Statements, Director' Report, Auditors' Report etc (Annual Report) to members through QR enabled code and weblink as allowed by Securities & Exchange Commission of Pakistan (SECP) be and is hereby approved”



BY ORDER OF THE BOARD
Faisal Aman Khan
Company Secretary

Lahore : April 04, 2023

NOTES:

1. A member entitled to attend and vote at this meeting is entitled to appoint another member as proxy. Proxies in order to be effective must be received not later than 48 hours before the time appointed for the meeting. 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 place of the member appointing him/her at the meeting.
2. The Share Transfer Books of the Company will remain closed from 19th April, 2023 to 26th April, 2023 (both days inclusive). Transfers received in order at Company's Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400, by the close of business on 18th April, 2023 will be in time to be passed for payment of dividend to the transferees.
3. The CDC account/sub account holders and/or the persons whose securities are in group account and their registration details are up-loaded as per the regulations, shall for identification purpose have to produce their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

- Any person who seeks to contest the election of Directors shall file with the Company at its Registered Office not later than fourteen (14) days before the above said meeting, his/her intention to offer himself / herself for the election of the Directors in terms of Section 159 (3) of the Companies Act 2017 together with consent in Form 28, detailed profile and relevant declarations as required under the Code of Corporate Governance Regulations 2019.

The selection of Independent Directors will be complied with requirements of Section 166 of the Companies Act 2017 and Regulation 6 of Listed Companies Code of Corporate Governance's Regulations 2019.

- The Members, who are willing to attend and participate in the AGM through Video-Link, are requested to register themselves by sending an email at companysecretary@ksb.com.pk with subject registration for AGM and by providing the following particulars.

S. No.	Name of the Shareholder	CNIC No.	Folio No.	Mobile	Registered Email Address

Video-Link details and login credentials will be shared with those Members whose emails containing all the above particulars are received on or before April 23, 2023.

The shareholders, who wish to send comments/ suggestions on the agenda of AGM, can email the Company at companysecretary@ksb.com.pk and the same will be discussed in the meeting and made part of the minutes of the meeting.

6. WITHHOLDING TAX ON DIVIDENDS

The Government of Pakistan through Finance Act, 2019 has made certain amendments in the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding Tax on the amount of dividend paid by the companies/banks. These tax rates are as follows:

- (a) For filers of income tax returns 15.0%
- (b) For non-filers of income tax returns 30.0%

To enable the Company to make tax deduction on the amount of cash dividend @15% instead of 30 % all shareholders whose names are not entered into the Active Tax- payers list (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of the cash dividend, otherwise tax on their cash dividend will be deducted @ 30 % instead of 15%.



The joint shareholders are requested to provide shareholding proportions of principal shareholders & joint shareholders as withholding tax will be determined separately on Filer/Non-filer status based on their shareholding proportions otherwise it will be assumed that shares are equally held.

The Corporate shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas physical shareholders should send a copy of their NTN Certificate to the Company or Company's Share Registrar, M/s. CDC Share Registrar Services Limited. The shareholders while sending NTN or NTN Certificate, as the case may be, must quote Company name and their respective folio numbers.

For any query/clarification/information, the shareholders may contact the Company, and/or the Share Registrar.

7. UNCLAIMED DIVIDEND/SHARES

Shareholders who could not collect their dividend / physical shares are advised to contact our Share Registrar to collect / enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the companies Act 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of three (3) years or more from the date due and payable shall be deposited to the credit of the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

8. ELECTRONIC DIVIDEND MANDATE

Under section 242 of the Companies Act 2017, it is mandatory for all listed Companies to pay cash dividend to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend available in the Annual Report and also on the Company's website and send it duly signed along with a copy of CNIC to the Share Registrar of the Company, CDC House, 99-B, Block 'B', S.M.C.H.S, Main Sharah-e-Faisal, Karachi-74400, in case of physical shares.

In case shares are held in CDC, electronic dividend mandate form must be directly submitted to shareholder's brokers/participant/CDC account services.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to shareholders till provision of prescribed details.

9. AUDITED FINANCIAL STATEMENT OF THE COMPANY

SECP through its notification SRO 470(1) /2016 dated May 31, 2016 has allowed the Companies circulations of annual audited accounts to the Members through CD/DVD/USB at their registered addresses. The Company has sent the annual report for the year ended December 31, 2022 in the form of CD. Any member requiring printed copy of the annual report 2022 may send a request using standard request form placed on Company website.

Audited financial statements & reports can be downloaded from the website of the Company www.ksb.com.pk.

The members of the Company who wish to receive soft copy of Annual Report are requested to send their e-mail addresses. The consent form for electronic transmission could be downloaded from the Company Website: www.ksb.com.pk.

Directors' Report to the Shareholders

The Directors of KSB Pumps Company Limited are pleased to present the Annual Report along with the Audited Financial Statements for the year ended December 31, 2022 together with Auditor's report thereon.

THE ECONOMY

Global Economy

The year 2022 proved a year full of turbulence & volatility for businesses, not only in Pakistan but for across the globe. The global economy continues to face steep challenges, shaped by the lingering interconnected effects of three powerful forces: geo-political tensions particularly the Russian-Ukraine conflict, a cost-of living crisis caused by persistent and broadening inflation pressures, and the slowdown in China.

Growing inflation clubbed with monetary tightening is expected to continue in 2023. This monetary tightening, coupled with withdrawal of fiscal stimuli, has increased the possibility of a global recession. Pakistan while not only facing global challenges, has its own demons to face in the months ahead. The challenges include, global supply chain disruptions, rising fuel and energy prices, combined with food inflation being the major reason for slow down. Although discussions are ongoing with multilateral agencies, however unprecedented climate-induced floods coupled with rapidly depleting foreign currency reserves, slowing of exports, high interest rate environment & related factors have dramatically worsened Pakistan's economic outlook.

Unprecedented floods in mid-2022 created havoc in Pakistan. It is estimated that over 33 million people are affected and damages of USD ~20 billion have been borne by the economy. The floods have affected economic and agricultural activity in the Country as major crops witnessed significant production losses. The textile sector, saw factories shutting down due to unavailability of cotton, while shortage of agricultural produce has resulted in increased prices of staple food items, further fuelling rising inflation. With this scenario, the Country's risk of default continues to be priced in by global markets.

To address uncertainty and revert to a growth trajectory, the Country is in dire need of structural reforms, like expansion of tax net, cost effective power generation, lowering fuel rates, incentivizing export sectors, targeted policies to boost IT sector exports, and establishing talent development programs.

Through such grim realities, our business is working towards building a sustainable business model and has also started developing local as well as an export-oriented road map.

Pakistan's Economy

Pakistan economy is under pressure and striving to continue on recovery track, although under external pressures, widening current account deficit and high inflation. GDP growth outlook for the fiscal year 2023 is 3.8%. Inflation is following upward trajectory, currently hovering around in higher twenties. To combat the increasing inflationary pressures SBP has gradually increased the policy rate to 20%, an increase of 3% from the recent monetary policy. The next IMF tranche is still not approved, emphasizing the extra efforts to revitalize and then maintain economic stability. Currency devaluation, increase in fuel prices and energy tariff, resulting from recent adjustments and overall external pressures, are factors negatively contributing to overall pace of recovery. Large scale manufacturing decelerated as a result of price increase effects, including fuel and energy price hikes. Outlook for agriculture, however, remains positive. Public sector

activity is expected to halt initially and then resume after election in 2023, being the election year. Downside risks to the growth remain elevated. Geo-political tensions, especially the situation in East Europe, would further raise oil price and contribute towards already heightened inflation. Security and Law & Order situation in the country remained under control, however, political instability might hamper public sector performance particularly and overall economic activity generally. Further strong and committed efforts to remove impediments and facilitate structural reforms are required to ensure sustainable economic growth.

THE COMPANY

Financial Results

KSB Pakistan's performance remained positive in year 2022 with significant increase in revenue numbers. Profitability was mainly overshadowed by tremendous price pressures, supply disruptions and higher interest rates. Despite the fact, the company was able to manage the margins by partially passing on the price increase to customers, given the external market conditions, and close the financial year with good numbers, also slightly improved from the last year as reflected from below shown key indicators:

	Rupees in '000'	
	2022	2021
Sales	4,965,061	4,334,459
Gross Profit	778,749	594,361
Profit Before Interest and Tax	327,533	140,421
Profit Before Tax	73,191	31,725
Profit/(Loss) for the year	43,342	27,290
Earnings per share (EPS)	3.28	2.07

Pumps & Valves

The year 2022 was a healthy year for Pumps & Valves business; slow economic activity was amplified further by political instability; however, a significant increase in company order intake was observed. Water,



General Industry, Petro-chemical and Building Services remained key contributors while ensuring a substantial market share in the Pakistani market. Intercompany business remained another strong contributor showing consistent growth even for 2022, with a healthy revenue recorded for the same period. Alternate Channel Network (KSB Partner & Authorized Distributor) remained the primary driver to sustainable sundry business with readily available stocks for standard pumps for KSB clientele.

With our robust product diversification and expansion program combined with regular marketing and customer-focused campaigns, we remain committed to increasing our market share further in the respective fields of business and exploring new business horizons.

KSB Pakistan Projects & Application department has been restructured in previous years, considering the dynamic business needs in the water filtration and treatment sector while relying on public & private sector initiatives. In 2022, KSB Pakistan remained moderate, focusing on increasing our filtration product footprints in the private sector for industrial clientele. O&M jobs for Filtration, Tube wells & Disposal Stations were executed as per the contracts primarily for Lahore Districts through WASA Lahore. Closure of in-hand projects in efficient and cost-effective manners remains our prime area of focus.



Foundry is another business area which was streamlined based on the detailed analysis followed by a change in strategy. Our focus remained on new developments for Pumps & Valves part business to ensure substantial business growth while becoming part of the group supplying companies for foundry products for pumps & valves. The auto products business has shown a negative trend considering the lesser production of vehicles and other challenges for the auto business.

Production

KSB Pakistan operations has been continuously working on lean projects in all areas of manufacturing for which quality circle initiatives are in place to reduce Muda (waste) in processes, single line flow, improving quality and closed loop operations. This activity is focussed to optimise overall cost of manufacturing and enhance process efficiency as well as productivity.

3,739
NUMBER OF PUMPS
PRODUCED

Our medium-term plan emphasizes the improvements in production accuracy and energy optimization in line with global best practices. In order to remain energy efficient, company has installed solar plant of capacity 1 MW during the Year 2022.

This would contribute to achieve our objective of energy optimization and cost competitiveness. In order to meet challenges in the competitive environment and expectation of our value customers, KSB Pakistan operations is geared up for new development activities in the area of Reverse Engineering. For this purpose, a new small capacity furnace is installed. This induction will not only enable us to provide parts with shorter lead time but will ensure cost saving in terms of melting. Similarly, the establishment of vendor park at our production facility is in pipeline, aimed to reduce lead time and be more cost efficient.

Quality, Environment, Occupational Health and Safety

“KSB makes its customers' plants safer, more energy-efficient and more cost-effective by providing first-class products and excellent service. With this commitment we seek to achieve sustained profitable growth and successfully shape our future.”

KSB Pumps Company Limited is certified for the Integrated Management System (ISO 9001, ISO 14001 & ISO 45001). The company will also be seeking ISO 50001 certification in coming years. Regular internal reviews of our products, processes and services are conducted, in addition to external reviews by our parent



company in Germany with the aim to ensure continuity and up-gradations and to meet the requirements of sustainable development in line with new standards.

KSB Pakistan plant is 'MbK- Made by KSB' certified by our principles. The certification means that the product manufactured in Pakistan meets the criteria and quality as if it was made in Germany.

In recognition of compliance with national and international standards of Health, Safety and environment sustainability, we were able to achieve another National Annual Award for Environment Excellence, being 15th award in a row.

KSB SupremeServ

Year 2022 was a challenging year with our revised strategy shifting focus from public sector to industrial sector. The aim was to build a base line for sustainable business with potential growth in future years. Supreme SERV top line was low however in reverse engineering we grew same was the case with KSB Mech. Seals. In both these areas we surpassed the targets assigned to us from the group. Spare parts business was good however exchange rate and import restrictions made deliveries and overall sales drop.

In 2023 we will be going all out to fulfil needs of the industry which is desperately seeking local development. We will also be entering into third party equipment maintenance and parts. Two new workshops will be operational by beginning of Q2 with collaboration of our service partners in Lahore and Karachi.

Human Resource

The Company is proud of having a motivated, zealous, and efficient team that personifies the Company's values, ensuring continued excellence over the years. The Human Resource department focuses on policies, benefits, and plans for its employees which leads to enhanced productivity at an individual level as well as for the organization at large. At KSB, we take pride in providing everyone an equal opportunity at employment and growth, and the company has demonstrated its commitment by providing a number of role enrichment and rotation opportunities to internal candidate to not increase talent strength available with the company but also drive higher levels of employee engagement across the organization.

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TRAINING
MANHOURS

We continued to live by our motto of People, Passion and Performance. With a greater focus on employee wellbeing and increased cost of health care, life and health insurance policies have been enhanced significantly. The company also continues to strengthen the reward offerings to its people to enhance the sense of belonging and.

We cannot win the battle of future with the strategies of the past. Realizing this, the Organization has been re-designed with a clear customer centred approach to ensure that Front End will deliver customer needs ably supported by Back End organization producing the product portfolio while rest of the Shared Service organization will be offering their services to both Front End and Back End. We have clear priorities and are moving assuredly to achieve various milestones of the proposed new organizational changes. We are aligning various functions to this effect. Our proven agility and tenacity of workforce, gives us confidence that we will continue to move towards sustainable growth targets with new organizational structure



Enterprise Risk Management

“Risks are potential future developments or events that can lead to damage or loss. They result from the uncertainty of future events. A risk is therefore every condition, situation or state that can, at present and/or in future, prevent the KSB Group or an individual Group company from achieving its business goals and completing its tasks.”

KSB's risk management system is designed to identify and evaluate current and potential threats to the achievement of objectives as early as possible, and prevent or at least limit business losses through adequate measures. The aim is to prevent any threat to the existence of KSB and to create lasting value through improved business decisions.

Financial Risk Factor

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.

Risk management is carried out by the Finance Department under the principles and policies approved by the Board of Directors (The Board). The Board provides principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies under the guidelines provided by the Group Treasury and State Bank of Pakistan.

Market Risk

Market risk includes currency risk, other price risk and interest rate risk.

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since there are no investments in equity securities. The Company is also not exposed to commodity price risk since it has a diverse portfolio of commodity suppliers.

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from long term and short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

Credit Risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation. Credit risk arises from deposits with banks and other receivables. Credit risk of the Company arises from

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation. Credit risk arises from deposits with banks and other receivables. Credit risk of the Company arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilization of credit limits is regularly monitored and major sales to retail customers are settled in cash. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

Liquidity Risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Company's businesses, the Company's finance department maintains flexibility in funding by maintaining financial availability under committed credit lines.

Management monitors the forecasts of the Company's cash and cash equivalents on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities; monitoring statement of financial position liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans.

Capital Risk Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. Capital includes ordinary share capital and reserves.

Corporate Social Responsibility - KSB CARE

Corporate Social Responsibility (CSR) remains important part of company's overall objectives. KSB believes in sustainable growth while making effective contribution towards well-being of the community at large. Our parent company in Germany has also established certain CSR objectives to be achieved till 2025. KSB Pakistan is aligned with these group wide objectives.

Our social responsibility program works under the banner of KSB Care, whereby we participate in social welfare programs contributing mainly in Education, Health sectors and Disaster management. During year 2022, donation of Pumps Cut Model was made to GIK University. Similarly, classroom materials were also provided in educational sector. KSB Employees contributed donation for the relief of flood victims. We further offer internships, apprenticeships, training opportunities, educational visits and study projects to students.



FUTURE OUTLOOK

Sales & Projects

Business prospects for Pumps, Valves are optimistic for standard and high-end engineered markets for all major market areas. Considering the pre-election development initiatives, the government sector activities are anticipated to gear up in the second half of the year, and we expect some excellent business opportunities, especially in the water market area. However, order intake will depend on the timely release of funds for subsequent tendering activities. Efforts to secure significant orders from critical projects, including Punjab Aab-e-Pak Authority, WASA's and K4 will remain intact in 2023.

We also expect growth in the general industry and petrochemical sectors as some expansions are planned. KSB Pakistan's product portfolio and infrastructure are geared to provide the best services to our clientele, considering our specialisation in this field. Auto parts business will remain moderate, considering the challenges of the automobile sector. This year, we will release a few more products in the auto sector, which will help us strengthen our business outlook for this segment. The intercompany business also has some strong prospects considering our raw casting of pumps and valves for export to group companies along with some significant orders for 2023.

Expansion in KSB Pakistan's market share with sustainable growth in the future will remain a key focal

KSB SupremeServ

KSB SupremeServ aims to achieve volume growth in the current year by targeting business opportunities in Industry sector including Reverse Engineering.

By the establishment of New workshops at Karachi and Lahore, we expect to engage more customers, ultimately converting into new revenue base. We are exploring new arena in marine and industry for reverse engineering parts and service jobs. KSB Pakistan being Hub of Reverse Engineering in MEA region will start taking bigger volume of orders from other countries in the region.

We will enhance our focus on private sector, industry and new segments. Year 2023 is expected to be challenging yet exciting year and we are confident to achieve targets for order intake as well as profitability.

APPROPRIATION**RESULT FOR THE YEAR**

	Rupees '000'
Profit for the year before providing for taxation	73,191
Provision for taxation	(29,849)
Profit after taxation	43,342
Other comprehensive income/(loss) for the year - Net of Tax	(7,029)
Un-appropriated profit brought forward	248
Available for appropriation	36,561
Appropriated as under	
- Transfer to general reserve	36,000
- Proposed dividend @ Rs. 0.00 per share	0
Un appropriated profit carried forward	561

AUDITORS

The present auditors, A.F. Ferguson & Co., Chartered Accountants, retire and offer themselves for reappointment. As suggested by the Audit Committee the Board of Directors has recommended their reappointment as auditors of the Company for the year ending December 31, 2023.

CODE OF CONDUCT

The Board of Directors has already adopted a Code of Conduct. The compliance with the Code of Conduct is compulsory for all employees at all levels. The Code has also been placed on the Company's website.

MATERIAL CHANGES

There have been no material changes since December 31, 2022 and the company has not entered into any commitment, which would affect its financial position at the balance sheet date.

HOLDING COMPANY

The Company's holding company is KSB SE & Co. KGaA Germany.

BOARD OF DIRECTORS

The Board of Directors presently comprises eight individuals out of which one executive, three are non-executive, and four are independent directors, including one female director.

The Chairman of the Board is other than the CEO and non-executive Director.

Total number of Directors:

a) Male	7
b) Female	1

Composition:

a) Independents Directors	4
b) Non-executive Directors	3
c) Executive Directors	1

BOARD OF DIRECTORS MEETING

During the year, four Board Meetings were held and the number of Meetings attended by each Director is given hereunder:

S. No.	Name of Director	No. of Meetings Attended
01.	Dr. Sven Baumgarten	4
02.	Mr. Imran Ghani	4
03.	Mr. Dieter Antonius Pott	4
04.	Ms. Ayesha Aziz	4
05.	Mr. Hasan Aziz Bilgrami	4
06.	Mr. Jamal Nasim	4
07.	Mr. Shezada Mazhar	4
08.	Mr. Asif Malik	4



AUDIT COMMITTEE

An Audit Committee of the Board has been in existence since the enforcement of the Code of Corporate Governance which comprises three non-executive Directors. The Members of the Board Audit Committee and attendance by each member was as follows:

S. No.	Name of Director		No. of Meetings Attended
1.	Mr. Jamal Nasim	- Chairman	4
2.	Mr. Dieter Antonius Pott	- Member	4
3.	Mr. Shezada Mazhar	- Member	4

During the year, four meetings of the Committee were held. The Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the listing regulations.



HUMAN RESOURCE & REMUNERATION COMMITTEE

The Board of Directors has constituted the Human Resource and Remuneration Committee (HR&R), which comprises three Directors. The members of the HR&R Committee and attendance by each member was as follows:

S. No.	Name of Director		No. of Meetings Attended
1.	Mr. Shezada Mazhar	- Chairman	2
2.	Mr. Hasan Aziz Bilgrami	- Member	2
3.	Mr. Imran Ghani	- Member	2



Directors' Remuneration Policy - For Attending Meetings of the Board

1. No Director shall determine his own remuneration.
2. Meeting fee of each Director other than regularly paid Managing Director or full time working Director for attending meetings of the Board shall be determined by Board of Directors.
3. Remuneration shall be sufficient to encourage value addition.
4. Remuneration shall be sufficient to attract and retain Directors needed to govern the Company successfully.
5. Remuneration shall not be at a level that could be perceived to compromise their independence.
6. The Directors shall be entitled for travelling, boarding and lodging and other expenses for attending Board Meetings.

CORPORATE AND FINANCE REPORTING FRAME WORK

- The financial statements together with the notes thereon have been drawn up by the Management in conformity with the Companies Act, 2017. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- The International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained.

- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the Best Practices of Corporate Governance, as detailed in the Listing Regulations.
- There has been no departure from the best practices of transfer pricing.
- The key operating and financial data for the last six years is annexed.
- The value of investments including accrued interest based on respective audited accounts of funds are as follows:
 1. Provident Fund 31-12-2021 : Rs. 198,542 Million.
 2. Gratuity Fund 31-12-2021 : Rs. 171,848 Million.
- To the best of our knowledge, no trading of shares of the Company by CEO, Directors, Company Secretary, CFO, their spouses and minor children has been carried out.

PATTERN OF SHAREHOLDING

The statement of pattern of the shareholding of the Company as at December 31, 2022 is annexed with the report.

PERFORMANCE REVIEW OF CHIEF EXECUTIVE OFFICER

The performance of CEO is assessed through the evaluation system developed by the KSB Group. The evaluation is conducted on financial and non-financial parameters including the KSB Values.

ACKNOWLEDGEMENT

The board would like to express gratitude to all stakeholders, valued customers, shareholders, bankers, suppliers, franchise partners and dealers of the Company for their valuable support throughout the year. They are also thankful for the excellent support and guidance provided by the parent Company, M/s. KSB SE & Co. KGaA.

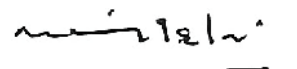
The Board appreciates efforts by entire KSB team on achievement of positive results during this year and wished them all the best for year 2023.

On behalf of the Board

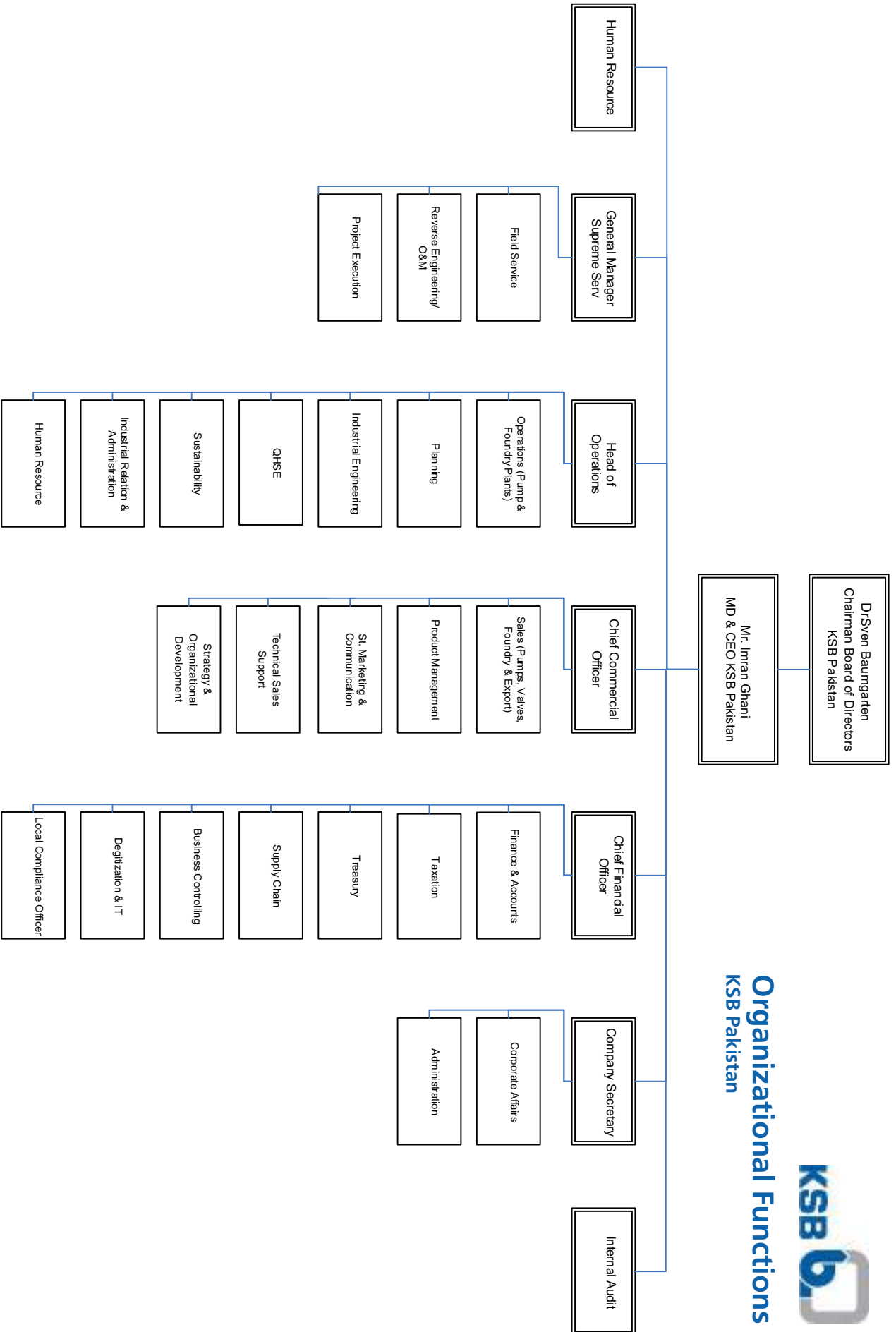
March 10, 2023
Lahore



Imran Ghan
Chief Executive Officer / MD



Asif Malik
Director



Organizational Functions
KSB Pakistan

3

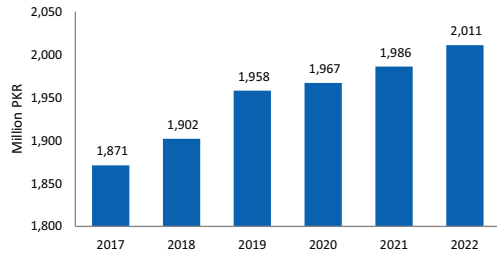
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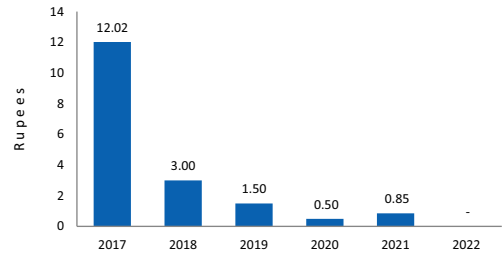


6 Years Highlights

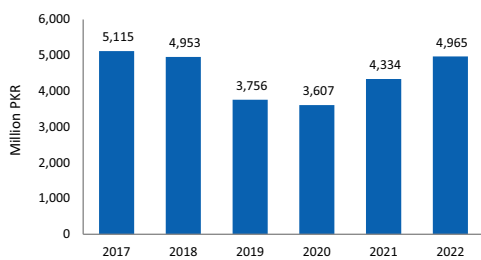
Equity



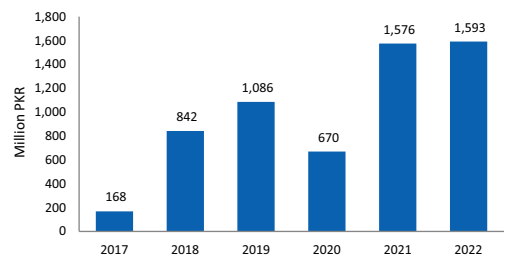
Cash Dividend Per Share



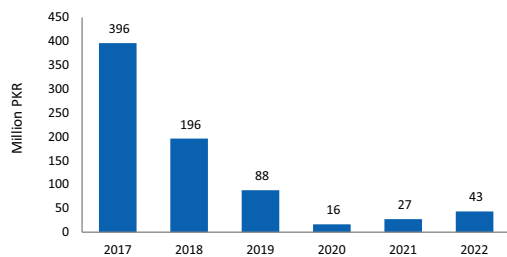
Sales



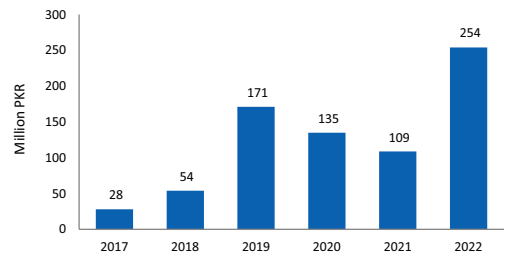
Short Term Finances



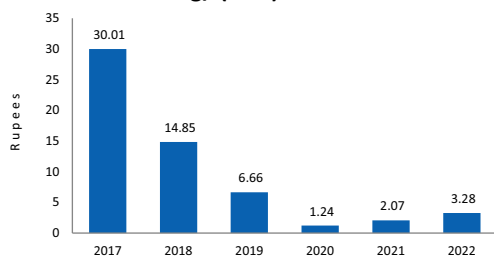
Net Profit/ (Loss)



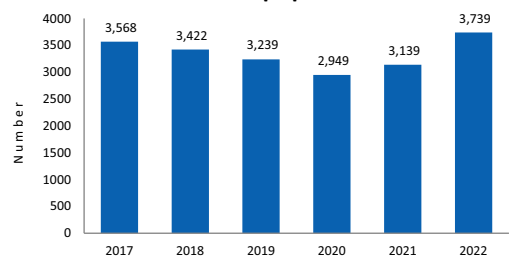
Finance Cost



Earning/ (Loss) Per Share



No. of Pumps produced



Vertical Analysis

	<u>2022</u> Rs. in '000	%age	<u>2021</u> Rs. in '000	%age	<u>2020</u> Rs. in '000	%age
Balance Sheet						
Net worth / shareholders equity	2,011,662	35.03%	1,986,568	33.80%	1,967,112	41.91%
Non current liabilities	85,214	1.48%	76,772	1.31%	344,785	7.35%
Short term running finances/ bank borrowings	1,592,954	27.74%	1,835,706	31.23%	904,448	19.27%
Creditors, accrued and other liabilities	2,053,505	35.75%	1,978,836	33.67%	1,476,941	31.47%
Total liabilities and equity	5,743,335	100.00%	5,877,882	100.00%	4,693,286	100.00%
Fixed Assets	995,971	17.34%	999,375	17.00%	1,088,677	23.20%
Long Term Loans and Deposits	1,736	0.03%	13,306	0.23%	70,909	1.51%
Deferred Taxation	65,986	1.15%	31,899	0.54%	-	0.00%
Current Assets	4,679,642	81.48%	4,833,302	82.23%	3,533,700	75.29%
Total Assets	5,743,335	100.00%	5,877,882	100.00%	4,693,286	100.00%
Profit and Loss Account						
Sales	4,965,061	100.00%	4,334,458	100.00%	3,606,605	100.00%
Cost of sales	(4,190,313)	-84.40%	(3,740,097)	-86.29%	(3,012,089)	-83.52%
Gross Profit / (Loss)	774,748	15.60%	594,361	13.71%	594,516	16.48%
Distribution and marketing costs	(377,182)	-7.60%	(328,098)	-7.57%	(303,269)	-8.41%
Administrative expenses	(233,314)	-4.70%	(227,029)	-5.24%	(205,732)	-5.70%
Other operating expenses	(6,379)	-0.13%	(1,691)	-0.04%	(11,771)	-0.33%
Other operating income	169,660	3.42%	102,879	2.37%	84,849	2.35%
Operating Profit / (Loss)	327,533	6.60%	140,421	3.24%	158,593	4.40%
Finance Cost	(254,342)	-5.12%	(108,696)	-2.51%	(134,957)	-3.74%
Profit / (Loss) before tax	73,191	1.47%	31,725	0.73%	23,636	0.66%
Taxation	(29,849)	-0.60%	(4,435)	-0.10%	(7,254)	-0.20%
Profit / (Loss) for the year	43,342	0.87%	27,290	0.63%	16,382	0.45%

<u>2019</u>	<u>%age</u>	<u>2018</u>	<u>%age</u>	<u>2017</u>	<u>%age</u>
Rs. in '000		Rs. in '000		Rs. in '000	
1,957,898	39.63%	1,901,553	37.13%	1,871,369	39.10%
273,575	5.54%	433,783	8.47%	413,515	8.64%
1,211,456	24.52%	966,760	18.88%	269,215	5.62%
1,497,734	30.31%	1,819,574	35.53%	2,232,091	46.64%
4,940,663	100.00%	5,121,670	100.00%	4,786,190	100.00%
1,196,996	24.23%	1,269,796	24.79%	1,245,786	26.03%
69,256	1.40%	74,314	1.45%	13,044	0.27%
-	0.00%	-	0.00%	-	0.00%
3,674,411	74.37%	3,777,560	73.76%	3,527,360	73.70%
4,940,663	100.00%	5,121,670	100.00%	4,786,190	100.00%
3,755,532	100.00%	4,952,915	100.00%	5,115,215	100.00%
(3,021,989)	-80.47%	(4,289,529)	-86.61%	(3,970,150)	-77.61%
733,543	19.53%	663,386	13.39%	1,145,066	22.39%
(308,778)	-8.22%	(342,263)	-6.91%	(334,702)	-6.54%
(223,890)	-5.96%	(222,830)	-4.50%	(244,767)	-4.79%
(8,920)	-0.24%	(18,994)	-0.38%	(59,219)	-1.16%
95,498	2.54%	226,665	4.58%	60,854	1.19%
287,453	7.65%	305,963	6.18%	567,231	11.09%
(170,538)	-4.54%	(54,467)	-1.10%	(27,908)	-0.55%
116,915	3.11%	251,496	5.08%	539,324	10.54%
(29,035)	-0.77%	(55,459)	-1.12%	(143,255)	-2.80%
87,880	2.34%	196,037	3.96%	396,068	7.74%

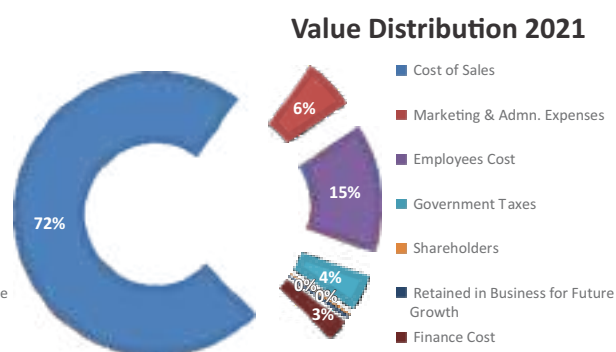
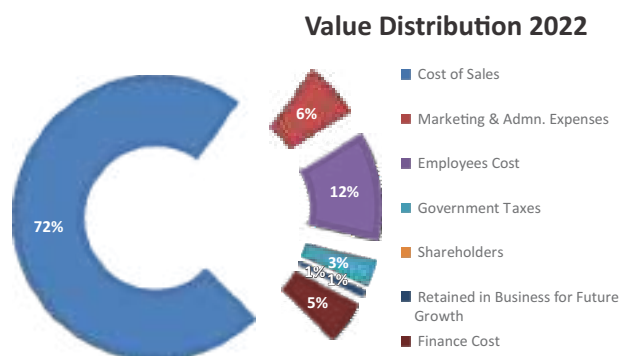
Horizontal Analysis

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2021</u>	<u>2020</u>	<u>Change</u>
	Rs. in '000	Rs. in '000	(%)	Rs. in '000	Rs. in '000	(%)
Balance Sheet						
Net worth / shareholders equity	2,011,662	1,986,568	1.26%	1,986,568	1,967,112	0.99%
Non current liabilities	85,214	76,772	11.00%	76,772	344,785	-77.73%
Short term running finances/ bank borrowings	1,592,954	1,835,706	-13.22%	1,835,706	904,448	102.96%
Creditors, accrued and other liabilities	2,053,505	1,978,836	3.77%	1,978,836	1,476,941	33.98%
Total liabilities and equity	5,743,335	5,877,882	-2.29%	5,877,882	4,693,286	25.24%
Fixed Assets	995,971	999,375	-0.34%	999,375	1,088,677	-8.20%
Long Term Loans and Deposits	1,736	13,306	-86.95%	13,306	70,909	-81.24%
Deferred Taxation	65,986	31,899	107%	31,899	-	0%
Current Assets	4,679,642	4,833,302	-3.18%	4,833,302	3,533,700	36.78%
Total Assets	5,743,335	5,877,882	-2.29%	5,877,882	4,693,286	25.24%
Profit and Loss Account						
Sales	4,965,061	4,334,458	14.55%	4,334,458	3,606,605	20.18%
Cost of sales	(4,190,313)	(3,740,097)	12.04%	(3,740,097)	(3,012,089)	24.17%
Gross Profit / (Loss)	774,748	594,361	30.35%	594,361	594,516	-0.03%
Distribution and marketing costs	(377,181)	(328,098)	12.96%	(328,098)	(303,269)	8.19%
Administrative expenses	(233,314)	(227,029)	2.77%	(227,029)	(205,732)	10.35%
Other operating expenses	(6,379)	(1,691)	277.23%	(1,691)	(11,771)	-85.63%
Other operating income	169,659	102,879	54.91%	102,879	84,849	21.25%
Operating Profit / (Loss)	327,533	140,421	133.25%	140,421	158,593	-11.46%
Finance Cost	(254,342)	(108,696)	133.99%	(108,696)	(134,957)	-19.46%
Profit / (Loss) before tax	73,191	31,725	130.70%	31,725	23,636	34.22%
Taxation	(29,849)	(4,435)	573.03%	(4,435)	(7,254)	-38.86%
Profit / (Loss) for the year	43,342	27,290	58.82%	27,290	16,382	66.59%

<u>2020</u> Rs. in '000	<u>2019</u> Rs. in '000	<u>Change</u> (%)	<u>2019</u> Rs. in '000	<u>2018</u> Rs. in '000	<u>Change</u> (%)	<u>2018</u> Rs. in '000	<u>2017</u> Rs. in '000	<u>Change</u> (%)
1,967,112	1,957,898	0.47%	1,957,898	1,901,553	2.96%	1,901,553	1,871,369	1.61%
344,785	273,575	26.03%	273,575	433,783	-36.93%	433,783	413,515	4.90%
904,448	1,211,456	-25.34%	1,211,456	966,760	25.31%	966,760	269,215	259.10%
1,476,941	1,497,734	-1.39%	1,497,734	1,819,574	-17.69%	1,819,574	2,232,091	-18.48%
<u>4,693,286</u>	<u>4,940,663</u>	<u>-5.01%</u>	<u>4,940,663</u>	<u>5,121,670</u>	<u>-3.53%</u>	<u>5,121,670</u>	<u>4,786,190</u>	<u>7.01%</u>
1,088,677	1,196,996	-9.05%	1,196,996	1,269,796	-5.73%	1,269,796	1,245,786	1.93%
70,909	69,256	2.39%	69,256	74,314	-6.81%	74,314	13,044	469.71%
-	-	0%	-	-	0%	-	-	0%
3,533,700	3,674,411	-3.83%	3,674,411	3,777,560	-2.73%	3,777,560	3,527,360	7.09%
<u>4,693,286</u>	<u>4,940,663</u>	<u>-5.01%</u>	<u>4,940,663</u>	<u>5,121,670</u>	<u>-3.53%</u>	<u>5,121,670</u>	<u>4,786,190</u>	<u>7.01%</u>
3,606,605	3,755,532	-3.97%	3,755,532	4,952,915	-24.18%	4,952,915	5,115,215	-3.17%
(3,012,089)	(3,021,989)	-0.33%	(3,021,989)	(4,289,529)	-29.55%	(4,289,529)	(3,970,150)	8.04%
<u>594,516</u>	<u>733,543</u>	<u>-18.95%</u>	<u>733,543</u>	<u>663,386</u>	<u>10.58%</u>	<u>663,386</u>	<u>1,145,066</u>	<u>-42.07%</u>
(303,269)	(308,778)	-1.78%	(308,778)	(342,263)	-9.78%	(342,263)	(334,702)	2.26%
(205,732)	(223,890)	-8.11%	(223,890)	(222,830)	0.48%	(222,830)	(244,767)	-8.96%
(11,771)	(8,920)	31.96%	(8,920)	(18,994)	-53.04%	(18,994)	(59,219)	-67.93%
84,849	95,498	-11.15%	95,498	226,665	-57.87%	226,665	60,854	272.47%
<u>158,593</u>	<u>287,453</u>	<u>-44.83%</u>	<u>287,453</u>	<u>305,963</u>	<u>-6.05%</u>	<u>305,963</u>	<u>567,231</u>	<u>-46.06%</u>
(134,957)	(170,538)	-20.86%	(170,538)	(54,467)	213.11%	(54,467)	(27,908)	95.17%
<u>23,636</u>	<u>116,915</u>	<u>-79.78%</u>	<u>116,915</u>	<u>251,496</u>	<u>-53.51%</u>	<u>251,496</u>	<u>539,324</u>	<u>-53.37%</u>
(7,254)	(29,035)	-75.02%	(29,035)	(55,459)	-47.65%	(55,459)	(143,255)	-61.29%
<u>16,382</u>	<u>87,880</u>	<u>-81.36%</u>	<u>87,880</u>	<u>196,037</u>	<u>-55.17%</u>	<u>196,037</u>	<u>396,068</u>	<u>-50.50%</u>

Statement of Value Addition

	2022 Rs. in '000	%age	2021 Rs. in '000	%age
Value Addition				
Net sales	4,965,061	96.70	4,334,459	97.68
Other income	169,660	3.30	102,879	2.32
	<u>5,134,721</u>	100.00	<u>4,437,338</u>	100.00
Value Distribution				
Cost of sales (excluding employees' cost)	3,718,205	72.41	3,211,120	72.37
Marketing, admin. & other expenses (excluding employees' cost)	329,979	6.43	258,339	5.82
Employees cost				
- Salaries, wages, amenities and staff welfare	637,007	12.41	647,428	14.59
- Workers' profit participation fund	3,886	0.08	1,691	0.04
	640,893	12.48	649,119	14.63
Government				
- Taxes & Duties	154,989	3.02	182,773	4.12
- Workers' welfare fund	-	0.00	-	0.00
	154,989	3.02	182,773	4.12
Shareholders				
- Dividend	-	0.00	11,220	0.25
- Bonus shares	-	0.00	-	0.00
	-	0.00	11,220	0.25
Retained in business for future growth				
- Retained profit	36,313	0.71	16,070	0.36
Finance cost	254,342	4.95	108,697	2.45
	<u>5,134,721</u>	100.00	<u>4,437,338</u>	100.00



Key Financial Data for 6 Years

	Rupees in '000					
	2022	2021	2020	2019	2018	2017
Balance sheet						
Paid up capital	132,000	132,000	132,000	132,000	132,000	132,000
Reserves	1,879,662	1,854,569	1,835,112	1,825,898	1,769,553	1,739,369
Net worth / shareholders equity	2,011,662	1,986,569	1,967,112	1,957,898	1,901,553	1,871,369
Non current liabilities	85,214	76,772	344,785	273,575	433,783	413,515
Short term running finances/ bank borrowings	1,592,954	1,835,707	904,447	1,211,456	966,760	269,215
Creditors, accrued & other liabilities	2,053,505	1,978,835	1,476,942	1,497,734	1,819,574	2,232,091
Current liabilities	3,646,459	3,814,542	2,381,389	2,709,190	2,786,335	2,501,306
Total liabilities	3,731,673	3,891,314	2,726,174	2,982,765	3,220,117	2,914,821
Total Liabilities & Equity	5,743,335	5,877,883	4,693,286	4,940,663	5,121,670	4,786,190
Fixed assets	995,971	999,375	1,088,677	1,196,996	1,269,796	1,245,786
Long term loans and deposits	1,736	13,306	70,909	69,256	74,314	13,044
Deferred taxation	65,986	31,899	-	-	-	-
Current assets	4,679,642	4,833,303	3,533,700	3,674,411	3,777,560	3,527,360
Total assets	5,743,335	5,877,883	4,693,286	4,940,663	5,121,670	4,786,190
Inventory	1,322,924	1,564,143	792,327	867,928	1,068,061	1,030,607
Trade debts and contract assets	2,295,584	2,157,015	2,088,249	2,119,541	1,987,700	1,632,115
Trade and other payables and contract liabilities	1,965,687	1,893,607	1,396,106	1,411,207	1,728,239	2,153,288
Material consumption	2,952,236	2,438,882	1,895,940	1,889,247	2,927,693	2,529,740
Profit and loss						
Sales	4,965,061	4,334,458	3,606,605	3,755,532	4,952,915	5,115,215
Cost of goods sold	(4,190,313)	(3,740,098)	(3,012,089)	(3,021,989)	(4,289,529)	(3,970,150)
Gross Profit	774,748	594,360	594,516	733,543	663,386	1,145,066
Distribution and marketing cost	(377,182)	(328,098)	(303,269)	(308,778)	(342,263)	(334,702)
Administrative expenses	(233,314)	(227,029)	(205,732)	(223,890)	(222,830)	(244,767)
Other operating expenses	(6,379)	(1,691)	(11,771)	(8,920)	(18,994)	(59,219)
Other operating income	169,660	102,879	84,849	95,498	226,665	60,854
Operating Profit	327,533	140,421	158,593	287,453	305,963	567,231
Finance Cost	(254,342)	(108,697)	(134,957)	(170,538)	(54,467)	(27,908)
Profit before tax	73,191	31,724	23,636	116,915	251,496	539,324
Taxation	(29,849)	(4,434)	(7,254)	(29,035)	(55,459)	(143,255)
Net Profit	43,342	27,290	16,382	87,880	196,037	396,068

Key Performance Indicators

		2022	2021	2020	2019	2018	2017
Gross Margin	%	15.60	13.71	16.48	19.53	13.39	22.39
Net profit to Sales	%	0.87	0.63	0.45	2.34	3.96	7.74
Return on equity	%	2.15	1.37	0.83	4.49	10.31	21.16
Return on capital employed	%	15.62	6.81	6.86	12.88	13.10	24.83
Return on assets	%	0.75	0.46	0.35	1.78	3.83	8.28
EBITDA	Rupees in '000	482,337	296,946	317,942	446,482	432,375	644,838
EBITDA margin	%	9.71	6.85	8.82	11.89	8.73	12.61
Inventroy turnover ratio	Times	2.23	1.56	2.39	2.18	2.74	2.45
Inventory turnover in number of days	Days	164	234	153	168	133	149
Debtor Turnover ratio	Times	2.16	2.01	1.73	1.77	2.49	3.13
Collection period (Days)	Days	169	182	211	206	146	116
Creditor turnover	Times	2.13	1.98	2.16	2.14	2.48	1.84
Credit turnover in number of days	Days	171	185	169	170	147	198
Opreating cycle	Days	161	231	195	203	133	67
Total assets trunover ratio	Times	0.86	0.74	0.77	0.76	0.97	1.07
Fixed assets turnover ratio	Times	4.99	4.34	3.31	3.14	3.90	4.11
Price earning ratio	Times	118	188	313	25.53	12.36	10.20
Cash dividend per share	Rupees	0.85	0.85	0.5	1.50	3.00	12.02
Bonus shares	%	-	-	-	-	-	-
Dividend yield ratio	Times	0.00	0.01	0.00	0.01	0.02	0.04
Dividend pay out ratio	Times	0.26	0.41	0.40	0.23	0.20	0.40
Dividend cover ratio	Times	3.86	2.43	2.48	4.44	4.95	2.50
Earnings Per Share	Rupees	3.28	2.07	1.24	6.66	14.85	30.01
Number of Shares	Number	13,200	13,200	13,200	13,200	13,200	13,200
Debt Equity Ratio		0.79 : 1	0.92 : 1	0.59:1	0.70:1	0.65 : 1	0.31 : 1
Interest Cover ratio	Times	1.29	1.29	1.18	1.69	5.62	20.33
Current Ratio	Times	1.28	1.27	1.48	1.36	1.36	1.41
Acid test ratio	Times	0.92	0.86	1.15	1.04	0.97	1.00
Break up value per share	Rupees	152.40	150.50	149.02	148.33	144.06	141.77
Market Value of shares - year end	Rupees	109.99	158.96	388.45	169.96	183.58	306.00
Market Value of shares - high	Rupees	186.45	469.59	402.17	182.97	415.00	474.90
Market Value of shares - low	Rupees	74.27	158.96	109.67	85.00	177.50	266.50
Summary of cash flow statement							
Operating activities	Rupees in '000	334,388	(413,140)	127,114	12,972	(630,000)	765,492
Investing activities	Rupees in '000	(142,973)	(64,148)	(45,362)	(82,895)	(148,948)	(832,959)
Financing Activities	Rupees in '000	(262,659)	(234,732)	217,906	(163,610)	(188,013)	254,837
Cash and cash equivalent-closing balance	Rupees in '000	(1,387,458)	(1,316,214)	(604,194)	(903,852)	(670,319)	296,642

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CORPORATE GOVERNANCE

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Pattern of Shareholding As at December 31, 2022

Number of Shareholders		Shareholding	Total Shares
391	1	to 100	11,447
233	101	to 500	70,687
215	501	to 1000	138,258
139	1001	to 5000	329,622
21	5001	to 10000	152,691
6	10001	to 15000	74,499
5	15001	to 20000	92,318
3	20001	to 25000	69,349
2	25001	to 30000	60,000
3	30001	to 35000	97,703
2	35001	to 40000	77,276
1	40001	to 45000	43,500
1	45001	to 50000	50,000
1	50001	to 55000	54,000
2	55001	to 60000	110,392
1	70001	to 75000	75,000
1	95001	to 100000	99,500
1	135001	to 140000	137,288
1	140001	to 145000	143,863
1	145001	to 150000	150,000
1	150001	to 155000	155,000
1	270001	to 275000	272,373
1	295001	to 300000	300,000
1	330001	to 335000	334,300
1	550001	to 555000	550,400
1	685001	to 690000	690,000
1	1085001	to 1090000	1,087,559
1	7770001	to 7775000	7,772,975
<u>1,038</u>			<u>13,200,000</u>

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
Nil	-	-	-
Associated Companies, undertakings and related parties			
M/S. KSB SE & CO. KGaA	1	7,772,975	58.89
NIT and ICP	1	1,087,559	8.24
Banks Development Financial Institutions, Non-Banking Financial Institutions, Joint Stock Companies	17	722,831	5.48
Insurance Companies	1	272,373	2.06
Modarabas and Mutual Funds	2	56,000	0.42
General Public			
a. Local	1,002	3,043,251	23.05
b. Foreign	8	7,703	0.06
Foreign Companies	-	-	-
Others	6	237,308	1.80
- Trustees Mohammad Amin Wakf Estate (31,703)			
- Trustees NBP Employees Pension Fund (137,288)			
- Trustees NNP Emp Benevolent Fund Trust (4,817)			
- Prudential Discount & Guarantee House Limited (2,000)			
- Premier Fashions (Pvt) Ltd (43,500)			
- Siza (Private) Limited (18,000)			
Total	<u>1,038</u>	<u>13,200,000</u>	<u>100</u>

Shareholders Holding 5% or more Voting Interest	Shares Held	Percentage
KSB SE & Co. KGaA, Germany	7,772,975	58.89
NIT and ICP	1,087,559	8.24
Umair Amanullah	690,000	5.23

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the Year Ended December 31, 2022

KSB Pumps Company Limited has complied with the requirements of the Regulations in the following manner: -

1. The total number of directors is 8 as per the following:
 - i. Male : 7
 - ii. Female : 1
2. The composition of Board is as follows:

Independent Director

 - i. Mr. Shezada Mazhar
 - ii. Ms. Ayesha Aziz
 - iii. Mr. Asif Malik

Non-Executive Directors

 - i. Dr. Sven Baumgarten
 - ii. Mr. Dieter Antonius Pott
 - iii. Mr. Hasan Aziz Bilgrami
 - iv. Mr. Jamal Nasim

Executive Director

 - i. Mr. Imran Ghani

Female Director

 - i. Ms. Ayesha Aziz
3. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ Shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

9. The majority of the Directors have either completed the Director's Certification from authorised institutions or have the prescribed qualification and experience pursuant to Regulation 19 of the CCG. However, no Director Training program was arranged during the year ended December 31, 2022.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below, -

a) **Audit Committee**

- | | |
|----------------------------|----------|
| • Ms. Ayesha Aziz | Chairman |
| • Mr. Dieter Antonius Pott | Member |
| • Mr. Shezada Mazhar | Member |

b) **HR and Remuneration Committee**

- | | |
|---------------------------|----------|
| • Mr. Asif Malik | Chairman |
| • Mr. Hasan Aziz Bilgrami | Member |
| • Mr. Imran Ghani | Member |

13. The 'Terms of Reference' of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following;

Audit Committee

The meetings of Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company.

HR and Remuneration Committee

Two meeting of HR&R Committee was held during the year.

15. The Board has outsourced the internal audit function to Tariq Abdul Ghani Maqbool & Co. Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

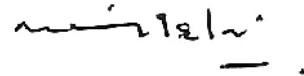
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with except for the following:
- a. In order to ensure compliance with regulation No. 27 clause 1 (ii), the Company has reconstituted its Committees subsequent to the year ended December 31, 2022.

For and on behalf of the Board.

March 10, 2023
Lahore



Imran Ghani
Chief Executive Officer / MD



Asif Malik
Director



A.F. FERGUSON & CO.

Independent Auditor's Review Report To the Members of KSB Pumps Company Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of KSB Pumps Company Limited for the period from January 1, 2022 to December 31, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the period from January 1, 2022 to December 31, 2022.

A.F. Ferguson & Co.
Chartered Accountants
Name of engagement partner: Amer Raza Mir
Lahore
Date: March 31, 2023
UDIN: CR202210118SmcPtokgb

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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FINANCIAL STATEMENTS

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A.F.FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KSB PUMPS COMPANY LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of KSB Pumps Company Limited (the Company), which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2022 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following is the key audit matter:

Sr. No	Key Audit Matter	How the matter was addressed in our audit
1	<p>Revenue Recognition</p> <p>(Refer notes 4.18 and 27 to the annexed financial statements)</p> <p>The Company generates a portion of its revenue from long term projects. Revenue from such projects is recognized over a period of time by measuring progress towards complete satisfaction of the performance obligation. The extent of progress towards completion is measured by using the input method whereby actual cost incurred to date is compared with the total estimated cost of the project.</p> <p>During the year ended December 31, 2022, the Company recognized an amount of Rs. 482 million as revenue from such projects. The application of the input method requires significant management judgement when estimating the total cost to complete the project. This estimate is reviewed at the end of each reporting date to reflect current circumstances.</p> <p>We considered revenue from projects as a key audit matter due to significant management judgement and estimation involved.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Obtained understanding of the internal processes used to record actual cost incurred; - Obtained understanding of the cost estimation process and techniques adopted by the management for determination of estimated total cost to complete the project; - Assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates; - Performed test of detail procedures over actual cost incurred during the year; - Recalculated the percentage of completion and the revenue based on the extent of progress towards completion of the project. Checked the extent of progress towards completion by comparing actual costs as per the Company's accounting records to the estimated total costs of the projects; and - Assessed the adequacy of related disclosures in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



The logo for A.F. Ferguson & Co. features the company name in a serif font, with 'A.F.' in black, 'FERGUSON' in red, and '& Co.' in black.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



A.F. FERGUSON & CO.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Amer Raza Mir.

A.F. Ferguson & Co.
Chartered Accountants
Name of engagement partner: Amer Raza Mir
Lahore
Date: March 31, 2023
UDIN: AR202210118bjguWpa7m

Statement of Financial Position As at December 31, 2022

	Note	2022 Rupees	2021 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 15,000,000 (2021: 15,000,000) ordinary shares of Rs 10 each	5	150,000,000	150,000,000
Issued, subscribed and paid up capital 13,200,000 (2021: 13,200,000) ordinary shares of Rs 10 each	5	132,000,000	132,000,000
Revenue reserves	6	1,879,661,944	1,854,568,579
		2,011,661,944	1,986,568,579
NON CURRENT LIABILITIES			
Employees' retirement and other benefits	7	85,214,420	76,772,467
		85,214,420	76,772,467
CURRENT LIABILITIES			
Long term finances - secured	8	-	255,746,149
Deferred grant	9	-	4,219,302
Trade and other payables	10	1,961,983,014	1,871,991,802
Contract liabilities	11	3,703,852	21,615,056
Short term finances - secured	12	1,592,953,931	1,575,741,307
Provisions for other liabilities and charges	13	72,785,823	70,007,341
Unclaimed dividend		10,644,344	10,110,541
Due to provident fund	14	4,387,914	5,109,849
		3,646,458,878	3,814,541,347
CONTINGENCIES AND COMMITMENTS			
	15	-	-
		5,743,335,242	5,877,882,393

The annexed notes from 1 to 48 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	986,417,014	925,374,021
Intangible assets	17	274,581	5,533,712
Capital work-in-progress	18	9,279,460	68,467,182
Long-term loans and deposits	19	1,735,992	13,306,372
Deferred tax assets	20	65,985,809	31,898,873
		1,063,692,856	1,044,580,160
CURRENT ASSETS			
Stores, spares and loose tools	21	128,659,249	119,633,942
Stock-in-trade	22	1,194,264,990	1,444,509,579
Trade debts - unsecured	23	1,672,888,409	1,586,953,194
Contract assets	24	622,696,148	570,062,416
Advances, deposits, prepayments and other receivables	25	449,687,754	465,393,679
Income Tax Recoverable		405,949,655	387,222,199
Cash and bank balances	26	205,496,181	259,527,224
		4,679,642,386	4,833,302,233
		<u>5,743,335,242</u>	<u>5,877,882,393</u>


Chief Executive Officer


Chief Financial Officer



Director

Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2022

	Note	2022 Rupees	2021 Rupees
Sales	27	4,965,061,227	4,334,458,621
Cost of sales	28	(4,190,312,616)	(3,740,097,978)
Gross profit		774,748,611	594,360,643
Distribution and marketing expenses	29	(314,747,974)	(321,931,203)
Net impairment loss on financial assets	43	(62,433,526)	(6,167,371)
Administrative expenses	30	(233,314,409)	(227,029,085)
Other operating expenses	31	(6,379,251)	(1,690,903)
Operating profit		157,873,451	37,542,081
Other income	32	169,659,886	102,879,234
Finance costs	33	(254,342,393)	(108,696,674)
Profit before tax		73,190,944	31,724,641
Income tax expense	34	(29,848,942)	(4,434,170)
Profit for the year		43,342,002	27,290,471
Other comprehensive loss:			
Items that will not be subsequently reclassified in profit or loss:			
Remeasurement of defined benefit plans - net of tax		(7,028,637)	(1,233,926)
Items that may be subsequently reclassified in profit or loss		-	-
		(7,028,637)	(1,233,926)
Total comprehensive income for the year		36,313,365	26,056,545
Earnings per share - basic & diluted rupees	35	3.28	2.07

The annexed notes from 1 to 48 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer



Director

Statement of Changes in Equity

For the year ended December 31, 2022

	Share Capital Rupees	Revenue Reserve		Total Rupees
		General Reserves Rupees	Unappropriated Profit Rupees	
Balance as at January 1, 2021	132,000,000	1,805,600,000	29,512,034	1,967,112,034
Transfer to general reserve		22,500,000	(22,500,000)	-
Profit for the year ended December 31, 2021	-	-	27,290,471	27,290,471
Other comprehensive loss for the year	-	-	(1,233,926)	(1,233,926)
Total comprehensive income for the year	-	-	26,056,545	26,056,545
Transactions with owners in their capacity as owners:				
Final dividend for the year ended December 31, 2020 Rs 0.5 per share	-	-	(6,600,000)	(6,600,000)
Balance as at December 31, 2021	132,000,000	1,828,100,000	26,468,579	1,986,568,579
Transfer to general reserve		15,000,000	(15,000,000)	-
Profit for the year ended December 31, 2022	-	-	43,342,002	43,342,002
Other comprehensive loss for the year	-	-	(7,028,637)	(7,028,637)
Total comprehensive income for the year	-	-	36,313,365	36,313,365
Transactions with owners in their capacity as owners:				
Final dividend for the year ended December 31, 2021 Rs 0.85 per share	-	-	(11,220,000)	(11,220,000)
Balance as at December 31, 2022	132,000,000	1,843,100,000	36,561,944	2,011,661,944

The annexed notes from 1 to 48 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer



Director

Statement of Cash Flows

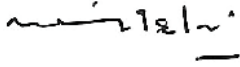
For the year ended December 31, 2022

	Note	2022 Rupees	2021 Rupees
Cash flows from operating activities			
Cash generated from / (used in) operations	36	660,920,203	(268,150,960)
Finance costs paid		(223,102,995)	(85,807,708)
Taxes paid		(79,792,482)	(94,227,058)
Employees' retirement and other benefits paid		(35,207,151)	(22,556,883)
Decrease in long term loans and deposits - net		11,570,380	57,602,770
		(326,532,248)	(144,988,879)
Net cash generated from / (used in) operating activities		334,387,955	(413,139,839)
Cash flows from investing activities			
Fixed capital expenditure including capital work in progress		(179,598,016)	(89,496,956)
Payment for acquisition of intangible assets		(324,000)	-
Proceeds from sale of property, plant and equipment		36,948,961	25,348,815
Net cash used in investing activities		(142,973,055)	(64,148,141)
Cash flows from financing activities			
Repayment of long term finances-secured		(251,972,370)	(228,159,440)
Dividend paid		(10,686,197)	(6,572,864)
Net cash used in financing activities		(262,658,567)	(234,732,304)
Net decrease in cash and cash equivalents		(71,243,667)	(712,020,284)
Cash and cash equivalents at the beginning of the year		(1,316,214,083)	(604,193,799)
Cash and cash equivalents at the end of the year	37	(1,387,457,750)	(1,316,214,083)

The annexed notes, from 1 to 48, form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Notes to the Financial Statements

For the year ended December 31, 2022

1. Legal status and nature of business

- 1.1** 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

- 2.1** **These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:**

- I) International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- ii) Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Initial application of standards, amendments or an interpretation to existing 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:

2.2.1 **Standards, amendments and interpretations to approved accounting standards that are effective in current year or have been early adopted by the Company**

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on or after January 01, 2022 but are considered not to be relevant to the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

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

'There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2023 but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

(a) Amendments to IAS 8, 'Definition of Accounting Estimates'

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, effective for accounting periods beginning on or after January 01, 2023, clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

(b) Amendments to IAS 1, 'Classification of liabilities as current or non-current'

The narrow-scope amendments to IAS 1 Presentation of Financial Statements, effective for accounting periods beginning on or after January 01, 2024, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the settlement of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

(c) Amendments to IAS 1 and IFRS 2 Practice Statement 2, 'Disclosure of Accounting Policies'

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The above mentioned amendments are effective for accounting periods beginning on or after January 01, 2023.

The Company is in the process of assessing the impact of these amendment on the Company's financial statements.

- (d) Amendments to IAS 12, 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

The amendments to IAS 12 Income Taxes, effective for accounting periods beginning on or after January 01, 2023, require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The Company is in the process of assessing the impact of these amendments on the Company's financial statements.

3. Basis of preparation

3.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated.

3.1.1 Significant accounting judgements, estimates and assumptions

The Company's significant accounting policies are stated in note 4. Not all of these significant accounting policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements, are as follows:

- Provision for taxation - Note 4.1.
- Employees' retirement and other benefits - Note 4.2.
- Useful lives and residual values of Property, plant and equipment - Note 4.3.
- Stock-in-trade - Note 4.8.
- Impairment of financial assets - Note 4.15.1.4.
- Revenue recognition - Note 4.18.

3.2 Functional and presentation currency

The financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

4. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income as the case may be.

4.1.1 Current tax

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. Where there is uncertainty in income tax accounting i.e. when it is not probable that the tax authorities will accept the treatment, the impact of the uncertainty is measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty. Such Judgements are reassessed whenever circumstances have changed or there is new information that affects the judgement. Where, at the assessment stage, the taxation authorities have adopted a different tax treatment and the Company considers that the most likely outcome will be in favor of the Company, the amounts are shown as contingent liabilities. In making a judgment and / or estimate relating to probability of outcome, the management considers laws, statutory rules, regulations and their interpretations. Where, based on management's estimate, a provision is required, the same is recorded in the financial statements.

4.1.2 Deferred tax

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the profit or loss, except in the case of items charged or credited to equity or other comprehensive income, in which case it is included in the statement of changes in equity or other comprehensive income as the case may be.

4.2 Employees' retirement and other benefits

The Company uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations. The valuation is based on various assumptions which are mentioned below. Any changes in these assumptions in future years might affect gains and losses in those years.

The main features of the schemes operated by the Company for its employees are as follows:

4.2.1 Defined benefit plans

4.2.1.1 The supervisory and managerial staff with minimum five years of continuous service with the Company are entitled to participate in an approved funded gratuity scheme. The actual return on the plan assets was Rs. 10.33 million (2021: Rs 13.51 million). The actual return on plan assets represent the difference between the fair value of plan assets at beginning and end of the year after adjustments for contributions made by the Company as reduced by benefits paid during the year.

The latest actuarial valuation for the approved funded gratuity scheme was carried out as at December 31, 2022. Projected Unit Credit Method, using the following significant assumptions is used for valuation of the scheme:

	2022	2021
Discount rate per annum	14.25%	11.75%
Expected rate of increase in salary level per annum	13.25%	10.00%
Expected rate of return per annum	14.25%	11.75%
Average duration of the defined benefit obligation	7 years	6 years
Basis of mortality rates used	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year

The Company is expected to contribute Rs. 18.19 million to the gratuity fund for the year ending December 31, 2022.

4.2.1.2 The Company operates an un-funded benefit scheme (ex-gratia) for its unionized staff. Under the scheme, members who have completed prescribed years of service with the Company are entitled to receive 20 days last drawn basic pay for each completed year of service. Provision has been made to cover the obligation on the basis of actuarial valuation. The amount recognized in the statement of financial position represents the present value of defined benefit obligation adjusted for unrecognized actuarial gains and losses.

The latest actuarial valuation for the un-funded gratuity scheme (ex-gratia) was carried out as at December 31, 2022. Projected Unit Credit Method, using the following significant assumptions is used for valuation of the scheme:

	2022	2021
Discount rate per annum	14.25%	11.75%
Expected rate of increase in salary level per annum	13.25%	10.00%
Expected rate of return per annum	14.25%	11.75%
Average duration of the defined benefit obligation	2 year	2 years
Basis of mortality rates used	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year

4.2.1.3 The Company provides for the expected cost of accumulated compensated absences, when the employee renders the service that increases the entitlement to future compensated absences. Provision has been made to cover the obligation on the basis of actuarial valuation and charged to statement of profit or loss. The amount recognized in the statement of financial position represents the present value of defined benefit obligation. Actuarial gains/losses are recognized immediately under IAS 19 "Employee benefits" in statement of profit or loss and other comprehensive income. Projected unit credit method, using the following significant assumptions, is used for valuation of the scheme:

The latest actuarial valuation was carried out as at December 31, 2022. Projected Unit Credit Method, using the following significant assumptions is used for valuation of the scheme:

	2022	2021
Discount rate per annum	14.50%	11.75%
Expected rate of increase in salary level per annum	13.50%	10.00%
Expected rate of return per annum	14.50%	11.75%
Average duration of the defined benefit obligation	7 years	7 years
Basis of mortality rates used	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year

4.2.2 Defined contribution plans

The Company operates an approved contributory provident fund for all employees. Equal monthly contributions are made by the Company and employees to the fund at the rate of 10% of basic salary. Retirement benefits are payable to staff on completion of prescribed qualifying period of service under these schemes.

4.3 Property, plant and equipment

Property, plant and equipment except freehold land and leasehold land with superstructure are stated at cost less accumulated depreciation and any identified accumulated impairment loss. Freehold land leasehold land with superstructure is stated at cost less any identified impairment loss. Cost in relation to Company's manufactured assets includes direct cost of materials, labour and applicable manufacturing overheads.

Depreciation on property, plant and equipment is charged to the statement of profit or loss and other comprehensive income using the straight line method so as to write off the depreciable amount of the assets over their estimated useful lives at the rates mentioned in note 16 after taking into account their residual values.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant. The Company's estimate of the residual value and useful life of its operating fixed assets as at December 31, 2022 has not required any adjustment.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off or retired from active use

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss and other comprehensive income during the year in which they are incurred.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income currently. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in the statement of profit or loss and other comprehensive income.

4.4 Intangible assets

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the entity and that the cost of such an asset can also be measured reliably. Intangible assets are stated at cost less accumulated amortisation and any identified accumulated impairment loss.

Amortization is charged to statement of profit or loss and other comprehensive income on straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization on additions is charged from the month in which an asset is acquired or capitalized while no amortisation is charged for the month in which the asset is disposed off. Amortization is being charged at the annual rate of 33.33 %.

Useful lives of intangible operating assets are reviewed, at each date of statement of financial position and adjusted if the impact of amortisation is significant.

The Company assesses at each reporting date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income currently. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. Where an impairment loss is recognized, the amortisation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

4.5 Capital work in progress

All expenditure connected with specific assets incurred during installation and construction period and/or in transit are carried under capital work in progress. These are transferred to specific assets as and when assets are available for use. Capital work in progress is stated at cost, less any identified impairment loss.

4.6 Investment property

Property held to earn rentals or for capital appreciation or for both is classified as investment property. The investment property of the Company comprises building and is valued using the cost method i.e. at cost less accumulated depreciation and identified accumulated impairment loss.

Depreciation on building is charged to statement of profit or loss and other comprehensive income on the straight line method so as to write off the depreciable amount of a building over its estimated useful life. Investment property is being depreciated at an effective rate of 4.85% per annum. Depreciation on additions is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed off.

The Company assesses at each statement of financial position date whether there is any indication that investment property may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss and other comprehensive income. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense.

4.7 Stores, spares and loose tools

Stores, spares and loose tools are valued at the lower of moving weighted average cost and net realizable value. Items in transit are valued at cost comprising invoice value plus any other charges associated with buying the inventory for its intended use.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs necessarily to be incurred to make the sale. Provision is made in the financial statements for obsolete and slow moving stores, spares and loose tools based on management's best estimate. The Company reviews the carrying amount of stores and spare parts on a regular basis for provision for obsolescence.

4.8 Stock-in-trade

Stock of raw materials except for those in transit and work-in-process are valued principally at the lower of moving weighted average cost and net realizable value. The net realizable value of stock-in-trade is assessed for any diminution in their respective values. The net realizable value is determined with respect to estimated selling price less estimated expenditure to make the sale. Any change in the estimates in future years might affect the carrying amounts of stock-in-trade with the corresponding effect on the impairment.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale. If the expected net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management's best estimate.

Cost of work-in-process and finished goods comprise cost of direct materials, labour and appropriate manufacturing overheads. Materials in transit are stated at cost comprising invoice value and other charges paid thereon.

4.9 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest rate method. The normal credit period of the trade debtors is 60 to 90 days.

The Company writes off trade debts, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.10 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances, cheques in hand, deposits held at call with banks, and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term finances.

4.11 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued finance costs to the extent of the amount remaining unpaid.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

4.12 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

4.13 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and/or services received, whether or not billed to the Company.

4.14 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.15 Financial instruments

4.15.1 Financial assets

In accordance with the requirements of IFRS 9, the Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

4.15.1.1 Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in statement of profit or loss.

4.15.1.2 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Income from such assets are recognized directly in other comprehensive income.

4.15.1.3 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in statement of profit or loss and other comprehensive income in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the statement of profit or loss and other comprehensive income for the period in which it arises.

Equity instrument financial assets / mutual funds are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in statement of profit or loss. Dividends from such investments continue to be recognised in statement of profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to statement of profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

4.15.1.4 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The Company

computes historical loss rates using the historical credit losses which are then adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. For trade debts other than Government, the Company applied the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company has established a provision matrix for determining loss allowance on such balances that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In case of government receivables, the Company determine the credit default swap, which is adjusted with forward-looking economic factors. The Company recognises in statement of profit or loss and other comprehensive income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

4.15.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of profit or loss.

4.16 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.17 Foreign currency transactions and translation

Foreign currency transactions are translated into Pakistan Rupees (functional and presentation currency) using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gains and losses on translation are recognised in the statement of profit or loss and other comprehensive income. All non-monetary items are translated into Pakistan Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

4.18 Revenue recognition

Revenue is recognised either at a point in time or over time, when the Company satisfies performance obligations by transferring the promised goods or services to its customers. Revenue is measured at fair value of the consideration received or receivable excluding discounts allowed to customers. A contract liability is recorded for advances received from customers against which performance obligations have not been satisfied.

Revenue is earned from sale of products and provision of after market services. Revenue associated with such transactions is recognized at a point in time upon satisfaction of the performance obligation by transfer of control of goods or when services are rendered to the customers. Sales of products include industrial pumps, valves, castings and related parts.

Revenue from projects is recognized over time using the input method to determine the stage of completion of the project and the appropriate amount of revenue to be recognized at each reporting date. The stage of completion is measured by reference to the project costs incurred up to the reporting date as a percentage of total estimated costs for each project. The resultant percentage is then applied to estimated revenue from each project to determine the accumulated revenue upto the reporting date.

This method requires management judgement and estimation in determining the total estimated cost of the projects. The total cost estimates are based on the prices of materials and services applicable at each reporting date adjusted by taking impact of forecasted increases and expected completion date. Such estimates are reviewed at each reporting date to reflect current circumstances. Any subsequent increases or decreases in total estimated cost are reflected in profit or loss in the period in which they occur.

Project costs are recognized when incurred. When the outcome of a project cannot be estimated reliably, project revenue is recognized only to the extent of project costs incurred that are likely to be recoverable. When the outcome of a project can be estimated reliably and it is probable that the contract will be profitable, project revenue is recognized over time. When it is probable that total project costs will exceed total project revenue, the expected loss is recognized as an expense immediately in statement of profit or loss.

Where the consideration received or the unconditional right to receive the consideration is in excess of the amount of performance obligations satisfied, the differential is recognized as "contract liabilities". In case the performance obligations are satisfied before the consideration is received or the right to consideration is established, the Company recognizes either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The Company provides only standard-type warranties, accounted for under IAS 37. Extended-type warranties, which treated as separate performance obligations under IFRS 15, are not provided. When determining the nature of warranty-related promises, the Company considers:

- whether the customer has the option to separately purchase the warranty; and
- whether all or part of the warranty provides the customer with an additional service beyond the basic assurance that it will perform in accordance with published specifications.

Return on bank deposits is accrued on a time proportion basis, by reference to the principal outstanding, at the applicable rate of return.

4.19 Leases

4.19.1 Lessee accounting

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases having lease term of less than 12 months are accounted for as short-term leases and the expense charged to statement of profit or loss on straight line basis over the lease term.

The lessee at the commencement of lease term shall recognize right of use asset and a lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the statement of profit or loss and other comprehensive income if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4.19.2 Lessor accounting

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

4.20 Contingencies and commitments

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.21 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the dividends are declared and approved. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

4.22 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

5. Share capital

5.1 Authorised share capital

2022 (Number of shares)	2021 (Number of shares)		2022 Rupees	2021 Rupees
<u>15,000,000</u>	<u>15,000,000</u>	Ordinary shares of Rs 10 each fully paid in cash	<u>150,000,000</u>	<u>150,000,000</u>

5.2 Issued, subscribed and paid - up share capital

2022 (Number of shares)	2021 (Number of shares)		2022 Rupees	2021 Rupees
973,100	973,100	Ordinary shares of Rs 10 each fully paid in cash	9,731,000	9,731,000
8,000	8,000	Ordinary shares of Rs 10 each issued for consideration other than cash	80,000	80,000
<u>12,218,900</u>	<u>12,218,900</u>	Ordinary shares of Rs 10 each issued as fully paid bonus shares	<u>122,189,000</u>	<u>122,189,000</u>
<u>13,200,000</u>	<u>13,200,000</u>		<u>132,000,000</u>	<u>132,000,000</u>

5.2.1 As at December 31, 2022, the holding Company KSB SE & Co. KGaA, having its registered office at 67227 Johann-Klein-Street 09, Frankenthal, Germany, held 7,772,975 (2021: 7,772,975) shares of the Company of Rs 10 each representing 58.89% of the issued, subscribed and paid up share capital of the Company. The Chief Executive Officer of KSB SE & Co. KGaA is Dr.-Ing. Stephan Timmermann and holding Company is operational as at December 31, 2022.

5.2.2 Shares issued for consideration other than cash were issued against property.

5.3 There has been no movement in ordinary share capital issued subscribed and paid up during the year ended December 31, 2022.

6. Revenue reserves

General Reserve:
Opening balance
Transfer from unappropriated profit

Unappropriated profit

Note	2022 Rupees	2021 Rupees
	1,828,100,000	1,805,600,000
	15,000,000	22,500,000
	<u>1,843,100,000</u>	<u>1,828,100,000</u>
	36,561,944	26,468,579
	<u>1,879,661,944</u>	<u>1,854,568,579</u>

7	Employees' retirement and other benefits	Note	2022 Rupees	2021 Rupees
	These are composed of:			
	Ex-gratia	7.1	28,243,295	30,022,503
	Gratuity	7.2	18,193,480	13,406,275
	Accumulated compensated absences	7.3	38,777,645	33,343,689
			<u>85,214,420</u>	<u>76,772,467</u>
	7.1 Ex-gratia			
	The amounts recognized in Statement of Financial Position is as follows:			
	Present value of defined benefit obligation	7.1.1	28,243,295	30,022,503
	Closing net liability		<u>28,243,295</u>	<u>30,022,503</u>
	7.1.1 The movement in the present value of the defined benefit obligation is as follows:			
	Present value of defined benefit obligation as at start of the year		30,022,503	33,728,668
	Current service cost		1,066,774	1,171,087
	Interest cost		3,061,576	3,004,844
	Benefits paid		(7,933,068)	(5,819,505)
	Remeasurement adjustments charged to other comprehensive loss:			
	- Actuarial loss / (gain) from changes in financial assumptions		7,866	(133,417)
	- Experience adjustment		2,017,644	(1,929,174)
			<u>2,025,510</u>	<u>(2,062,591)</u>
	Present value of defined benefit obligation as at year end		<u>28,243,295</u>	<u>30,022,503</u>
	The amounts recognized in the statement of profit or loss are as follows:			
	Current service cost		1,066,774	1,171,087
	Net interest cost for the year		3,061,576	3,004,844
	Total included in salaries, wages and amenities		<u>4,128,350</u>	<u>4,175,931</u>
	The amounts recognized in the other comprehensive loss are as follows:			
	Actuarial loss / (gain) from changes in financial assumptions		7,866	(133,417)
	Experience adjustments		2,017,644	(1,929,174)
	Total remeasurements chargeable in other comprehensive loss		<u>2,025,510</u>	<u>(2,062,591)</u>
	Present value of defined benefit obligation as at start of the year		30,022,503	33,728,668
	Expense chargeable to P&L		4,128,350	4,175,931
	Remeasurements chargeable in other comprehensive loss		2,025,510	(2,062,591)
	Benefits paid		(7,933,068)	(5,819,505)
	Present value of defined benefit obligation as at year end		<u>28,243,295</u>	<u>30,022,503</u>

7.1.2 Sensitivity analysis - Ex-gratia

Significant assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Year end sensitivity analysis (\pm 100 bps) on defined benefit obligation

	Impact on defined benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
		Rupees	Rupees
Discount Rate	1.00%	27,903,958	28,601,962
Salary Rate	1.00%	28,601,962	27,898,076

7.1.3 Risk exposure

The Company is exposed to a number of risks, the most significant of which are detailed below:

Final salary risk (linked to inflation risk) – the risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

7.2 Gratuity

	Note	2022 Rupees	2021 Rupees
Present value of defined benefit obligation	7.2.1	159,172,581	166,669,411
Fair value of plan assets	7.2.2	(140,979,101)	(153,263,136)
Liability as at December 31		<u>18,193,480</u>	<u>13,406,275</u>
Liability as at January 1		13,406,275	9,790,775
Charged to statement of profit or loss		17,913,226	15,272,123
Contribution by the Company		(21,000,000)	(15,000,000)
Remeasurement income/loss chargeable in other comprehensive loss		7,873,979	3,343,377
Liability as at December 31		<u>18,193,480</u>	<u>13,406,275</u>

7.2.1 The movement in the present value of defined benefit obligation is as follows:

Present value of defined benefit obligation as at start of the year	166,669,411	183,507,387
Current service cost	17,890,232	16,756,775
Interest cost	17,021,280	15,576,096
Benefits payable	(5,421,169)	(36,492,372)
Benefits paid	(38,193,737)	(12,469,164)

Remeasurement adjustments charged to other comprehensive loss:		
- Actuarial gain from changes in financial assumptions	859,117	(323,212)
- Experience adjustment	347,447	113,901
	1,206,564	(209,311)
Present value as at year end	159,172,581	166,669,411
7.2.2 The movement in fair value of plan assets is as follows:		
Balance of plan assets as at December 31	153,263,136	173,716,612
Total Company's contribution during the year	21,000,000	15,000,000
Interest income during the period	16,998,286	17,060,748
Benefits paid	(38,193,737)	(12,469,164)
Benefits due but not paid	(5,421,169)	(36,492,372)
Return on plan assets, excluding interest income	(6,667,415)	(3,552,688)
Balance of plan assets as at December 31	140,979,101	153,263,136
The amounts recognized in the statement of profit or loss are as follows:		
Current service cost	17,890,232	16,756,775
Interest cost on defined benefit obligation	17,021,280	15,576,096
Less: Interest income on plan assets	(16,998,286)	(17,060,748)
Total included in salaries, wages and amenities	17,913,226	15,272,123
Total remeasurement chargeable to other comprehensive loss		
Actuarial gain from changes in demographic assumptions	-	-
Actuarial gain from changes in financial assumptions	859,117	(323,212)
Experience adjustments	347,447	113,901
	1,206,564	(209,311)
Return on plan asset, excluding interest income	6,667,415	3,552,688
Total remeasurement chargeable to other comprehensive loss	7,873,979	3,343,377
7.2.2.1 Plan assets are comprised of as follows:		
Investment in TDR- net of gratuity payable to ex-employee	-	11,477,431
Mutual fund	137,929,273	126,676,302
Balance at bank	8,470,997	15,109,403
Balance payable	(5,421,169)	-
	140,979,101	153,263,136

7.2.3 The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of gratuity fund is as follows:

As at December 31	2022	2021	2020	2019	2018
	Rupees				
Present value of defined benefit obligation	159,172,581	166,669,411	183,507,387	197,213,194	188,260,714
Less:					
Fair value of plan assets	140,979,101	153,263,136	173,716,612	174,735,861	152,900,572
Deficit	<u>18,193,480</u>	<u>13,406,275</u>	<u>9,790,775</u>	<u>22,477,333</u>	<u>35,360,142</u>
Experience adjustment on obligation	0.22%	0.07%	-10%	5%	4%
Experience adjustment on plan assets	0.25%	2.30%	0.13%	0.23%	-1%

7.2.4 Sensitivity analysis - Gratuity

Significant assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase as disclosed in note 4.2.1. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Impact on defined benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
		Rupees	Rupees
Discount Rate	1.00%	149,400,036	170,192,983
Salary Rate	1.00%	170,452,915	148,997,210

7.2.5 Risk exposure

Though its defined benefit gratuity scheme, the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in market yields on Government bonds - The discount rate used to compute the plan liabilities is based on the Government bond yields. A decrease in Government bond yields will increase the plan liabilities.

Inflation risk - The Company's gratuity obligation is linked to the salary of the members of the scheme. Therefore, increases in the salaries due to higher inflation will increase the plan liabilities.

Employee turnover - The plan obligations are to provide benefits for the period of employment of the members. Therefore, lower employee turnover will increase the plan liabilities.

Life expectancy - The plan obligations are to provide benefits for the period of employment of the members, so increases in life expectancy will result in an increase in plan liabilities.

7.3 Accumulated compensated absences

The amounts recognized in Statement of Financial Position is as follows:

	Note	2022	2021
		Rupees	Rupees
Present value of defined benefit obligation	7.3.1	37,531,136	33,343,689
Benefits payable		1,246,509	-
Closing net liability		<u>38,777,645</u>	<u>33,343,689</u>

7.3.1 The movement in the present value of the defined benefit obligation is as follows:

Present value of defined benefit obligation as at start of the year	33,343,689	28,704,078
Current service cost	1,253,332	925,982
Past service cost	1,080,614	-
Interest cost	3,550,007	2,713,950
Benefits paid	(6,274,083)	(1,737,378)
Benefits payable	(1,246,509)	-
Actuarial gain from changes in financial assumptions	56,468	(39,619)
Experience adjustment	5,767,618	2,776,676
Present value of defined benefit obligation as at year end	<u>37,531,136</u>	<u>33,343,689</u>

The amounts recognized in the statement of profit or loss are as follows:

Current service cost	1,253,332	925,982
Net interest cost for the year	3,550,007	2,713,950
Past service cost	1,080,614	-
Actuarial gain from changes in financial assumptions	56,468	(39,619)
Experience adjustment	5,767,618	2,776,676
Total included in salaries, wages and amenities	<u>11,708,039</u>	<u>6,376,989</u>
Present value of defined benefit obligation as at start of the year	33,343,689	28,704,078
Expense chargeable to profit and loss	11,708,039	6,376,989
Benefits paid	(6,274,083)	(1,737,378)
Present value of defined benefit obligation as at year end	<u>38,777,645</u>	<u>33,343,689</u>

7.3.2 Sensitivity Analysis - Accumulated compensated absences

Significant assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Year and sensitivity analysis (\pm 100 bps) on defined benefit obligation

	Impact on defined benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
		Rupees	Rupees
Discount Rate	1.00%	35,166,557	40,203,872
Salary Rate	1.00%	40,203,872	35,127,028

7.3.3 Risk exposure

The Company is exposed to a number of risks, the most significant of which are detailed below:

Final salary risk (linked to inflation risk) – the risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

8	Long Term Finance- Secured	Note	2022 Rupees	2021 Rupees
	Long term loan			
	Diminishing Musharika - Bank Islami Pakistan Limited	8.1	-	125,000,000
	Loan for wages and salaries - Allied Bank Limited	8.2	-	130,746,149
			-	255,746,149
	Less: Current portion shown under current liabilities		-	(255,746,149)
			-	-

8.1 During the prior years, the long term finance was obtained in the form of Diminishing Musharika from Bank Islami Pakistan Limited for the purpose of expansion of foundry amounting to Rs 500.00 million. Under the arrangement, principal amount of Rs 500.00 million is repayable in 16 equal quarterly instalments beginning on February 16, 2018. During the year ended December 31, 2020, pursuant to State Bank of Pakistan circular No 13 dated March 26, 2020 the Company has obtained one year deferment of repayment of principal amount from Bank Islami Pakistan Limited. Interest is payable quarterly in arrears at the rate of 3 months KIBOR plus 0.10 percent per annum. The average effective rate of markup charged during the year is 12.61% per annum (2021: 7.73% per annum). The amount is secured by way of exclusive charge over specific plant and machinery amounting to Rs 500.00 million. As at December 31, 2022, the Company has repaid an amount of Rs 500.00 million (2021: 375 million).

8.2 During the year ended December 31, 2020, the Company availed the State Bank of Pakistan Refinance Scheme for payment of salaries and wages from Allied Bank Limited with a limit of Rs 271.00 million. The loan is repayable in 8 equal quarterly installments starting from February 3, 2021 with a grace period of six months. The finance is secured by exclusive equitable mortgage charge over land and buildings situated at KSB Pumps Company Limited head office upto an amount of Rs 213.00 million and the remaining short fall is covered temporarily through a stop gap arrangement by reducing the running finance facility until any other security is furnished to the bank. Subsequent to the approval of the State Bank of Pakistan, the facility carried interest rate of 1% per annum. The effective rate of interest used for discounting of the loan is 7.7% per annum (2021: 7.7% per annum). As at December 31, 2022 the Company has repaid an amount of Rs 253.43 million (2021: Rs 122.68 million).

8.3	The reconciliation of the carrying amount is as follows:	Note	2022 Rupees	2021 Rupees
	Opening balance		255,746,149	472,178,009
	Loan received during the year		-	-
	Repayments during the year		(251,972,370)	(228,159,440)
			<u>3,773,779</u>	<u>244,018,569</u>
	Interest charged using the effective rate of interest		4,719,193	14,661,441
	Interest payments paid during the year		(8,492,972)	(2,933,861)
	Closing balance		<u>-</u>	<u>255,746,149</u>

9 Deferred Grant

This represents Government grant recognised against the loan obtained from SBP Refinance Scheme for payment of salaries and wages in respect of below market interest rate payable on the following facility:

Long term financing facility availed from Allied Bank Limited under State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns ('Refinance Scheme'), amounting to Rs 268.82 million. The total facility available amounts to Rs 271.00 million. The interest rate applicable on this facility during the period is 1% per annum.

There are no unfulfilled conditions or contingencies attached to this grant effecting its recognition at the reporting date.

The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The reconciliation of the carrying amount is as follows:

	Note	2022 Rupees	2021 Rupees
Opening balance		4,219,302	16,569,085
Deferred grant recognised during the period/year		-	-
Credited to profit or loss	9	(4,219,302)	(12,349,783)
		<u>-</u>	<u>4,219,302</u>
Current portion shown under current liabilities		-	(4,219,302)
Closing balance		<u>-</u>	<u>-</u>

10 Trade & Other Payables

Trade creditors	10.1	1,010,156,157	954,004,022
Accrued liabilities	10.2	280,165,861	385,681,726
Advances from customers	10.3	589,702,915	431,055,230
Workers' profits participation fund	10.4	3,886,106	1,697,216
Workers' welfare fund	10.5	2,386,026	2,386,026
Accrued finance cost		64,329,330	29,316,153
Other liabilities		11,356,619	67,851,429
		<u>1,961,983,014</u>	<u>1,871,991,802</u>

- 10.1** Trade creditors include amount due from holding Company of Rs 412.66 million (2021: Rs 253.87 million) and associated undertakings of Rs 105.13 million (2021: Rs 24.489 million).
- 10.2** Accrued liabilities include amount due from holding Company of Rs 42.84 million (2021: Rs 35.56 million) and associated undertakings of Rs 42.43 million (2021: Rs 34.75 million).
- 10.3** These represent advances received from customers other than projects relating to sales against which revenue is recognized at a point in time.

10.4 Workers' profit participation fund	Note	2022 Rupees	2021 Rupees
Balance at beginning of the year		1,697,216	1,325,091
Allocation for the period	31	3,886,106	1,690,903
Interest payable on funds utilized by the Company		-	6,313
		<u>5,583,322</u>	<u>3,022,307</u>
Less: Amount paid during the period		(1,697,216)	(1,325,091)
Balance at the end of the period		<u>3,886,106</u>	<u>1,697,216</u>

10.5 Workers' welfare fund

Balance at beginning of the year	2,386,026	2,386,026
Amount adjusted during the year	-	-
Balance at the end of the year	<u>2,386,026</u>	<u>2,386,026</u>

11 Contract liabilities

11 Contract liabilities	Note	2022 Rupees	2021 Rupees
Opening contract liabilities		21,615,056	2,879,982
Revenue recognised that was included in the contract liabilities balance at the beginning of the period		-	-
Contract liabilities aroused during the year		(17,911,204)	(2,873,836)
Closing contract liabilities	11.1	<u>3,703,852</u>	<u>21,608,910</u>

- 11.1** This represents contract liabilities related to projects for which revenue is recognized over a period of time.

12 Short term finances - secured

The credit facilities available to the Company from various commercial banks aggregate to Rs 3,691.23 million (2021: Rs 3,466.73 million). These include letters of guarantee, letters of credit, and cash finance facilities, which can be used interchangeably. These include a guidance limit amounting to Rs 41.23 million (2021: Rs 60.74 million). Moreover, as at December 31, 2022, the Company has unutilized credit facilities amounting to Rs 1,146.69 million (2021: Rs 887.51 million).

Mark up on cash finance ranges from 10.00% to 17.58% (2021: 3.00% to 10.02%) per annum as per agreements with banks. While mark up on export finance is charged at SBP rate plus 1.00% (2021: 1.00%) per annum.

The credit facilities are secured by way of first pari passu charge over all present and future current assets of the Company amounting to Rs. 4,448 million (2021: Rs 3,747 million) and the guidance limit is secured by way of ranking charge amounting to Rs. 556.00 million (2021: Rs. 556.00 million).

13	Provisions for other liabilities & charges	Note	2022 Rupees	2021 Rupees
	Bonus to employees	13.2	72,785,823	41,833,334
	Sales incentive scheme	13.3	-	28,174,007
			<u>72,785,823</u>	<u>70,007,341</u>

13.1 Movement in provisions for other liabilities and charges during the year is as follows:

	Note	Bonus to employees Rupees	Sales incentive scheme Rupees	Total Rupees
Balance as at January 1, 2022		41,833,334	28,174,007	70,007,341
Provisions made during the year		28,434,114	-	28,434,114
Reclassified from sales incentive to bonus	13.1.1	28,174,007	(28,174,007)	-
Less: payments/adjustments made during the year		(25,655,632)	-	(25,655,632)
Balance as at December 31, 2022		<u>72,785,823</u>	<u>-</u>	<u>72,785,823</u>

13.1.1 This represents the reclassification of the sales incentive to bonus pertaining to the revision in Company's policy according to which all the employees are paid bonuses based upon EBIT (Earning before interest and tax). The sales incentive scheme existed in the previous years but now has been discontinued and the employees are entitled to bonus only.

13.1.2 Bonus to employees

This provision represents bonus to unionized and management staff as approved by the Board of Directors.

13.1.3 Sales incentive scheme

This scheme has now been discontinued and a new bonus policy has been introduced.

14	Due to provident fund	Note	2022 Rupees	2021 Rupees
	Balance at beginning of the year		5,109,849	4,308,801
	Contribution due		47,487,646	48,829,090
	Less: Amount paid during the year		(48,209,581)	(48,028,042)
	Balance at the end of the year	14.1	<u>4,387,914</u>	<u>5,109,849</u>

- 14.1** Investments out of provident fund have been made in accordance with the provision of the section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

15 Contingencies and commitments

15.1 Contingencies

- 15.1.1** The company has obtained bank guarantees of Rs. 508.87 million (December 2021: Rs. 784.04 million) against the performance of various contracts.

- 15.1.2** The Deputy Commissioner Inland Revenue ('DCIR') has issued order relating to tax year 2017 and raised demands, including default surcharge aggregating to Rs 35.60 million against the Company under sections 161 of Income Tax Ordinance 2001 ('ITO 2001') on account of non-withholding of taxes while making certain payments. Being aggrieved the Company filed appeals with the Commissioner Inland Revenue Appeals. In the order of the Commissioner Appeals, the order has been remanded back to the DCIR. The management and the taxation expert of the Company believe that there are meritorious ground available to defend the foregoing demand. Consequently, no provision has been recorded in these financial statements.

- 15.1.3** The Deputy Commissioner Inland Revenue ('DCIR') has issued various orders relating to tax year 2015, 2016 and raised demands, including default surcharge aggregating to Rs 13.90 million against the Company under sections 161 of Income Tax Ordinance 2001 ('ITO 2001') on account of non-withholding of taxes while making certain payments. Being aggrieved the Company filed appeals with the Commissioner Inland Revenue Appeals. In the order of the Commissioner Appeals, certain issues have been decided in favour of the Company, some issues have been remanded back and certain issues have been decided against the Company vide orders dated November 27, 2020 and January 29, 2021 relating to tax year 2016 and 2015 respectively. An amount of Rs 2.00 million has been confirmed vide the aforesaid orders out which the Company has filed an appeal vide letter dated March 30, 2021 against a demand of Rs 1.80 million confirmed in the said order before Appellate Tribunal Inland Revenue (ATIR) in respect of Tax year 2015 and conceded the remaining amount with respect to the tax year 2016. The management and the taxation expert of the Company believes that there are meritorious ground available to defend the foregoing demand. Consequently, no additional provision has been recorded in these financial statements.

- 15.1.4** The additional Commissioner Inland Revenue raised demand of Rs. 352.80 million vide order dated January 12, 2021 in respect of Tax year 2015 under section 122 of ITO 2001 on account of disallowances of certain expenditures and proration of expenses. Being aggrieved the Company filed an appeal before Commissioner Inland Revenue (Appeals). Consequently the Commissioner Inland Revenue (Appeals) annulled order in the Company's favour vide order dated August 13, 2021 and tax department filed an appeal before the Appellate Tribunal Inland Revenue (Appeals) which is still pending. The management and the taxation expert of the Company believe that there are meritorious ground available to defend the position of the Company. Consequently, no provision has been recorded in these financial statements.

- 15.1.5** The Deputy Commissioner Inland Revenue ('DCIR') issued order under section 161 for the tax year 2018 vide order dated November 26, 2021 and raised demand of Rs 69.18 million, including default surcharge aggregating to Rs 18.30 million against the Company under sections 161 of Income Tax Ordinance 2001 ('ITO 2001') on account of non-withholding of taxes while making certain payments. The Company filed an appeal with the Commissioner Inland Revenue Appeals ('CIR-A'), which was remanded back to the Tax Department. Being aggrieved, the Company filed an appeal on May 16, 2022 with Appellate Tribunal Inland Revenue ('ATIR'), which is pending adjudication. The management and the taxation expert of the Company believe that there are meritorious ground available to defend the foregoing demand. Consequently, no provision has been recorded in these financial statements.

15.2 Commitments

Letters of credit other than for capital expenditure approximately Rs. 241.52 million (2021: Rs. 307.30 million).

16 Property, plant and equipment

	Freehold land	Buildings on freehold land	Plant and machinery	Tools, jigs and attachments	Patterns	Other equipment	Furniture and fixtures	Office machines and appliances	Vehicles	Total
Net carrying value basis										
Period ended December 31, 2022										
Opening net book value (NBV)	1,372,520	208,169,829	518,116,093	5,254,230	41,802,233	81,125,684	4,526,476	19,632,624	45,374,332	925,374,021
Additions (at cost)	-	18,420,449	26,786,152	-	-	109,723,285	3,025,009	13,589,058	67,241,785	238,785,738
Disposals (at NBV)	-	-	-	-	-	-	-	(4,633)	(28,516,908)	(28,521,541)
Depreciation charge	-	(9,093,299)	(83,554,699)	(1,258,044)	(12,235,962)	(23,219,760)	(2,340,834)	(8,538,470)	(8,960,136)	(149,221,204)
Closing net book value (NBV)	1,372,520	217,496,979	461,347,546	3,996,186	29,546,271	167,629,209	5,210,651	24,678,579	75,139,073	986,417,014
Gross carrying value basis										
As at December 31, 2022										
Cost	1,372,520	305,706,954	1,024,151,258	59,961,039	180,286,700	324,814,479	33,159,026	104,876,240	99,727,381	2,134,055,597
Accumulated depreciation	-	(88,209,975)	(562,803,712)	(55,964,853)	(150,740,429)	(157,185,270)	(27,948,375)	(80,197,661)	(24,588,308)	(1,147,638,583)
Net book value (NBV)	1,372,520	217,496,979	461,347,546	3,996,186	29,546,271	167,629,209	5,210,651	24,678,579	75,139,073	986,417,014
Depreciation rate % per annum	-	3.33	6.67 - 10.00	10.00	16.67	12.50	12.50	20.00	25.00	
Net carrying value basis										
Year ended December 31, 2021										
Opening net book value (NBV)	1,372,520	216,892,056	587,712,286	6,196,936	55,965,925	88,750,445	7,700,243	20,058,384	66,253,204	1,050,901,999
Additions (at cost)	-	-	12,533,674	421,092	-	13,408,348	4,200,000	11,603,033	2,555,490	44,721,637
Disposals (at NBV)	-	-	-	-	-	(279,998)	(4,051,004)	(3,343,546)	(14,599,307)	(22,273,855)
Depreciation charge	-	(8,722,227)	(82,129,867)	(1,363,798)	(14,163,692)	(20,753,111)	(3,322,763)	(8,685,247)	(8,835,055)	(147,975,760)
Closing net book value (NBV)	1,372,520	208,169,829	518,116,093	5,254,230	41,802,233	81,125,684	4,526,476	19,632,624	45,374,332	925,374,021
Gross carrying value basis										
As at December 31, 2021										
Cost	1,372,520	287,286,506	997,365,106	59,961,039	180,286,700	215,091,195	30,612,516	95,658,795	91,189,930	1,958,824,307
Accumulated depreciation	-	(79,116,677)	(479,249,013)	(54,706,809)	(138,484,467)	(133,965,511)	(26,086,040)	(76,026,171)	(45,815,598)	(1,033,450,286)
Net book value (NBV)	1,372,520	208,169,829	518,116,093	5,254,230	41,802,233	81,125,684	4,526,476	19,632,624	45,374,332	925,374,021
Depreciation rate % per annum	-	3.33	6.67 - 10.00	10.00	16.67	12.50	12.50	20.00	25.00	

16.1 The cost of fully depreciated property, plant and equipment which are still in use as at December 31, 2022 is Rs 471.56 million (2021: Rs 426.90 million).

16.2 The depreciation charge for the year has been allocated as follows:

	Note	2022 Rupees	2021 Rupees
Cost of sales	28	137,932,381	136,874,890
Distribution and marketing expenses	29	2,487,203	1,901,610
Administration expenses	30	8,801,620	9,199,259
		<u>149,221,204</u>	<u>147,975,759</u>

16.3 Freehold land and building on owned land represents 89,157 square meters of factory land situated at Hazara Road, Hassanabdal and 1,163 square meters of head office situated at 16/2 Sir Agha Khan Road, Lahore.

16.4 Disposal of certain items of property, plant and equipment

Year ended December 31, 2022

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain/(Loss) on disposal	Mode of Disposal
Fixed assets sold having book value greater than Rs 500,000							
TOYOTA Fortuner Imran Malik LEF-16-6005	Directors Imran Malik Director Sales	5,401,800	4,591,530	810,270	1,759,000	948,730	Company Policy
Employees							
Honda Civic VTI 1800CC Omer Siddiqi LEB-17-8781	Omer Siddiqi	2,727,260	1,363,630	1,363,630	1,918,070	554,440	Company Policy
Honda Civic Asim Maqbool LEA-18-124	Asim Maqbool	2,664,475	1,332,238	1,332,238	2,017,260	685,022	Company Policy
Toyota Corolla GLI Junaid Khalid LEC-18-4203	Junaid Khalid	2,096,319	1,048,160	1,048,160	1,544,728	496,568	Company Policy
Toyota Corolla 1600CC Rashida Majeed LEA-17-2856	Rashida Majeed	2,086,410	1,043,205	1,043,205	1,487,752	444,547	Company Policy
Honda City Aspire Imran Siddique LEE-18-1622	Imran Siddique	1,978,185	989,093	989,093	1,297,120	308,027	Company Policy
Honda City Rizwan Saeed LED-18-2212	Rizwan Saeed	1,846,293	923,147	923,147	1,152,820	229,673	Company Policy
Honda City Prosmatec M.Farooq LEC-18-6133	M.Farooq	1,846,293	923,147	923,147	1,152,820	229,673	Company Policy
Honda City Prosmatec Imran Ali HR LEA-17-5014	Imran Ali	1,791,260	895,630	895,630	1,260,006	364,376	Company Policy
Honda City 1500CC Waqas Wakeel LE-18-2401	Waqas Wakeel	1,786,260	893,130	893,130	1,269,988	376,858	Company Policy
Honda City 1300CC Ali Amjad LE-17-4927	Ali Amjad	1,706,810	853,405	853,405	1,124,930	271,525	Company Policy
Toyota Fortuner Tariq Ali RIA-17-765	Tariq Ali	5,510,034	4,683,529	826,505	1,882,500	1,055,995	Company Policy
Honda City 1300CC Badar Munir LE-18-3010	Badar Munir	1,591,960	795,980	795,980	1,058,328	262,348	Company Policy
Suzuki Swift DLX Fareed Yousaf LE-18-2916	Fareed Yousaf	1,411,400	705,700	705,700	860,036	154,336	Company Policy
Suzuki Cultus 1000CC Azhar Shah LE-16-4969	Azhar Shah	1,164,890	582,445	582,445	564,500	(17,945)	Company Policy
Suzuki Wagon R Firzoke Ahmad RIA-18-301	Firzoke Ahmad	1,117,490	558,745	558,745	547,000	(11,745)	Company Policy
Third Parties							
Hyundai Tucson ABA-313	Khurram Imtiaz	6,193,476	1,096,761	5,096,715	5,900,000	803,285	Company Policy
Suzuki WagonR	Insurance Claim Received	2,099,000	65,596	2,033,404	2,100,000	66,596	Company Policy
Toyota Corolla Altis 1.8 Dhabeji Project BCK-991	Transfer of Project Vehicle to Customer	2,399,000	1,199,500	1,199,500	1,199,500	-	Company Policy
Toyota Corolla XLI For Dhabeji Project BLM-740	Transfer of Project Vehicle to Customer	1,759,000	879,500	879,500	879,500	-	Company Policy
Toyota Corolla XLI 1300 CC Dhabeji Project BJU-479	Transfer of Project Vehicle to Customer	1,664,000	832,000	832,000	832,000	-	Company Policy
Toyota Corolla XLI 1300 CC Dhabeji Project BJU-240	Transfer of Project Vehicle to Customer	1,664,000	832,000	832,000	832,000	-	Company Policy
Toyota Corolla Xli-Leb-10-9147	Khurram Imtiaz Third Party	1,331,718	665,859	665,859	1,300,000	634,141	Company Policy
Swift (DLX) 1300cc Dhabeji Project BHV-605	Transfer of Project Vehicle to Customer	1,327,000	663,500	663,500	663,500	-	Company Policy
Suzuki Swift DLX LEF-14-3038	Khurram Imtiaz Third Party	1,282,000	641,000	641,000	1,100,000	459,000	Company Policy
Cultus 1000cc Dhabeji Project BHW-482	Transfer of Project Vehicle to Customer	1,129,000	564,500	564,500	564,500	-	Company Policy
Cultus 1000cc Dhabeji Project BJB-931	Transfer of Project Vehicle to Customer	1,129,000	564,500	564,500	564,500	-	Company Policy
Fixed assets sold having book value less than Rs 500,000							
Computer Equipment	Employees & Third Parties	4,371,613	4,366,980	4,633	116,603	111,970	
		<u>63,075,946</u>	<u>34,554,410</u>	<u>28,521,541</u>	<u>36,948,961</u>	<u>8,427,420</u>	

Year ended December 31, 2021

Particulars of assets	Sold to	Cost		Accumulated depreciation		Book value		Sale proceeds		Gain/(Loss) on disposal		Mode of Disposal
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Fixed assets sold having book value greater than Rs 500,000												
	Directors											
Mercedes Benz E-300 LEA-18A-21	Mr. Masud Akhtar	19,001,197	13,122,702	5,878,495	7,224,414	1,345,919	As per Company policy					
Generator 20 KVA For CEO Residence	Mr. Masud Akhtar	1,131,750	1,131,750	-	-	-	As per Company policy					
Smart Energy Inverter & Storage Device	Mr. Masud Akhtar	925,000	138,750	786,250	786,250	-	As per Company policy					
12.18 KW Grade A Tier 1 Solar Panel	Mr. Masud Akhtar	850,000	127,500	722,500	722,500	-	As per Company policy					
Furniture & fixture	Mr. Masud Akhtar	4,025,000	367,499	3,657,501	3,657,501	-	As per Company policy					
	Employees											
Toyota Corolla 1600CC Mamoon Rasheed LE-17-3210	Mamoon Rasheed	2,087,615	1,043,808	1,043,808	1,227,851	184,043	As per Company policy					
Suzuki Swift 1328CC Muhammad Azam RIF-16-299	Muhammad Azam	1,500,860	750,430	750,430	895,180	144,750	As per Company policy					
Honda City 1300CC Badshah Muhammad RI-17-253	Badshah Muhammad	1,572,270	786,135	786,135	975,820	189,685	As per Company policy					
Toyota Corolla Sohail Abbas RI-17-250	Sohail Abbas	1,849,590	924,795	924,795	1,280,460	355,665	As per Company policy					
Honda City 1300CC Muhammad Shahzad RI-17-748	Muhammad Shahzad	1,571,820	785,910	785,910	973,804	187,894	As per Company policy					
Suzuki Swift 1328CC Faisal Aman Khan RIE-16-200	Faisal Aman Khan	1,554,703	777,352	777,352	755,500	(21,852)	As per Company policy					
Suzuki Wagon R 1000CC Zeeshan Ahmad RIE-16-698	Zeeshan Ahmad	1,090,140	545,070	545,070	527,000	(18,070)	As per Company policy					
Toyota Corolla XLI Mahmood Ellahi LEA-17-2488	Mahmood Ellahi	1,699,510	849,755	849,755	830,250	(19,505)	As per Company policy					
Toyota Corolla LEB-16-1960 Asif sultan	Asif Sultan	1,745,000	872,500	872,500	1,089,856	217,356	As per Company policy					
Suzuki Wagon R Waqas Ahmad RID-17-300	Waqas Ahmad	1,120,990	560,495	560,495	547,000	(13,495)	As per Company policy					
Honda City 1500CC Waseem Ahmad RI-18-383	Waseem Ahmad	1,649,120	824,560	824,560	1,551,140	726,580	As per Company policy					
Fixed assets sold having book value less than Rs 500,000												
Office machines and appliances	Mr. Masud Akhtar	3,228,369	1,113,575	2,114,794	1,910,784	(204,010)	As per Company policy					
Furniture and fixtures	Mr. Masud Akhtar	1,894,126	1,500,621	393,505	393,505	-	As per Company policy					
Scrap	Scrap	644,640	644,640.00	-	-	-	As per Company policy					
		49,141,700	26,867,847	22,273,855	25,348,815	3,074,960						

17	Intangible Assets	Note	Rupees	
	Net carrying value basis			
	Year ended December 31, 2022			
	Opening net book value (NBV)			5,533,712
	Additions (at cost)			324,000
	Disposals (at NBV)			-
	Amortization charge	17.1		(5,583,131)
	Closing net book value (NBV)			<u>274,581</u>
	Gross carrying value basis			
	As at December 31, 2022			
	Cost			42,381,302
	Accumulated amortisation			(42,106,721)
	Net book value (NBV)			<u>274,581</u>
	Amortization Rate % per annum			33.33%
	Net carrying value basis			
	Year ended December 31, 2021			
	Opening net book value (NBV)			14,083,051
	Additions (at cost)			-
	Disposals (at NBV)			-
	Amortization charge			(8,549,339)
	Closing net book value (NBV)			<u>5,533,712</u>
	Gross carrying value basis			
	As at December 31, 2021			
	Cost			42,057,302
	Accumulated amortisation			(36,523,590)
	Net book value (NBV)			<u>5,533,712</u>
	Amortization Rate % per annum			33.33%
		Note	2022 Rupees	2021 Rupees
17.1	The amortisation charge for the year has been allocated as follows:			
	Cost of sales	28	3,724,875	4,455,601
	Distribution and marketing	29	1,695,933	4,003,415
	Administration expenses	30	162,323	90,323
			<u>5,583,131</u>	<u>8,549,339</u>
17.2	The cost of fully amortized software which are still in use as at December 31, 2022 is Rs 41.79 million (2021: Rs 17.59 million).			

18	Capital work in progress	Note	2022 Rupees	2021 Rupees
	Advance for land		229,800	229,800
	Building		-	22,270,315
	Plant & Machinery		-	4,659,858
	Pattern		6,650,660	-
	Advance for vehicles		-	31,157,776
	Others		2,399,000	10,149,433
		18.1	<u>9,279,460</u>	<u>68,467,182</u>

18.1 Reconciliation of the carrying amount of capital work in progress to:

	2022			
	Balance as at December 31,2021	Additions	Transfers to PPE	Balance as at December 31,2022
	Rupees	Rupees	Rupees	Rupees
Building	22,270,315	248,438	(22,518,753)	-
Intangibles	-	684,000	(324,000)	360,000
Plant & Machinery	4,659,858	22,026,294	(25,636,152)	1,050,000
Patterns	3,776,661	2,873,999	-	6,650,660
Advance for vehicles	31,157,776	14,256,344	(45,414,120)	-
Advance for land	229,800	-	-	229,800
Other equipments	6,372,772	104,705,639	(110,089,411)	989,000
Balance as at December 31	<u>68,467,182</u>	<u>144,794,714</u>	<u>(203,982,436)</u>	<u>9,279,460</u>
			2021	
	Balance as at December 31,2020	Additions	Transfers	Balance as at December 31,2021
	Rupees	Rupees	Rupees	Rupees
Building	14,797,484	7,472,831	-	22,270,315
Intangibles	-	-	-	-
Plant & Machinery	511,528	18,897,893	(14,749,563)	4,659,858
Patterns	-	3,776,661	-	3,776,661
Advance for vehicles	-	33,650,776	(2,493,000)	31,157,776
Advance for land	229,800	-	-	229,800
Other equipments	8,153,051	15,845,025	(17,625,304)	6,372,772
Balance as at December 31	<u>23,691,863</u>	<u>79,643,186</u>	<u>(34,867,867)</u>	<u>68,467,182</u>

19	Long term loans and deposits	Note	2022 Rupees	2021 Rupees
	Loans to employees - considered good			
	Executives	19.1	862,475	2,661,710
	Others		3,836,228	3,388,718
			<u>4,698,703</u>	<u>6,050,428</u>
	Less: Receivable within one year	25	(2,962,711)	(2,311,000)
			<u>1,735,992</u>	<u>3,739,428</u>
	Security deposits		-	69,566,944
	Less: Current portion of security deposits	19.2	-	(60,000,000)
			<u>1,735,992</u>	<u>13,306,372</u>

19.1 Reconciliation of the carrying amount of loans to:

	Executives	
	2022 Rupees	2021 Rupees
Balance as at January 1	2,661,710	888,405
Transfers to executives during the year	-	-
Disbursements during the year	70,000	3,350,000
Less: Repayments during the year	(1,869,235)	(1,576,695)
Balance as at December 31	<u>862,475</u>	<u>2,661,710</u>

19.1.1 These represent interest free loans to Executives. Loans are given for house building, purchase of vehicles and for use in marriages of employees and their dependents. These are repayable in monthly installments over a period of 24 to 36 months (2021: 24 to 36 months).

19.1.2 The maximum aggregate amount due from Executives at any time during the year was Rs 1.13 million (2021: Rs 2.66 million) respectively.

19.2 The security deposit of Rs 60 million was made to Lahore High Court on account of an inquiry initiated by the National Accountability Bureau (NAB) in relation to former Chief Executive (Mr. Masud Akhtar) for supply of filtration plants to Punjab Saaf Pani Company (PSPC) by the Company which was refundable with interest. During the current year, the case has been decided in the favour of former Chief Executive vide order dated January 31, 2022 and the Company has received the amount of security deposit of Rs. 60 million along with interest amounting to Rs 22 million .

20**Deferred tax assets**

The (assets) / liabilities for deferred tax comprises temporary differences relating to:

	2022 Rupees	2021 Rupees
Accelerated tax depreciation	(71,404,442)	(78,678,400)
Provision for doubtful debts	27,608,101	6,326,600
Accumulated compensated absences	(15,750,012)	8,421,271
Ex-gratia and other adjustment	3,242,279	7,953,857
Unused tax losses	90,789,859	87,875,545
Net deferred tax asset at the year end	<u>65,985,809</u>	<u>31,898,873</u>
The gross movement in net deferred tax asset during the year is as follows:		
Opening Balance	31,898,873	(17,962,164)
Credited to profit or loss	30,844,656	49,814,177
Charged to other comprehensive income - net of other adjustment	3,242,280	371,428
Other adjustment to OCI	-	(324,568)
Closing balance	<u>65,985,809</u>	<u>31,898,873</u>

20.1 The Company has not recognized deferred tax asset amounting to Rs 228.21 million (2021: Rs 181.86 million) in respect of minimum tax under section 113 of the Income Tax Ordinance, 2001, as sufficient taxable profits may not be available to set off before these are set to expire from the tax year 2024 to 2027. The Company has also not recognized deferred tax asset amounting to Rs 250.45 million (2021: Rs 17.27 million) in respect of taxable losses as sufficient taxable profits may not be available. Included in the taxable losses is an amount of Rs 135.89 million (2021: Rs 17.27 million) relating to business losses, which are set to expire in the tax year 2029.

21	Stores, spares and loose tools	Note	2022 Rupees	2021 Rupees
	Stores, spares and loose tools	21.1	128,659,249	119,633,942
			<u>128,659,249</u>	<u>119,633,942</u>

21.1 Most of the items of stores, spare parts and loose tools are of inter-changeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practical to distinguish stores from spares until their actual usage.

22	Stock in trade	Note	2022 Rupees	2021 Rupees
	Raw materials	22.1	747,505,649	717,613,812
	Work in process		444,420,681	648,779,233
	Finished goods		50,294,663	130,072,537
			<u>1,242,220,993</u>	<u>1,496,465,582</u>
	Less: Provision for obsolescence	22.2	(47,956,003)	(51,956,003)
			<u>1,194,264,990</u>	<u>1,444,509,579</u>

22.1 This includes stock in transit amounting to Rs 82.94 million (2021: Rs 83.73 million).

22.2 Provision for obsolescence

Opening provision		51,956,003	44,956,003
Provision for the year		-	7,000,000
Less: reversal of specific provision	22.2.1	(4,000,000)	-
Closing provision		<u>47,956,003</u>	<u>51,956,003</u>

22.2.1 The reversal of provision pertains to the reduction in slow moving stock which has either been sold or consumed during the year.

KSB Limited- UK	-	3,669,222
KSB Limited- Hongkong	-	911,131
KSB Bombas e Válvulas, SA	-	882,024
	<u>608,476,197</u>	<u>220,091,317</u>
Related parties - common directorship		
Security Papers Limited	67,305	30,421
	<u>67,305</u>	<u>30,421</u>
	<u>608,543,502</u>	<u>220,121,738</u>

23.1.1 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs 608.54 million (2021: Rs 276.57 million). No interest has been charged on the amounts due from related parties.

23.2 These customers have no history of default.

23.3 Movement of loss allowance recognized in profit or loss during the year is as follows:

	Note	2022 Rupees	2021 Rupees
Opening as at January 1		113,109,366	98,650,981
Increase during the year		40,649,581	17,312,129
Less: Write offs during the year		(778,348)	(2,853,744)
Less: Specific provision written back during the year	23.3.1	(35,500,000)	-
Closing as at December 31		<u>117,480,599</u>	<u>113,109,366</u>

23.3.1 The write back of provision pertains to reversal of specific provision made in the prior period in relation to the Punjab Saaf Pani Company (PSPC) case as NAB reference case has been decided in favour of the Company's former Managing Director, accordingly, the management expects to receive the said amount in due course.

23.3.2 For age analysis of trade debts refer to note 43.1.2.1.1

23.4 Included in trade debts is an amount of Rs 101.20 million (2021: 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.

24	Contract assets	Note	2022 Rupees	2021 Rupees
	Contract assets		715,249,423	607,191,746
	Less: Loss allowance	24.1	<u>(92,553,275)</u>	<u>(37,129,330)</u>
			<u>622,696,148</u>	<u>570,062,416</u>

24.1 The closing loss allowances for contract assets as at December 31, 2022 reconcile to the opening loss allowances as follows:

	Note	2022 Rupees	2021 Rupees
Opening loss allowance as at January 1		37,129,330	44,545,396
(Decrease) / Increase in loss allowance recognised in profit or loss during the year	24.2	55,423,945	(7,416,066)
Closing loss allowance as at December 31		<u>92,553,275</u>	<u>37,129,330</u>

- 24.2** The increase in loss allowance during the year pertains to the increase in provision on government receivables on account of increase in country default risk.

	Note	2022 Rupees	2021 Rupees
25			
Advances, deposits, prepayments and other receivables			
Current portion of long term loans to employees	19	2,962,711	2,311,000
Short term advances to employees- considered good	25.1 & 25.2	16,581,582	17,946,020
Advances to suppliers and contractors			
Considered good		141,730,305	165,607,326
Considered doubtful		1,431,619	1,672,801
		143,161,924	167,280,127
Due from related parties	25.3	16,080,661	6,871,724
Trade deposits and prepayments			
Considered good		68,457,313	89,819,327
Considered doubtful		19,801,227	17,700,045
Current portion of security deposits		-	60,000,000
		88,258,540	167,519,372
Letters of credit, deposits and opening charges		18,695,431	3,162,685
Claims Recoverable from Government			
Sales tax receivable		181,377,247	116,634,740
Other receivables			
Considered good		3,802,504	3,040,857
Considered doubtful		275,000	275,000
		4,077,504	3,315,857
		471,195,600	485,041,525
Less: Provision for doubtful amounts	25.4	(21,507,846)	(19,647,846)
		<u>449,687,754</u>	<u>465,393,679</u>

- 25.1** Short term advances to employees are given without any collateral security. These represent interest free advances to employees for the purpose of the site expenses, local travels and foreign tours . Advances to employees exceeding rupees one million includes advances to Mr. Khalid Yousifi of Rs 3.00 million (2021: Rs 2.99 million), Mr. Umar Siddique of Rs. 2.400 million (2021:Rs. 2.400 million), and Mr. Matraf Rasul of Rs 4.00 million (2021: Rs 1.5 million).

- 25.2** Short term advances to employees includes the amount due from executives of Rs 5.19 million (2021: Rs 7.23 million).

25.3 Due from related parties	Note	2022 Rupees	2021 Rupees
Holding Company			
KSB SE & Co. KGaA, Germany		7,380,777	1,044,445
Associated undertakings			
KSB SAS, France		111,191	86,438
KSB Middle East FZE, UAE		4,634,163	2,887,492
KSB Service LLC		2,487,676	1,933,927
PT. KSB Indonesia		1,182,707	919,422
KSB Service GmbH		284,147	-
		<u>8,699,884</u>	<u>5,827,279</u>
		<u>16,080,661</u>	<u>6,871,724</u>
25.4 Provision for doubtful advances			
Opening balance		19,647,846	23,376,538
Provision made during the year		1,860,000	(3,728,692)
		<u>21,507,846</u>	<u>19,647,846</u>
Less: Amount written off against provision		-	-
Closing balance		<u>21,507,846</u>	<u>19,647,846</u>
26 Cash and bank balances			
At banks			
Saving accounts	26.1 & 26.2	119,813,940	200,841,969
Current accounts		85,522,740	58,104,876
		<u>205,336,680</u>	<u>258,946,845</u>
Cash in hand		159,501	580,379
		<u>205,496,181</u>	<u>259,527,224</u>

26.1 The balances in saving accounts bear mark-up which ranges from 7.25% to 14.50% (2021: 5.50% to 7.25%) per annum.

26.2 Included in the balance are Term deposit receipts amounting Rs 20.00 million (2021: Rs 20.00 million) bearing interest rate 6.00% to 11.00% (2021: 6.5%) per annum.

27 Sales	Note	2022 Rupees	2021 Rupees
Local Sales			
Product Sales		3,493,783,293	3,893,458,796
Project Sales		813,824,877	500,435,341
	27.1	<u>4,307,608,170</u>	<u>4,393,894,137</u>
Less: Sales tax		(599,933,241)	(645,420,141)
		<u>3,707,674,929</u>	<u>3,748,473,996</u>
Export sales			
		1,257,386,298	585,984,625
	27.2	<u>4,965,061,227</u>	<u>4,334,458,621</u>

27.1 This represent revenue from contract with customer.

27.2 Disaggregation of revenue

27.2.1 The details of export sales made in each foreign jurisdiction along with break up into significant categories are as follows:

	Export sales via confirmed LC		Export sales via contract		Total	
	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
Foreign jurisdiction wise sales						
Asia	-	2,359,742	371,479,270	159,581,572	371,479,270	161,941,314
Australia	-	-	63,606,657	10,522,967	63,606,657	10,522,967
Africa	-	-	209,101,944	88,189,756	209,101,944	88,189,756
Europe	-	-	452,443,660	306,755,485	452,443,660	306,755,485
South America	-	-	85,573,580	1,505,709	85,573,580	1,505,709
North America	-	-	75,181,187	17,069,394	75,181,187	17,069,394
	-	2,359,742	1,257,386,298	583,624,883	1,257,386,298	585,984,625

27.2.2 The Company's net revenue disaggregated by pattern of revenue recognition is as follows:

	2022 Rupees	2021 Rupees
Revenue recognized at a point in time	4,482,537,008	3,910,023,935
Revenue recognized over time	482,524,219	424,434,686
	<u>4,965,061,227</u>	<u>4,334,458,621</u>

27.2.3 The Company's net revenue disaggregated by major product lines is as follows:

Product Sales		
Pumps and valves	3,300,516,412	2,379,990,780
Castings	689,628,778	799,913,647
	<u>3,990,145,190</u>	<u>3,179,904,427</u>
Services	492,391,818	730,119,508
Project sales	482,524,219	424,434,686
	<u>4,965,061,227</u>	<u>4,334,458,621</u>

27.3 The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied as at December 31, 2022:

	2023 Rupees	2024 Rupees	2025 Rupees	Total Rupees
Revenue expected to be recognised	129,050,569	19,753,000	3,013,000	151,816,569

28	Cost of goods sold	Note	2022 Rupees	2021 Rupees
	Raw material consumed		2,388,744,131	2,596,747,633
	Salaries, wages, amenities and staff welfare	28.2	346,740,538	350,372,756
	Staff training		227,106	266,998
	Electricity and power		207,432,531	207,210,488
	Stores and spares consumed		279,355,705	322,696,169
	Insurance		6,998,558	6,872,294
	Travelling and conveyance		47,027,906	28,061,278
	Postage and telephone		4,750,253	8,471,367
	Printing and stationery		6,384,468	2,484,288
	Rent, rates and taxes		4,524,723	4,952,408
	Repairs and maintenance		30,201,723	30,618,741
	Legal & professional charges		10,463,801	4,941,698
	SAP user licence fee & other IT services		44,603,463	41,769,161
	Packing expenses		56,043,805	36,409,749
	Outside services	28.1	324,996,504	409,693,463
	Depreciation on property, plant and equipment	16.2	137,932,381	136,874,890
	Amortization of intangible assets	17.1	3,724,875	4,455,601
	Provision for obsolete stores & stocks	22.2	-	7,000,000
	Warranties		-	12,651,314
	Other expenses		6,023,719	8,109,463
			<u>3,906,176,190</u>	<u>4,220,659,759</u>
	Opening work-in-process		648,779,233	241,578,479
	Less: Closing work-in-process		(444,420,681)	(648,779,233)
	Less: Decrease / (increase) in work-in-process		204,358,552	(407,200,754)
	Cost of goods manufactured		<u>4,110,534,742</u>	<u>3,813,459,005</u>
	Opening stock of finished goods		130,072,537	56,711,510
	Less: Closing stock of finished goods		(50,294,663)	(130,072,537)
	Less: Decrease / (increase) in finished goods		79,777,874	(73,361,027)
			<u>4,190,312,616</u>	<u>3,740,097,978</u>

28.1 Outside cost includes contract cost amounting to Rs 325.00 million (2021: Rs 409.69 million).

28.2 Salaries, wages, amenities and staff welfare

Salaries, wages, amenities and staff welfare include following in respect of retirement and other benefits:

	Note	2022 Rupees	2021 Rupees
Gratuity fund			
Current service cost		8,766,214	8,210,820
Interest cost		8,340,428	7,632,287
Expected return on plan assets		(8,329,160)	(8,359,767)
		<u>8,777,482</u>	<u>7,483,340</u>
Ex-gratia			
Current service cost		1,066,774	1,171,087
Interest cost		3,061,576	3,004,844
		<u>4,128,350</u>	<u>4,175,931</u>
Accumulated compensated absences			
Current service cost		463,733	342,613
Past service cost		399,827	
Interest cost		1,313,502	1,004,162
Loss arising on present value of defined benefit obligation		2,154,912	1,012,711
		<u>4,331,974</u>	<u>2,359,486</u>

28.2.1 In addition to above, salaries, wages, amenities and staff welfare include Rs 11.76 million (2021: Rs 11.50 million) in respect of provident fund contribution by the Company.

29	Distribution and marketing expenses	Note	2022 Rupees	2021 Rupees
	Salaries, wages, amenities and staff welfare	29.1	146,102,562	149,574,966
	Insurance		544,332	534,512
	Travelling, conveyance and representations		25,527,718	11,469,059
	Rent, rates and taxes		4,689,844	3,758,436
	Publicity charges		6,705,039	4,351,988
	Electricity, gas and water		6,304,120	3,100,134
	Postage and telephone		1,545,285	3,585,577
	Printing and stationery		1,355,317	970,475
	Repairs and maintenance		2,259,504	4,023,923
	Legal and professional charges		107,272	-
	SAP user license fee and other IT services		19,192,540	17,972,961
	Contract services		5,498,067	4,122,047
	Forwarding expenses		62,779,512	42,198,833
	Commission expenses		12,041,533	49,363,601
	Depreciation on property, plant and equipment	16.2	2,487,203	1,901,610
	Amortization of intangible assets	17.1	1,695,933	4,003,415
	Royalty and trademark	29.2	12,849,695	15,944,041
	Other expenses		3,062,498	5,055,625
			<u>314,747,974</u>	<u>321,931,203</u>

29.1 Salaries, wages, amenities and staff welfare

Salaries, wages, amenities and staff welfare include following in respect of retirement and other benefits:

	2022 Rupees	2021 Rupees
Gratuity fund		
Current service cost	4,830,362	4,524,329
Interest cost	4,595,745	4,205,546
Expected return on plan assets	(4,589,537)	(4,606,402)
	<u>4,836,570</u>	<u>4,123,473</u>
Accumulated compensated absences		
Current service cost	275,733	203,716
Past Service cost	237,735	-
Interest cost	781,002	597,069
Loss arising on present value of defined benefit obligation	1,281,299	602,153
	<u>2,575,769</u>	<u>1,402,938</u>

29.1.1 In addition to above, salaries, wages, amenities and staff welfare include Rs 5.99 million (2021: Rs 5.82 million) in respect of provident fund contribution by the Company.

29.2 This represents amount due to KSB SE & Co. KGaA, having its registered office situated at 67227 Johann-Klein-Street 09, Frankenthal, Germany, on account of royalty and trademark fee. Under the trademark agreement KSB SE & Co. KGaA grants exclusive rights to the Company for use of its brand name with certain terms and conditions.

29.3 This represents:	Note	2022 Rupees	2021 Rupees
Addition of loss allowance on debtors- net of provision		41,427,929	17,312,129
Loss allowance on contract asset		55,423,945	-
Addition / (reversal) of loss allowance on advance, deposits, prepayments and other receivables		1,860,000	(3,728,692)
		<u>98,711,874</u>	<u>13,583,437</u>

30 Administration expenses

Salaries, wages, amenities and staff welfare	30.1	136,687,768	147,081,728
Staff training		220,000	131,764
Insurance		733,361	727,424
Travelling, conveyance and representations		14,838,220	9,823,241
Rent, rates and taxes		2,318,876	3,446,265
Electricity, gas and water		9,684,526	4,648,653
Postage and telephone		7,606,388	3,289,646
Printing and stationery		2,397,945	1,849,682
Repairs and maintenance		12,112,940	3,890,310
Contract services		9,080,821	7,491,235
Professional services	30.2	11,383,515	11,704,519
SAP user licence fee & other IT services		12,974,157	12,149,722
Depreciation on property, plant and equipment	17.2	8,801,620	9,199,259
Amortization of Intangible assets	18.1	162,323	90,323
Other expenses		4,311,949	11,505,314
		<u>233,314,409</u>	<u>227,029,085</u>

30.1 Salaries, wages, amenities and staff welfare

Salaries, wages, amenities and staff welfare include following in respect of retirement and other benefits:

	2022 Rupees	2021 Rupees
Gratuity fund		
Current service cost	4,293,656	4,021,626
Interest cost	4,085,107	3,738,264
Expected return on plan assets	(4,079,589)	(4,094,580)
	<u>4,299,174</u>	<u>3,665,310</u>
Accumulated compensated absences		
Current service cost	513,866	379,652
Interest cost	1,455,503	1,112,720
Past service cost	443,052	-
Loss arising on present value of defined benefit obligation	2,387,875	1,122,193
	<u>4,800,296</u>	<u>2,614,565</u>

30.1.1 In addition to above, salaries, wages, amenities and staff welfare include Rs 5.30 million (2021: Rs 5.17 million) in respect of provident fund contribution by the Company.

30.2 Audit and taxation services

	Note	2022 Rupees	2021 Rupees
The professional services include the following amounts relating to audit and taxation services:			
Statutory audit		1,001,039	926,888
Review of half yearly financial statements		305,078	282,480
Audit of funds, consolidation forms and sundry services		1,300,000	1,050,000
Taxation services		1,050,000	1,020,000
Out of pocket expenses		518,883	470,632
		<u>4,175,000</u>	<u>3,750,000</u>

31 Other operating expenses

Workers' profits participation fund		3,886,106	1,690,903
Workers' welfare fund		-	-
Donations	31.1	2,493,145	-
		<u>6,379,251</u>	<u>1,690,903</u>

- 31.1** Party wise breakup of donations (net of receipts) where donation to a single party exceeds 10% of total donations or Rs. 1,000,000, whichever is higher, is as follows:

Particulars	Note	2022 Rupees	2021 Rupees
Alkhidmat Foundation		1,050,544	-
Taryaq Welfare Organization		186,763	-
Akhuwat Foundation		1,068,052	-
	31.1.1	<u>2,305,359</u>	<u>-</u>

- 31.1.1** The figures have been adjusted with contributions received relating to donations for flood affectees from the Holding Company as well as the employees amounting to Rs 4.70 million (2021: Nil) and 2.90 million respectively (2021: Nil).

- 31.1.2** The Company's Directors and their spouses have no interest in the donees at the reporting date.

32 Other operating income

Income from financial assets:	Note	2022 Rupees	2021 Rupees
Profit on bank accounts		4,960,765	3,473,266
Exchange gain - net		92,217,460	17,061,010
		97,178,225	20,534,276
Income from non-financial assets:			
Commission		1,938,566	14,086,373
Rental income on investment property		-	2,834,684
Interest on long term deposits	32.1	21,884,638	-
Sale of scrap		30,998,557	11,758,846
Profit on sale of property, plant and equipment		8,427,420	3,074,960
Amortization of deferred government grant	9	4,219,302	12,349,783
Reversal of provision for obsolete and slow moving stock - net of provision		4,000,000	-
Provisions no longer considered necessary and unclaimed balances written back		-	28,147,644
Sundry income		1,013,178	10,092,668
		<u>72,481,661</u>	<u>82,344,958</u>
		<u>169,659,886</u>	<u>102,879,234</u>

- 32.1** Profit on bank accounts include interest income on security deposit of Rs. 60 million on account of post arrest bail of former Managing Director of the Company.

33	Finance cost		2022 Rupees	2021 Rupees
	Mark-up on short term finances - secured	33.1	230,202,496	70,610,274
	Mark-up on long term loan - secured	33.2	7,562,224	15,033,004
	Mark-up on long term loan - secured	33.3	4,719,193	14,661,441
	Bank and other charges		11,858,480	8,385,642
	Interest payable on funds utilized by the Company		-	6,313
			<u>254,342,393</u>	<u>108,696,674</u>

- 33.1** This represents mark-up paid under conventional mode of financing arrangements.

- 33.2** This represents mark-up paid under islamic mode of financing arrangements.

- 33.3** This represents mark-up charged using the effective rate of interest of 7.70% (2021: 7.70%) on SBP loan received for salaries and wages.

34	Taxation		2022 Rupees	2021 Rupees
	Current tax			
	- Current year		61,065,026	54,248,347
	- Prior year		-	-
			61,065,026	54,248,347
	Deferred tax		(31,216,084)	(49,814,177)
			<u>29,848,942</u>	<u>4,434,170</u>
	34.1 Tax expense on items recognized in other comprehensive loss			
	Remeasurements of defined benefit liability		2,870,852	371,428
			<u>2,870,852</u>	<u>371,428</u>

34.2 Relationship between tax expense and accounting profit	2022	2021
	%	%
Applicable tax rate	29.00%	29.00%
Tax effect under presumptive tax regime and others	-131.86%	-131.43%
Effect of deferred tax not recognized on minimum tax	63.32%	146.16%
Effect of previously unrecognized deferred tax asset	-1.15%	-17.87%
Effect of deferred tax not recognized on tax losses	99.23%	0.00%
Effect of deferred not previously recognized (Provision for doubtful debt)	-11.89%	-14.70%
Permanent differences and others	-5.87%	-0.19%
Effect of change in tax rates	0.00%	-1.26%
Impact on OCI	0.00%	4.12%
Average effective tax rate charged to statement of profit or loss	<u>40.78%</u>	<u>13.83%</u>

35 Earnings per share

35.1 Basic earnings per share	Note	2022	2021
		Rupees	Rupees
Profit for the year	Rupees	43,342,002	27,290,471
Weighted average number of ordinary shares	Numbers 5.2	13,200,000	13,200,000
Earnings per share	Rupees	3.28	2.07

35.2 Diluted earnings per share

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2022 which would have any effect on the earnings per share if the option to convert is exercised.

36 Cash generated from operations	Note	2022	2021
		Rupees	Rupees
Profit before taxation		73,190,944	31,724,641
Adjustment for:			
Depreciation of property, plant and equipment	16.2	149,221,204	147,975,760
Amortization of intangible assets	17	5,583,131	8,549,339
Loss allowance	43	62,433,526	6,167,371
Profit on sale of property, plant and equipment	32	(8,427,420)	(3,074,960)
Amortization of deferred government grant	32	(4,219,302)	(12,349,783)
Reversal of provision for obsolete and slow moving stock	32	(4,000,000)	-
Provision for obsolete and slow moving stock	28	-	7,000,000
Reversal of provisions no longer considered necessary and unclaimed balances written back	32	-	(28,147,644)
Exchange gain - net	32	(92,217,460)	(17,061,010)
Finance cost	33	254,342,393	108,696,674
Provision for employees' retirement and other benefits	7	33,749,615	25,825,043
Working capital changes	36.1	191,263,572	(543,456,391)
		<u>660,920,203</u>	<u>(268,150,960)</u>

36.1 Working capital changes

	2022 Rupees	2021 Rupees
Decrease / (increase) in current assets:		
Stores, spares and loose tools	(9,025,307)	(3,829,820)
Stock-in-trade	254,244,589	(774,986,352)
Trade debts	113,745,438	(165,057,776)
Contract asset	(108,057,677)	128,690,344
Advances, deposits, prepayments and other receivables	13,845,925	(221,891,028)
	<u>264,752,968</u>	<u>(1,037,074,632)</u>
(Decrease) / increase in current liabilities:		
Trade and other payables	(57,634,739)	470,517,711
Contract liabilities	(17,911,204)	18,735,074
Due to provident fund	(721,935)	801,048
Provisions for other liabilities and charges	2,778,482	3,564,408
	<u>(73,489,396)</u>	<u>493,618,241</u>
	<u>191,263,572</u>	<u>(543,456,391)</u>

37 Cash and cash equivalents

	2022 Rupees	2021 Rupees
Short term finances - secured	(1,592,953,931)	(1,575,741,307)
Cash and bank balances	205,496,181	259,527,224
	<u>(1,387,457,750)</u>	<u>(1,316,214,083)</u>

38 Plant capacity and production

Capacity		Actual production	
2022	2021	2022	2021
6000	6000	3,739	3,139

38.1 The variance of actual production from capacity is due to product mix in line with the market trends.

39 Operating segments

39.1 These financial statements have been prepared on the basis of a single reportable segment.

39.2 All non-current assets of the Company as at December 31, 2022 are located in Pakistan.

40 Reconciliation of liabilities arising from financing activities

	December 31, 2021	Cash flows	Non-Cash Changes			December 31, 2022
			Acquisition	Fair Value Changes	Reclassification of current portion	
Rupees						
Long term finances - secured	-	-	-	-	-	-
Current portion of long term finances- secured	255,746,149	(251,972,370)	-	(3,773,779)	-	-
Unclaimed Dividend	10,110,541	(10,686,197)	11,220,000	-	-	10,644,344
	<u>265,856,690</u>	<u>(262,658,567)</u>	<u>11,220,000</u>	<u>(3,773,779)</u>	<u>-</u>	<u>10,644,344</u>

	December 31, 2010	Cash flows	Non-Cash Changes			December 31, 2021
			Acquisition	Fair Value Changes	Reclassification of current portion	
Rupees						
Long term finances - secured	250,231,042	-	-	-	(250,231,042)	-
Current portion of long term finances- secured	221,946,967	(228,159,440)	-	11,727,580	250,231,042	255,746,149
Unclaimed Dividend	10,083,405	(6,572,864)	6,600,000	-	-	10,110,541
	<u>482,261,414</u>	<u>(234,732,304)</u>	<u>6,600,000</u>	<u>11,727,580</u>	<u>-</u>	<u>265,856,690</u>

41 Related party transactions

Related parties comprise of associated entities, entities under common control, entities with common directors, major shareholders, post employment benefit plans and key management personnel, inclusive of directors, and their close family members. Amounts due from and to related parties are shown under respective notes to the financial statements. Amounts of assets sold during the year are mentioned in note 16.4. Amounts due from directors and key management personnel are shown under remuneration of directors and key management personnel is disclosed in note 42. Other significant transactions with related parties are as follows:

41.1	Transactions with related parties	Note	2022 Rupees	2021 Rupees
	Relationship with the Company			
	Holding Company			
	Sale of products		78,648,915	125,420,236
	Purchase of products		348,699,605	392,230,152
	Commission income		1,076,674	4,618,374
	Royalty and Trademark		12,849,695	15,944,041
	SAP user fee		76,770,160	71,891,843
	Dividend Paid		6,607,029	3,886,488
	Associated Companies			
	Sale of products		1,131,875,846	451,603,295
	Purchase of products		101,451,828	74,390,654
	Commission income		861,892	9,467,998
	Commission expense		9,603,534	42,385,828

Staff retirement benefits	Expense charged in respect of			
	Ex-gratia scheme	7.1	4,128,350	4,175,931
	Gratuity fund	7.2	17,913,226	15,272,123
	Accumulated compensated absences	7.3	11,708,039	6,376,989
	Provident fund		23,052,067	22,481,728

41.2 Related parties incorporated outside Pakistan

Information about the related parties incorporated outside Pakistan with whom the Company had entered into transactions during the year is as follows:

41.2.1 Associated Companies

Name of Company	Country of incorporation	Basis of Association	Aggregate percentage of shareholding
KSB SE & Co. KGaA	Germany	Holding Company	58.89%
KSB Service LLC	United Arab Emirates	Common Control	Nil
KSB Pumps Inc.	Canada	Common Control	Nil
KSB BV	Netherlands	Common Control	Nil
KSB Pumps Co. Ltd.	Thailand	Common Control	Nil
KSB-Pumpy+Armatuary s.r.o., Koncern	Czech Republic	Common Control	Nil
KSB Pumps Arabia Ltd.	Saudi Arabia	Common Control	Nil
KSB Taiwan Co., Ltd.	Taiwan	Common Control	Nil
KSB Hungary Kft.	Hungary	Common Control	Nil
KSB Limited	Great Britain	Common Control	Nil
KSB Pompy I Armatura Sp. z o.o	Poland	Common Control	Nil
KSB Service GmbH	Germany	Common Control	Nil
KSB-Pompa, Armatür Sanayi	Turkey	Common Control	Nil
KSB Philippines, Inc.	Philippines	Common Control	Nil
PT. KSB Indonesia	Indonesia	Common Control	Nil
KSB Italia S.p.A.	Italy	Common Control	Nil
KSB Pumps and Valves (Pty) Ltd.	South Africa	Common Control	Nil
KSB Chile S.A.	Chile	Common Control	Nil
KSB Australia Pty Ltd	Australia	Common Control	Nil
KSB Sverige AB	Sweden	Common Control	Nil
KSB Singapore	Singapore	Common Control	Nil
KSB Middle East FZE	United Arab Emirates	Common Control	Nil
KSB Algérie Eurl	Algeria	Common Control	Nil
KSB Malaysia Pumps & Valves Sdn Bhd	Malaysia	Common Control	Nil
KSB Pumps and valves L.t.d.	Slovenia	Common Control	Nil
KSB Vietnam Co., Ltd.	Vietnam	Common Control	Nil
Security Papers Limited	Pakistan	Common Control	Nil
KSB SA Chateouroux France	France	Common Control	Nil
KSB S.A.S.	France	Common Control	Nil
KSB Shanghai Pump Co., LTD	China	Common Control	Nil
KSB ITUR Spain S.A.	Spain	Common Control	Nil
KSB Bombas Hidraulicas S.A.	Brazil	Common Control	Nil
Dalian KSB Amr'I	China	Common Control	Nil
KSB Valves (Changzhou) Co.,Ltd.	China	Common Control	Nil

42 Remuneration of Chief Executive, Directors and Executives

42.1 The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the Chief Executive, full time working Director and Executives of the Company is as follows:

	Chief Executive		Director		Executives	
	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
Short term employee benefits						
Managerial remuneration	27,400,000	49,708,112	-	-	151,576,656	119,402,110
Bonus / sales incentive	2,985,000	12,633,587	-	1,740,000	12,631,388	29,666,886
Leave fare assistance	2,250,000	2,450,066	-	-	12,631,388	9,950,176
House rent	-	-	=	=	68,209,512	53,400,396
Utilities	1,140,282	-	-	-	15,157,666	11,940,211
Medical and other expenses	2,031,273	-	-	-	20,374,478	11,990,546
	<u>35,806,555</u>	<u>64,791,765</u>	<u>-</u>	<u>1,740,000</u>	<u>280,581,088</u>	<u>236,350,325</u>
Post employment benefits						
Contribution to gratuity and provident fund	5,190,000	6,170,245	-	-	27,789,054	19,739,805
	<u>40,996,555</u>	<u>70,962,010</u>	<u>-</u>	<u>1,740,000</u>	<u>308,370,142</u>	<u>256,090,130</u>
Number of persons	1	2*	-	1	96	56

*** During the year ended December 31, 2021, Mr. Masud Akhtar ceased to hold office of the Managing Director / Chief Executive Officer with effect from July 19, 2021. Furthermore, Mr. Imran Ghani joined the Company with effect from August 24, 2021 as Managing Director / Chief Executive Officer of the Company.

42.2 The Company also provides its Chief Executive, Directors and some of its Executives, Company maintained cars and mobile phones. In addition, the former Chief Executive was provided with furnished accommodation and one Executive have been provided with rent free accommodation.

42.2.1 Furthermore, the Company provides security guards, insurance and leave fair assistance benefits to the existing Chief Executive Officer of the Company.

42.3 Bonus was paid to the Chief Executive Officer amounting to Rs 3.38 million (2021: Rs 9.24 million), which was duly approved by the Board of Directors of the Company.

42.4 Aggregate amount charged in the financial statements for the year for fee to 5 directors (2021: 4 directors) was Rs 0.75 million (2021: Rs 0.71 million).

43 Financial risk management objectives and policies

43.1 Financial risk factors

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.

Risk management is carried out by the Board of Directors (the Board). The Board has the overall responsibility for the establishment of a financial risk governance frame work. They provide assurance that the financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's risk management policies.

The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows:

43.1.1 Market risk

43.1.1.1 Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

	2022	2021
Trade debts - AED	-	-
Trade and other payables - AED	(19,481)	(29,579)
Net exposure - AED	(19,481)	(29,579)
Trade debts - AUD	-	65,930
Trade and other payables - AUD	-	-
Net exposure - AUD	-	65,930
Trade debts - USD	1,585,783	993,565
Trade and other payables - USD	(1,086,838)	(1,045,040)
Net exposure - USD	498,945	(51,475)
Trade debts - CNY	-	-
Trade and other payables - CNY	(929,659)	(112,349)
Net exposure - CNY	(929,659)	(112,349)
Trade debts - EURO	441,638	196,649
Trade and other payables - EURO	(1,233,321)	(735,264)
Net exposure - EURO	(791,683)	(538,615)

The following significant exchange rates were applied during the year:

	2022 Rupees	2021 Rupees
Average rate	55.68	45.68
Reporting date rate	62.15	47.84

If the functional currency, at reporting date, had fluctuated by 5% against the AED with all other variables held constant, the impact on profit before taxation for the year would have been Rs 0.06 million (2021: Rs 0.07) higher/ lower, mainly as a result of exchange gains/ losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

	2022 Rupees	2021 Rupees
Average rate	141.48	125.62
Reporting date rate	153.44	127.95

If the functional currency, at reporting date, had fluctuated by 5% against the AUD with all other variables held constant, there would be no impact on profit before taxation for the year as a result of exchange gains/ losses on translation of foreign exchange denominated financial instruments.

	2022 Rupees	2021 Rupees
Rupees per USD		
Average rate	204.52	168.12
Reporting date rate	226.65	176.40

If the functional currency, at reporting date, had fluctuated by 5% against the USD with all other variables held constant, the impact on profit before taxation for the year would have been Rs 5.65 million (2021: Rs 0.45 million) higher/ lower, mainly as a result of exchange gains/ losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

	2022 Rupees	2021 Rupees
Rupees per CNY		
Average rate	30.32	23.46
Reporting date rate	32.67	27.77

If the functional currency, at reporting date, had fluctuated by 5% against the CNY with all other variables held constant, the impact on profit before taxation for the year would have been Rs 1.52 million (2021: Rs 0.16 million) higher/ lower, mainly as a result of exchange gains/ losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

	2022 Rupees	2021 Rupees
Rupees per EURO		
Average rate	214.53	198.22
Reporting date rate	242.07	199.80

If the functional currency, at reporting date, had fluctuated by 5% against the Euro with all other variables held constant, the impact on profit before taxation for the year would have been Rs 9.58 million (2021: Rs 5.38 million) higher/ lower, mainly as a result of exchange gains/ losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

43.1.1.2 Other price risk

'Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since there are no investments in equity securities. The Company is also not exposed to commodity price risk since it has a diverse portfolio of commodity suppliers.

43.1.1.3 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long term interest-bearing assets. The Company's interest rate risk arises from long term and short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

The Company's interest rate risk arises mainly from short term borrowings. These borrowings obtained at variable rates expose the Company to cash flow interest rate risk. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Effective rate		Carrying amount	
	2022 --- (Percentage) ---	2021	2022 Rupees	2021 Rupees
Variable rate instruments				
Financial assets				
Bank balances - saving	9.75% to 14.50%	5.50% to 7.25%	119,813,940	200,841,969
Financial liabilities				
Short term borrowing - secured	10.02% to 17.08%	1.00% to 10.02%	1,592,953,931	1,575,741,307
Interest / markup accrued on borrowings	10.02% to 17.08%	1.00% to 10.02%	64,329,330	29,316,153
Current portion of long term financing	1.00% to 7.73%	1.00% to 7.73%		255,746,149
Fixed rate instruments				
Financial assets				
Term deposit receipt	6.00% to 11.00%	6.5%	20,000,000	20,000,000

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore, a change in interest rate at the statement of financial position date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for floating rate instruments

If interest rates on short term running finance, at the year end date, fluctuate by 1% higher/ lower with all other variables held constant, profit before taxation for the year would have been Rs 38.04 million (2021: Rs 15.76 million) higher/ lower, mainly as a result of higher/ lower interest expense on floating rate borrowings.

43.1.2 Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation. Credit risk arises from deposits with banks and other receivables.

Credit risk of the Company arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilization of credit limits is regularly monitored and major sales to retail customers are settled in cash. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

43.1.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2022 Rupees	2021 Rupees
Long term loans and deposits	1,735,992	13,306,372
Trade debts - unsecured	1,790,369,008	1,700,062,560
Contract assets	715,249,423	607,191,746
Advances, deposits, prepayments and other receivables	123,872,883	118,434,883
Cash and bank balances	205,336,680	258,946,845
	<u>2,836,563,986</u>	<u>2,697,942,406</u>

Impairment of financial assets

The Company's financial assets including bank balances, loans, advances, deposits and other receivables are also subject to the impairment requirements of IFRS-9. During the year ended December 31, 2022, the Company recorded net impairment losses on financial assets amounting to Rs 62.43 million (2021: Rs 6.17 million). The breakup of impairment loss is as follows:

	Note	2022 Rupees	2021 Rupees
Loss allowance on trade debts	23	40,649,581	17,312,129
Loss allowance on contract assets	24	55,423,945	(7,416,066)
Provision for doubtful advances	25	1,860,000	(3,728,692)
		<u>97,933,526</u>	<u>6,167,371</u>
Less: Reversal of specific provision	23	(35,500,000)	-
		<u>62,433,526</u>	<u>6,167,371</u>

43.1.2.1.1 The age of trade debts and related impairment loss at statement of financial position date is as follows:

The loss allowance for trade debts from Government was determined as follows:

	2022			2021		
	Expected loss rate %	Gross carrying amount Rupees	Loss Allowance Rupees	Expected loss rate %	Gross carrying amount Rupees	Loss Allowance Rupees
Impaired and not overdue	12.94%	1,360,579	176,058	6.11%	53,141,223	3,249,547
0 - 30 days	12.94%	26,480,833	3,426,619	6.11%	304,856,781	18,641,769
31 - 90 days	12.94%	38,402,597	4,969,296	6.11%	35,837,960	2,191,465
91 - 180 days	12.94%	5,500,554	711,771	6.11%	15,322,541	936,962
181 - 360 days	12.94%	52,677,596	6,816,480	6.11%	31,968,413	1,954,845
over 360 days	17.45%	461,859,648	80,617,418	16.28%	404,611,428	65,874,175
		<u>586,281,807</u>	<u>96,717,642</u>		<u>845,738,346</u>	<u>92,848,763</u>

The loss allowance for trade debts other than Government and exclusive of related parties was determined as follows:

	2022			2021		
	Expected loss rate %	Gross carrying amount Rupees	Loss Allowance Rupees	Expected loss rate %	Gross carrying amount Rupees	Loss Allowance Rupees
Impaired and not overdue	0.08%	184,221,753	147,473	0.07%	172,540,499	127,466
0 - 30 days	0.17%	142,674,632	242,488	0.08%	88,827,901	71,228
31 - 90 days	0.22%	69,620,098	153,368	0.10%	114,117,681	116,046
91 - 180 days	0.34%	61,626,230	209,126	0.16%	39,405,480	62,493
181 - 360 days	0.47%	37,968,101	178,450	0.21%	35,670,250	75,728
over 360 days	19.95%	99,432,885	19,832,052	10.61%	183,671,086	19,807,642
		<u>595,543,699</u>	<u>20,762,957</u>		<u>634,232,897</u>	<u>20,260,603</u>

The loss allowance for trade debts pertaining to related parties was determined as follows:

	2022 Gross carrying amount Rupees	2021 Gross carrying amount Rupees
Impaired and not overdue	464,799,424	156,454,953
0 - 30 days	116,347,513	27,673,209
31 - 90 days	3,051,568	7,522,255
91 - 180 days	16,010,933	13,266,921
181 - 360 days	5,153,840	10,047,288
over 360 days	3,180,224	5,126,692
	<u>608,543,502</u>	<u>220,091,318</u>

The related party balances have not been impaired since these are expected to be recovered within next six months and there is no history of default against these balances. Consequently, no loss allowance has been recorded in the financial statements.

43.1.2.1.2 The age of advances, deposits, prepayments and other receivables and related impairment loss at statement of financial position date is as follows:

	2022 Rupees	2021 Rupees
The age of loans, advances, deposits, prepayments and other receivables		
- Not past due	-	-
- Past due 0 - 180 days	14,961,516	14,832,448
- Past due 181 - 365 days	24,454,032	29,301,715
- Over 365 days	84,457,335	74,300,720
	<u>123,872,883</u>	<u>118,434,883</u>
The age of loans, advances, deposits, prepayments and other receivables		
- Not past due	-	-
- Past due 0 - 180 days	-	-
- Past due 181 - 365 days	-	-
- Over 365 days	19,587,846	17,975,045
	<u>19,587,846</u>	<u>17,975,045</u>
The age of loans, advances, deposits, prepayments and other receivables from related parties		
- Not past due	-	-
- Past due 0 - 180 days	5,197,653	4,747,731
- Past due 181 - 365 days	3,283,364	1,933,927
- Over 365 days	7,599,644	190,066
	<u>16,080,661</u>	<u>6,871,724</u>

43.1.2.1.3 Credit quality of major financial assets

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2022	2021
	Short term	Long term			
				Rupees	Rupees
National Bank of Pakistan	A-1+	AAA	VIS	18,666	4,471,762
MCB Bank Limited	A1+	AAA	PACRA	38,367,180	26,016,836
United Bank Limited	A-1+	AAA	VIS	587,886	576,782
Deutsche Bank A.G.	A-2	A-	S&P's	1,563,383	769,811
Habib Bank Limited	A-1+	AAA	VIS	140,926,935	206,525,327
BankIslami Limited	A1	A+	PACRA	20,000,000	20,586,327
Bank AL Falah Limited	A-1+	AA+	PACRA	3,872,630	-
				<u>205,336,680</u>	<u>258,946,845</u>

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

43.1.3 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Company's businesses, the Company's finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors the forecasts of the Company's cash and cash equivalents on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities; monitoring statement of financial position liquidity ratios against internal and external regulatory requirements; and maintaining debt financing plans.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows as the impact of discounting is not significant.

The following are the contractual maturities of financial liabilities as at December 31, 2022

	Carrying amount	Less than one year	One to five years	More than five years
	Rupees	Rupees	Rupees	Rupees
Trade and other payables	1,961,983,014	1,961,983,014	-	-
Unclaimed dividends	10,644,344	10,644,344	-	-
Short term finances - secured	1,592,953,931	1,592,953,931	-	-
Long term finances - secured	-	-	-	-
	<u>3,565,581,289</u>	<u>3,565,581,289</u>	<u>-</u>	<u>-</u>

The following are the contractual maturities of financial liabilities as at December 31, 2021

	Carrying amount	Less than one year	One to five years	More than five years
	Rupees	Rupees	Rupees	Rupees
Trade and other payables	1,871,991,802	1,871,991,802	-	-
Unclaimed dividends	10,110,541	10,110,541	-	-
Short term finances - secured	1,575,741,307	1,575,741,307	-	-
Long term finances - secured	255,746,149	255,746,149	-	-
	<u>3,713,589,799</u>	<u>3,713,589,799</u>	<u>-</u>	<u>-</u>

43.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

43.3 Financial instruments by categories

	Financial assets at amortized cost	
	2022 Rupees	2021 Rupees
Assets as per statement of financial position		
Long term loans and deposits	1,735,992	13,306,372
Trade debts - unsecured	1,672,888,409	1,586,953,194
Advances, deposits, prepayments and other receivables	449,687,754	852,615,878
Cash and bank balances	205,496,181	259,527,224
	<u>2,329,808,336</u>	<u>2,712,402,668</u>

	Financial liabilities at amortized cost	
	2022 Rupees	2021 Rupees
Liabilities as per statement of financial position		
Trade and other payables	1,961,983,014	1,871,991,802
Unclaimed dividends	10,644,344	10,110,541
Short term finances - secured	1,592,953,931	1,575,741,307
Long term finances-secured	-	255,746,149
	<u>3,565,581,289</u>	<u>3,713,589,799</u>

43.4 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 assets or liabilities during the current year.

44 Subsequent events after reporting date

- 44.1** The Board of Directors have proposed a final dividend for the year ended December 31, 2022 of Rs 0.00 (2021: Rs 0.85) per share, amounting to Rs 0.00 million (2021: Rs 11.22 million) at their meeting held on March 10, 2023 for approval of members at the Annual General Meeting to be held on April 26, 2023. The board has also proposed transfer of Rs 36.00 million (2021: Rs 15.00 million) to general reserve from unappropriated profit. These financial statements do not reflect this dividend payable and other appropriations.

Furthermore, there were no other subsequent events other than those disclosed elsewhere in these financial statements.

45 Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. Capital includes ordinary share capital and reserves.

The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus debt. Debt is calculated as total loans and borrowings including any finance cost thereon. Capital signifies equity as shown in the statement of financial position.

	2022 Rupees	2021 Rupees
Short term finances - secured	1,592,953,931	1,575,741,307
Long term loan - secured	-	-
Current maturity of long term finances - secured	-	255,746,149
Accrued finance cost	64,329,330	29,316,153
Total Debt	1,657,283,261	1,860,803,609
Share capital	132,000,000	132,000,000
Reserves	1,879,661,944	1,854,568,579
Total Equity	2,011,661,944	1,986,568,579
Total equity and liability	3,668,945,205	3,847,372,188
Gearing ratio	45%	48%

46 Number of employees

	2022	2021
Number of employees at year end	306	311
Average number of employees during the year	294	302

47 Date of authorization for issue

These financial statements were authorized for issue on March 10, 2023 by the Board of Directors of the Company.

48 Corresponding figures

The corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. During the year the following major reclassifications were made:

Reclassification from component		Reclassification to component	2021 Rupees
Description	Note	Description	
Distribution and marketing expenses - Loss allowance	29	Net impairment loss on financial assets	(13,583,437)
Other income - Reversal of provision for doubtful debts	32	Net impairment loss on financial assets	7,416,066
Advances, deposits, prepayments and other receivables	25	Statement of Financial Position - Income tax recoverable	387,222,199


Chief Executive Officer


Chief Financial Officer


Director

Dividend Bank Mandate Form

I, Mr. / Mrs. / Ms. _____ s/o., w/o., d/o. _____ hereby authorize KSB Pumps Company Limited to directly credit cash dividend declared by it, if any, in the below mentioned bank account:

i) Personal Information

Name of Shareholder	
Folio No./CDC Participant ID A/c. No.	
CNIC No.	
Passport No. (in case of foreign shareholder)	
Land Line Phone Number	
Cell Number	
Email Address	

ii) Bank Details

Title of Bank Account	
Name of Bank	
Branch Name & Address	
IBAN	
ISO Country Code	
IBAN Check Digit	
BBAN	
Bank Identifier	
Account Number	
SEPA Member	

Signature of shareholder

Date _____

Form of Proxy

The Company Secretary
KSB Pumps Company Limited
16/2, Sir Aga Khan Road
Lahore-54000.

I/We _____

of _____

in the district of _____ being member(s) of KSB

Pumps Co. Ltd. and holder(s) of _____ shares as per Share Register folio number

(No. of Shares)

_____ and/or CDC participant I.D. _____ and sub account No.

_____ hereby appoint _____

of _____ as my/our proxy

to attend and vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on Wednesday, the 26th April, 2023, at 11.30 a.m. at Registered Office of the Company 16/2 Sir Aga Khan Road, Lahore, to transact and at any

Signed this _____ day _____ of 2023.

Witness

Signature _____

Name _____

Address _____

NIC No. _____

Signature on Rs 5.00 Revenue Stamp

Note:

A member of the company entitled to vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. Proxy must be received at the Registered Office of the company not later than 48 hours before the time of meeting.

The instrument appointing a Proxy should be signed by the member or by his attorney duly authorised in writing. If the member is a corporation, its common seal should be affixed to the instrument.

The shareholders of the company through Central Depository Company or their proxies are requested to bring with them copies of their Computerized National Identity Card or Passport along with the participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

پراکسی فارم

کمپنی سیکریٹری
کے ایس بی پیپس کمپنی لمیٹڈ

16/2 سر آغا خان روڈ، لاہور۔ 54000

میں مسمیٰ / مسماة _____ ساکن _____
ضلع _____ بحیثیت ممبر کے ایس بی پیپس کمپنی لمیٹڈ، حاصل _____ شیئرز برطابق شیئرز رجسٹر فو لیو نمبر _____
اور / یا سی ڈی سی پارٹنیشن آئی ڈی نمبر _____ اور سب اکاؤنٹ نمبر _____
مسمیٰ / مسماة _____ ساکن _____

کو بطور مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے سالانہ اجلاس عام جو بتاریخ 26 اپریل 2023ء بروز بدھ منعقد ہو رہا ہے۔ میں اور اس کے کسی ملتی شدہ اجلاس میں ووٹ ڈالے۔

بتاریخ _____

دستخط _____

نام _____

ایڈریس _____

شناختی کارڈ نمبر _____

پانچ روپے کی

ریونیوسٹیٹیمپ پر

دستخط

نوٹ:

- 1 ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم مینٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہو جانا چاہیے۔
- 2 اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انسٹوٹمنٹس آف پراکسی جمع کرواتا ہے تو اس صورت میں تمام انسٹوٹمنٹ آف پراکسی کا عدم قرار دیئے جائیں گے۔
- 3 سی ڈی سی اکاؤنٹ رکھنے والے / کارپوریٹ ادارے کے لئے مزید برآں درج ذیل شرائط کو پورا کیا جائے گا۔
 - (i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی فراہم کی جائیں گی۔
 - (ii) پراکسی کے حامل کو اپنا اصل شناختی کارڈ یا پاسپورٹ مینٹنگ کے وقت دکھانا ہوگا۔
 - (iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بعد دستخط کے نمونے (اگر پہلے جمع نہ کروایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کروانی ہوگی۔

1- پراویڈنٹ فنڈ 31 دسمبر 2021 : 198,542 ملین روپے

2- گریجویٹ فنڈ 31 دسمبر 2021 : 171,848 ملین روپے

• ہمارے بہترین علم کے مطابق، سی ای او، ڈائریکٹرز، کمپنی سیکرٹری، سی ایف او اور ان کے زوج اور نابالغ بچوں کی طرف سے کمپنی کے حصص کی کوئی ٹریڈنگ نہیں کی گئی ہے۔

نمونہء حصص داری

31 دسمبر 2022ء کو کمپنی کے نمونہء حصص داری کی وضاحت رپورٹ کے ہمراہ منسلک ہے۔

چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ

سی ای او کی کارکردگی کا تعین KSB گروپ کی طرف سے جدید تشخیصی نظام کے ذریعے کیا جاتا ہے۔ تشخیص KSB اقدار سمیت مالی اور غیر مالی پیرامیٹرز پر کی جاتی ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے تمام اسٹیک ہولڈرز، قابل قدر صارفین، حصص یافتگان، بینکاروں، سپلائرز، فرمچائز پارٹنرز اور ڈیلرز کا کمپنی کی سال بھر قابل قدر حمایت فراہم کرنے کا شکریہ ادا کرتے ہیں۔ بورڈ اپنی پیرنٹ کمپنی میسرز KSB SE & Co. KGaA کی طرف سے بہترین حمایت اور رہنمائی فراہم کرنے کا بھی شکر گزار ہے۔ بورڈ اس سال کے دوران مثبت نتائج کے حصول پر تمام KSB ٹیم کی کوششوں کو سراہتا ہے اور سال 2023 کے لئے نیک خواہشات کا اظہار کرتا ہے۔

منجانب بورڈ

Imran Ghani

عمران غنی

چیف ایگزیکٹو

10 مارچ 2023ء

لاہور

Asif Malik

آصف ملک

ڈائریکٹر

نمبر شمار	نام ڈائریکٹر	حاضری کی تعداد
1	جناب شہزادہ مظہر - چیئر مین	2
2	جناب حسن عزیز بلگرامی - رکن	2
3	جناب عمران غنی - رکن	2

بورڈ کے اجلاسوں میں شرکت کے لئے ڈائریکٹرز کی معاوضہ پالیسی

- 1- کوئی ڈائریکٹر اپنا خود کا مشاہرہ تعین نہیں کرے گا۔
- 2- بورڈ کے اجلاسوں میں شرکت کے لئے باقاعدہ پیڈ مینجنگ ڈائریکٹر یا کل وقتی کام کرنے والے ڈائریکٹر کے علاوہ ہر ایک ڈائریکٹر کی اجلاس فیس بورڈ آف ڈائریکٹر کی طرف سے متعین کی جائے گی۔
- 3- مشاہرہ ویلویو ایڈیشن کی حوصلہ افزائی کے لئے کافی ہوگا۔
- 4- مشاہرہ کمپنی کو کامیابی سے چلانے کے لئے ضروری ڈائریکٹرز کو اپنی طرف متوجہ کرنے اور برقرار رکھنے کے لئے کافی ہوگا۔
- 5- مشاہرہ ایسی سطح پر نہیں ہوگا جو ان کی آزادی کو سلب کرنے کے قابل تصور کیا جاسکے۔
- 6- ڈائریکٹرز اجلاس میں شرکت کے لئے سفری، بورڈنگ اور رہائشی اور دیگر اخراجات کے حقدار ہوں گے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- کمپنی کی انتظامیہ نے مالی حسابات اور ان کی وضاحت کمپنیز ایکٹ 2017 کی توثیق میں تیار کئے ہیں۔ یہ حسابات کمپنی کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- فہرستی قواعد و ضوابط میں تفصیلی کارپوریٹ گورننس کے بہترین عوامل سے کوئی مادی انحراف نہیں ہے۔
- قیمت کی منتقلی کے بہترین عوامل سے کوئی انحراف نہیں ہے۔
- گذشتہ چھ سالوں کا کلیدی اور مالی اعداد و شمار رپورٹ کے ہمراہ منسلک ہے۔
- فنڈز سے متعلقہ نظر ثانی شدہ حسابات پر مبنی مجموعی سود سمیت سرمایہ کاری کی قدر حسب ذیل ہے:

بورڈ کے چیئرمین سی ای او اور نان ایگزیکٹو ڈائریکٹرز کے علاوہ ہیں۔

مجلس نظام کے اجلاس

سال کے دوران، بورڈ کے چار اجلاس منعقد ہوئے اور ہر ایک ڈائریکٹر کی حاضری کی تعداد حسب ذیل میں دی گئی ہے:

نمبر شمار	نام ڈائریکٹر	تعداد حاضری
1	Dr. Sven Baumgarten	4
2	جناب عمران غنی	4
3	Mr. Dieter Antonius Pott	2
4	محترمہ عائشہ عزیز	4
5	جناب حسن عزیز بلگرامی	4
6	جناب جمال نسیم	4
7	جناب شہزادہ مظہر	4
8	جناب آصف ملک	4

ڈائریکٹرز جو بورڈ کے اجلاس میں شرکت نہیں کر سکے کو غیر حاضری کی رخصت عطا کی گئی۔

آڈٹ کمیٹی

کارپوریٹ گورننس کے ضابطہء اخلاق کے نفاذ کے تحت بورڈ کی آڈٹ کمیٹی تشکیل دی گئی جو تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ بورڈ کی آڈٹ کمیٹی کے ارکان اور ہر رکن کی حاضری حسب ذیل تھی:

نمبر شمار	نام ڈائریکٹر	حاضری کی تعداد
1	جناب جمال نسیم - چیئرمین	4
2	Mr. Dieter Antonius Pott - رکن	4
3	جناب شہزادہ مظہر - رکن	4

سال کے دوران کمیٹی کے چار اجلاس منعقد ہوئے۔ کمیٹی نے فہرستی قواعد و ضوابط میں فراہم کی گئی ہدایات کے مطابق بورڈ آف ڈائریکٹرز کی طرف سے مقرر ریفرنس کی شرائط کا تعین کیا۔

انسانی وسائل اور معاوضے کی کمیٹی

بورڈ آف ڈائریکٹرز نے انسانی وسائل اور معاوضہ کمیٹی (ایچ آر & آر) تشکیل دی ہے، جو تین ڈائریکٹرز پر مشتمل ہے۔ HR&R کمیٹی کے ارکان اور ہر رکن کی حاضری حسب ذیل تھی:

تصرفات

روپے '000'	سالانہ نتائج
73,191	قبل از ٹیکس سالانہ منافع
(29,849)	ٹیکس کی فراہمی
43,342	بعد از ٹیکس منافع
(7,029)	دیگر مجموعی سالانہ آمدن / (نقصان)۔ ٹیکس کے بغیر
248	غیر تصرفاتی منافع جو آگے آیا
(36,561)	تصرفات کی دستیابی
	تصرف
36,000	عام ریزرو کے لئے منتقل
0	تجویز کردہ منافع منقسمہ بشرح 0.00 روپے فی شیئر
561	غیر موزوں منافع جو آگے گیا

محاسب

موجودہ محاسب، اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔ آڈٹ کمیٹی کی تجویز کے مطابق بورڈ آف ڈائریکٹرز نے 31 دسمبر 2023 کو ختم ہونے والے سال کے لئے کمپنی کے محاسب کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

ضابطہ اخلاق

بورڈ آف ڈائریکٹرز پہلے ہی ضابطہ اخلاق پر عمل کرتے ہیں۔ سطح پر تمام ملازمین کے لئے ضابطہ اخلاق کی تعمیل لازمی ہے۔ ضابطہ اخلاق کمپنی کی ویب سائٹ پر بھی رکھ دیا گیا ہے۔

مادی تبدیلیاں

31 دسمبر 2022 کے بعد کوئی مادی تبدیلیاں نہیں ہوئی ہیں اور کمپنی کسی بھی وعدہ میں داخل نہیں ہوئی، جو بیلینس شیٹ کی تاریخ تک اس کی مالی پوزیشن کو متاثر کرے گا۔

ہولڈنگ کمپنی

کمپنی کی ہولڈنگ کمپنی KSB SE & Co. KGaA جرمنی ہے۔

مجلس نطاء

موجودہ مجلس نطاء آٹھ افراد پر مشتمل ہے جس میں سے ایک خاتون ڈائریکٹر سمیت، ایک ایگزیکٹو، تین نان ایگزیکٹو اور چار آزاد ڈائریکٹرز ہیں۔

پانی کی دستیابی کو یقینی بنانے کے لئے اپرٹس شپ ڈائریکٹوریٹ کو واٹر ڈسپنسر فراہم کیا گیا۔ مزید برآں ہم طالب علموں کو انٹرنیشنل، اپرٹس شپس، ٹریننگ کے مواقع، مطالعاتی دوروں اور مطالعاتی منصوبوں کی پیشکش کرتے ہیں۔

مستقبل کا نقطہ نظر

فروخت اور منصوبے

پمپس اور والوز کے کاروبار کے امکانات، تمام اہم شعبوں کے لئے معیاری اور اعلیٰ انجینئرنگ مارکیٹ دونوں میں پُر امید ہیں۔ انتخابات سے قبل ترقیاتی اقدامات کو مدنظر رکھتے ہوئے، سال کی دوسری ششماہی میں گورنمنٹ شعبے کی سرگرمیاں بڑھانے کا امکان ہے، اور ہم اُمید کرتے ہیں کہ خاص طور پر واٹر کے شعبے میں شاندار کاروباری مواقع میسر آئیں گے۔ تاہم، آرڈر انٹیک کا انحصار ٹینڈرنگ سرگرمیوں کے لئے بروقت فنڈز کے اجراء پر ہوگا۔ پنجاب آب پاک اتھارٹی، واسا اور K4 سمیت مزید اہم منصوبوں سے نمایاں آرڈرز حاصل کرنے کے لئے کوششیں سال 2023 میں برقرار رہیں گی۔

ہم عام صنعت اور پیٹرو کیمیکل کے شعبوں میں بھی ترقی کی توقع رکھتے ہیں کیونکہ کچھ توسیع کی منصوبہ بندی کی گئی ہے۔ KSB پاکستان کا پروڈکٹ پورٹ فولیو اور انفراسٹرکچر اس شعبے میں ہماری مہارت کو مدنظر رکھتے ہوئے ہمارے گاہکوں کو بہترین خدمات فراہم کرنے کے لیے تیار ہے۔ آٹوموبائل سیکٹر کے چیلنجز کے پیش نظر آٹو پارٹس کا کاروبار معتدل رہے گا۔ اس سال، ہم آٹو سیکٹر میں کچھ اور پروڈکٹس جاری کریں گے، جو اس سیکٹور کے لیے اپنے کاروباری نقطہ نظر کو مضبوط بنانے میں ہماری مدد کریں گے۔ 2023 کے لیے کچھ اہم آرڈرز کے ساتھ گروپ کمپنیوں کو برآمد کرنے کے لیے پمپوں اور والوز کی ہماری خام کاسٹنگ پر غور کرتے ہوئے انٹرکمپنی کے کاروبار میں بھی کچھ مضبوط امکانات ہیں۔

مستقبل میں پائیدار نمو کے ساتھ KSB پاکستان کے مارکیٹ شیئر میں توسیع اہم اقدامات کے لیے مؤثر کارپوریٹ کمیونیکیشن پر انحصار کرتے ہوئے ایک اہم فوکل پوائنٹ رہے گی۔

KSB Supreme Serv کا مقصد ریورس انجینئرنگ سمیت صنعتی شعبے میں کاروباری مواقع کو ہدف بنا کر موجودہ سال میں حجم میں اضافہ حاصل کرنا ہے۔

کراچی اور لاہور میں نئی ورکشاپس کے قیام سے، ہم توقع کرتے ہیں کہ زیادہ سے زیادہ صارفین کو شامل کیا جائے گا، جو بالآخر نئے ریونیو میں تبدیلی ہو جائیں گے۔ ہم ریورس انجینئرنگ کے پرزہ جات اور سروس جابز کے لیے سمندری اور صنعت میں نئے میدان تلاش کر رہے ہیں۔ KSB پاکستان MEA خطے میں ریورس انجینئرنگ کا مرکز ہونے کے ناطے خطے کے دیگر ممالک سے بڑے پیمانے پر آرڈر لینا شروع کر دے گا۔ ہم اپنی توجہ پرائیویٹ سیکٹر، صنعت اور نئے طبقات پر بڑھائیں گے۔ توقع ہے کہ سال 2023 چیلنج سے بھرا ہوا لیکن پرجوش سال ہوگا اور ہمیں آرڈر کی مقدار کے ساتھ ساتھ منافع کے اہداف حاصل کرنے کا یقین ہے۔

قرض کا حاصل کرنا کمپنی کے نقد بہاؤ شرح سود کے خطرے کو بے نقاب کرتا ہے۔

قرض کا خطرہ

قرض کا خطرہ نمائندگی کرتا ہے کہ اگر کاؤنٹر پارٹی اپنی ذمہ داری پوری کرنے میں ناکام رہتی ہے تو مالی نقصان کا خطرہ موجود رہے گا۔ کریڈٹ رسک بینکوں اور دیگر وصولی کے ذخائر سے پیدا ہوتا ہے۔ کمپنی کا کریڈٹ رسک بینکوں اور مالی اداروں کے پاس نقد رقم اور نقدی کے مساوی اور ذخائر، کے ساتھ ساتھ صارفین کے لئے کریڈٹ کی سرمایہ کاری، سمیت بقایا وصولی اور مخصوص لین دین سے پیدا ہوتا ہے۔ انتظامیہ، صارفین کے کریڈٹ کے معیار کی جانچ پڑتال، اکاؤنٹ میں ان کی مالی پوزیشن، ماضی کے تجربات اور دوسرے عوامل کا تخمینہ لگاتی ہے۔ انفرادی خطرے کی حدود بورڈ کی مقررہ حدود کے مطابق اندرونی یا بیرونی درجہ بندی کی بنیاد قائم کر رہے ہیں۔ کریڈٹ حدود کے استعمال کی باقاعدگی سے نگرانی کی جاتی ہے اور خوردہ گاہکوں کو بڑے سیلر نقد میں پیش کر رہے ہیں۔ بینکوں اور مالی اداروں کے لئے ایک مضبوط کریڈٹ ریٹنگ کے ساتھ صرف آزادانہ شرح کی پارٹیوں کو قبول کر رہے ہیں۔

لیکویڈیٹی رسک

لیکویڈیٹی رسک نمائندگی کرتا ہے کہ کمپنی مالی واجبات سے وابستہ ذمہ داریوں کو پورا کرنے میں مشکلات کا سامنا کرے گی۔ محتاط لیکویڈیٹی رسک مینجمنٹ تفویض کریڈٹ کی سہولیات کی کافی رقم کے ذریعے فنڈز کی دستیابی، کافی نقدی کی برقراری پر عمل کرتی ہے۔ کمپنی کے کاروبار کی متحرک نوعیت کی وجہ سے، کمپنی کا فنانس ڈیپارٹمنٹ تفویض کریڈٹ لائسنز کے تحت مالی دستیابی کو برقرار رکھ کر فنڈز کی فراہمی میں لچک پذیری کو برقرار رکھتا ہے۔

مینجمنٹ متوقع نقد بہاؤ کی بنیاد پر کمپنی کے کیش اور نقدی کے مساوی کی پیش گوئی پر نظر رکھتی ہے۔ یہ عام طور کمپنی کی پریکٹس اور حدود کے مطابق کیا جاتا ہے۔ یہ حدود محل وقوع کی مارکیٹ کی لیکویڈیٹی کے لئے مختلف ہوتی ہیں۔ اس کے علاوہ، کمپنی کی سیالیت کے انتظام کی پالیسی ہر سہ ماہی میں نقد بہاؤ کو شامل اور اس کے واجبات کو پورا کرنے کے لئے ضروری سیال اثاثوں کی سطح پر غور، داخلی اور خارجی انضباطی تقاضوں کے خلاف بیلنس شیٹ لیکویڈیٹی تناسب کی نگرانی، اور قرض فنانسنگ منصوبوں کو برقرار رکھتی ہے۔

کیپٹل رسک مینجمنٹ

کمپنی کے کیپٹل رسک مینجمنٹ کا بنیادی مقصد یہ یقینی بنانا ہے کہ یہ اپنے کاروبار کی حمایت اور حصص یافتگان کی قدر کو زیادہ سے زیادہ کرنے کے لئے ایک مضبوط کریڈٹ ریٹنگ اور صحت مند سرمایہ کے تناسب کو برقرار رکھتی ہے۔ کمپنی اپنے بنیادی ڈھانچہ کو منظم اور اقتصادی حالات میں تبدیلی کی روشنی میں اس پر تصفیہ کرتی ہے۔ کیپٹل میں عام شیئر کیپٹل اور ذخائر بھی شامل ہیں۔

کارپوریٹ سوشل ذمہ داری - KSB کیئر

کارپوریٹ سماجی ذمہ داری (سی ایس آر) کمپنی کے مجموعی مقاصد کا لازمی حصہ اور KSB کی بنیادی اقدار میں سے ایک ہے۔ KSB بڑے پیمانے پر کمیونٹی کی بھلائی میں مؤثر شراکت داری کرتے ہوئے پائیدار نمونوں میں یقین رکھتی ہے۔ جرمنی میں ہماری بیزنس کمپنی نے 2025 تک حاصل کیے جانے والے کچھ CSR مقاصد بھی قائم کیے ہیں۔ KSB پاکستان گروپ کے ان وسیع مقاصد کے ساتھ منسلک ہے۔

KSB کیئر کے تحت کام کرتے ہوئے، ہم سماجی فلاح خاص طور پر تعلیم اور صحت کے شعبوں میں شرکت کرتے ہوئے ایک ذمہ دار کارپوریٹ ادارہ کی حیثیت سے اپنا کردار ادا کرتے ہیں۔ سال 2021 کے دوران، حسن ابدال میں ریسکیو 1122 کے نئے قائم شدہ دفتر کو دفتری فرنیچر اور پینے کے ٹھنڈے

کاروباری انتظامات کے خطرات

"خطرات ممکنہ مستقبل کی پیش رفت یا واقعات جو نقصان دہ یا نقصان کا باعث بن سکتے ہیں۔ وہ مستقبل کے واقعات کی غیر یقینی صورتحال کا نتیجہ ہیں۔ ایک خطرہ کی وجہ سے ہر حالت، صورت حال یا ریاست جو اس وقت اور/یا مستقبل میں، اپنے کاروباری مقاصد کو حاصل کرنے اور اپنے کاموں کو مکمل کرنے سے KSB گروپ یا انفرادی گروپ کی کمپنی کو روک سکتی ہے۔"

KSB کارسک مینجمنٹ نظام جتنی جلدی ممکن ہو مقاصد کے حصول کے لئے موجودہ اور ممکنہ خطرات کی شناخت اور اندازہ لگانے اور مناسب اقدامات کے ذریعے کم از کم کاروباری حد میں نقصان کو روکنے کے لئے ڈیزائن کیا گیا ہے۔ جس کا مقصد KSB کے وجود کو کسی خطرہ کو روکنا اور بہتر کاروباری فیصلے کے ذریعے پائیدار قدر پیدا کرنا ہے۔

مالی خطرات کا عنصر

کمپنی کی سرگرمیاں متعدد قسم کے مالی خطرات مارکیٹ رسک (بشمول کرنسی رسک، دیگر پرائس رسک اور سود کی شرح کا رسک)، کریڈٹ رسک اور لیکویڈیٹی رسک کو اجاگر کرتی ہیں۔ کمپنی کا مجموعی رسک مینجمنٹ پروگرام مالی منڈیوں کے اتار چڑھاؤ پر توجہ مرکوز اور مالی کارکردگی پر ممکنہ منفی اثرات کو کم سے کم کرنے کی کوشش کرتا ہے۔

رسک مینجمنٹ بورڈ آف ڈائریکٹرز کی طرف سے منظور کردہ اصولوں اور پالیسیوں کے تحت فننس ڈیپارٹمنٹ چلاتا ہے۔ بورڈ غیر ملکی کرنسی رسک، سود کی شرح کا خطرہ، کریڈٹ رسک اور اضافی لیکویڈیٹی کی سرمایہ کاری کی طرح کے مخصوص شعبوں کو سنبھالنے کی پالیسیوں کے ساتھ ساتھ مجموعی رسک مینجمنٹ کے اصولوں کا تعین کرتا ہے۔ ٹریڈری سے متعلق تمام لین دین گروپ ٹریڈری اور اسٹیٹ بینک آف پاکستان کی طرف سے فراہم کردہ ہدایات کے تحت پالیسیوں کے پیرامیٹرز کے اندر اندر کیا جاتا ہے۔

مارکیٹ رسک

مارکیٹ رسک میں کرنسی رسک، دیگر پرائس رسک اور سود کی شرح کا رسک شامل ہے۔

فارن ایکسچینج رسک ایک خطرہ ہے کہ مالی آلہ کی مناسب قدر یا مستقبل کے نقدی کے بہاؤ میں غیر ملکی زرمبادلہ کی شرح میں تبدیلی کی وجہ سے اتار چڑھاؤ آئے گا۔ کمپنی بین الاقوامی سطح پر چلتی ہے اور بنیادی طور پر امریکی ڈالر اور یورو کے ساتھ، مختلف کرنسی کی سرمایہ کاری سے پیدا ہونے والے زرمبادلہ کے خطرے کا سامنا کرتی ہے۔ فارن ایکسچینج رسک مستقبل کے تجارتی لین دین اور تسلیم شدہ اثاثوں اور واجبات سے پیدا ہوتا ہے۔

دیگر پرائس رسک خطرہ ظاہر کرتے ہیں کہ مالی آلہ کی مناسب قدر یا مستقبل کا نقدی کا بہاؤ مارکیٹ کی قیمتوں میں تبدیلی (سود کی شرح کے خطرے یا کرنسی خطرے سے پیدا ہونے والے کے مقابلے میں دیگر) آیا کہ یہ تبدیلیاں انفرادی مالی آلہ یا اس کے جاری کرنے والے، یا مارکیٹ میں ٹریڈ کئے جانے والے تمام اسی طرح کے مالی آلات کو متاثر کرنے والے عوامل کے باعث ہوں کی وجہ سے اتار چڑھاؤ آئے گا۔ اب تک کمپنی کو ایکویٹی قیمت کا کوئی خطرہ پیش نہیں آیا ہے لہذا ایکویٹی سیکورٹیز میں کوئی سرمایہ کاری نہیں کی گئی ہے۔ کمپنی کو اب تک اشیاء کی قیمت کا بھی کوئی خطرہ پیش نہیں آیا ہے اس لئے یہ کموڈٹیز سپلائرز کی ایک متنوع پورٹ فولیو رکھتا ہے۔

سود کی شرح کا خطرہ مالی آلہ کی مناسب قدر یا مستقبل کا نقدی کا بہاؤ مارکیٹ کی شرح سود میں تبدیلی کے باعث تبدیلی کے خطرے کی نمائندگی کرتا ہے۔ کمپنی کوئی اہم طویل مدتی انٹریسٹ بیئرنگ اثاثہ نہیں رکھتی ہے۔ کمپنی کو شرح سود کا خطرہ طویل مدتی اور قلیل مدتی قرض سے پیدا ہوتا ہے۔ متغیر شرح پر

باقاعدگی سے بیرونی جائزے لئے جاتے ہیں۔

KSB پاکستان پلانٹ ہمارے پرنسپلز سے مصدقہ "KSB کی ساختہ MbK" ہے۔ سرٹیفیکیشن کا مطلب یہ ہے کہ پاکستان میں تیار کی جانے والی مصنوعات معیار اور کوالٹی میں پورا اترتی ہیں گو یا کہ جرمنی میں بنائی گئی ہیں۔ صحت، حفاظت اور ماحول کی پائیداری کے قومی اور بین الاقوامی معیارات کی تعمیل کے اعتراف میں، ہم ایک اور قومی سالانہ ایوارڈ برائے انوائرنمنٹ ایکسیلنس حاصل کرنے میں کامیاب ہوئے، جو لگاتار 15 واں ایوارڈ ہے۔

سال 2022 ایک چیلنجنگ سال تھا جس میں ہماری نظر ثانی شدہ حکمت عملی پبلک سیکٹر سے صنعتی شعبے کی طرف توجہ مرکوز کرتی ہے۔ اس کا مقصد آئندہ سالوں میں ممکنہ ترقی کے ساتھ پائیدار کاروبار کے لیے ایک بنیادی لائن بنانا تھا۔ سپریم SERV ٹاپ لائن کم تھی تاہم ریورس انجینئرنگ میں ہم نے KSB Mech. Seals کے ساتھ نمونہ حاصل کی۔ ان دونوں شعبوں میں ہم نے اپنے گروپ سے تفویض کردہ اہداف کو پیچھے چھوڑ دیا۔ اسپیر پارٹس کا کاروبار اچھا تھا تاہم شرح تبادلہ اور درآمدی پابندیوں نے ڈیلیوری اور مجموعی فروخت میں کمی کی۔

2023 میں ہم اس صنعت کی ضروریات کو پورا کرنے کے لیے ہر ممکن کوشش کریں گے جو مقامی ترقی کی بھرپور کوشش کر رہی ہے۔ ہم تھرڈ پارٹی ایکویپمنٹ مینٹیننس اور پارٹس میں بھی داخل ہوں گے۔ لاہور اور کراچی میں ہمارے سروس پارٹنرز کے تعاون سے دونی درکنشاپس Q2 کے آغاز سے شروع ہو جائیں گی۔

انسانی وسائل

کمپنی کو ایک حوصلہ افزاء، پرجوش، اور مؤثر ٹیم رکھنے پر فخر ہے جو کمپنی کی اقدار کو ظاہر کرتی ہے، اور کئی سالوں سے مسلسل عہدگی کو یقینی بناتی ہے۔ ہیومن ریسورس ڈیپارٹمنٹ اپنے ملازمین کے لیے پالیسیوں، فوائد اور منصوبوں پر توجہ مرکوز کرتا ہے جو انفرادی سطح کے ساتھ ساتھ بڑے پیمانے پر تنظیم کے لیے پیداواری صلاحیت کو بڑھاتا ہے۔ KSB میں، ہم سب کو روزگار اور ترقی کے مساوی مواقع فراہم کرنے پر فخر محسوس کرتے ہیں، اور کمپنی نے اندرونی امیدواروں کو بہت سے کردار کی افزودگی اور گردش کے مواقع فراہم کر کے اپنی وابستگی کا مظاہرہ کیا ہے تاکہ نہ صرف کمپنی کے پاس دستیاب ٹیلنٹ کی طاقت میں اضافہ کیا جاسکے بلکہ پوری تنظیم میں ملازمین کی مصروفیت کی سطح میں بھی اضافہ ہو۔

ہم عوام، جذبہ اور کارکردگی کے اپنے نصب العین کے مطابق زندگی گزارتے رہے۔ ملازمین کی فلاح و بہبود اور صحت کی دیکھ بھال کی بڑھتی ہوئی لاگت پر زیادہ توجہ کے ساتھ، زندگی اور صحت کی انشورنس پالیسیوں میں نمایاں اضافہ کیا گیا ہے۔ کمپنی اپنے لوگوں کے لیے انعامی پیشکشوں کو بھی مضبوط کرتی رہتی ہے تاکہ تعلق کے احساس کو بڑھایا جاسکے۔

ہم ماضی کی حکمت عملیوں سے مستقبل کی جنگ نہیں جیت سکتے۔ اس کا احساس کرتے ہوئے، تنظیم کو ایک واضح کسٹمر سینٹرڈ اپروچ کے ساتھ دوبارہ ڈیزائن کیا گیا ہے تاکہ یہ یقینی بنایا جاسکے کہ فرنٹ اینڈ پروڈکٹ پورٹ فولیو کو تیار کرنے والی بیک اینڈ آرگنائزیشن کے ذریعے کسٹمر کی ضروریات کو پورا کرے گا جبکہ باقی مشترکہ سروس آرگنائزیشن دونوں فرنٹ اینڈ اور بیک اینڈ کو اپنی خدمات پیش کرے گی۔ ہماری واضح ترجیحات ہیں اور مجوزہ نئی تنظیمی تبدیلیوں کے مختلف سنگ میلوں کو حاصل کرنے کے لیے یقینی طور پر آگے بڑھ رہے ہیں۔ ہم اس اثر کے لیے مختلف افعال کو ترتیب دے رہے ہیں۔ ہماری ثابت شدہ اہلیت اور افرادی قوت کی استقامت، ہمیں یہ اعتماد دیتی ہے کہ ہم نئے تنظیمی ڈھانچے کے ساتھ پائیدار ترقی کے اہداف کی طرف بڑھتے رہیں گے۔

ہمارے مضبوط مصنوعات کے تنوع اور توسیعی پروگرام کے ساتھ باقاعدہ مارکیٹنگ اور صارف پر مرکوز مہمات کے ساتھ، ہم کاروبار کے متعلقہ شعبوں میں اپنے مارکیٹ شیئر کو مزید بڑھانے اور نئے کاروباری افق کو تلاش کرنے کے لیے پرعزم ہیں۔

KSB پاکستان کے پروڈیکٹس اینڈ آپٹیکیشن ڈیپارٹمنٹ کو پچھلے سالوں میں ری اسٹرکچر کیا گیا ہے، جس میں واٹر فلٹریشن اور ٹریٹمنٹ کے شعبے میں عوامی اور نجی شعبے کے اقدامات پر انحصار کرتے ہوئے متحرک کاروباری ضروریات کو مد نظر رکھا گیا ہے۔ 2022 میں، KSB پاکستان اعتدال پسند رہا، صنعتی صارفین کے لیے نجی شعبے میں ہمارے فلٹریشن پروڈکٹ ڈٹ پرنٹس کو بڑھانے پر توجہ مرکوز کرتا رہا۔ فلٹریشن، ٹیوب ویلز اور ڈسپوزل سٹیشنز کے لیے O&M کام واساللاہور کے ذریعے بنیادی طور پر لاہور کے اضلاع کے لیے معاہدوں کے مطابق انجام دیئے گئے۔ مؤثر اور لاگت مؤثر انداز میں منصوبوں کا حصول ہماری توجہ کا بنیادی شعبہ ہے۔

فاؤنڈری ایک دوسرا کاروباری شعبہ ہے جسے تفصیلی تجزیہ کی بنیاد پر ہموار کیا گیا جس کے بعد حکمت عملی میں تبدیلی کی گئی۔ ہماری توجہ پمپس اور والوز کے پارٹ بزنس کے لیے نئی پیش رفت پر مرکوز رہی تاکہ پمپ اور والوز کے لیے فاؤنڈری مصنوعات فراہم کرنے والے گروپ کا حصہ بننے ہوئے کاروبار میں خاطر خواہ ترقی کو یقینی بنایا جاسکے۔ آٹو پروڈکٹس کے کاروبار نے گاڑیوں کی کم پیداوار اور آٹو بزنس کے لیے دیگر چیلنجز کے پیش نظر منفی رجحان دکھایا ہے۔

پیداوار

KSB پاکستان آپریشنز مینوفیکچرنگ کے تمام شعبوں میں لیمن منصوبوں پر مسلسل کام کر رہا ہے جس کے لیے پراسیس میں موڈا (فضلہ) کو کم کرنے، ہنگل لائن فلو، کواٹی کو بہتر بنانے اور کلوز ڈلوپ آپریشنز کے لیے کواٹی سرکل اقدامات کیے جا رہے ہیں۔ یہ سرگرمی مینوفیکچرنگ کی مجموعی لاگت کو بہتر بنانے اور عمل کی کارکردگی کے ساتھ ساتھ پیداواری صلاحیت کو بڑھانے پر مرکوز رہتی ہے۔

ہمارا درمیانی مدتی منصوبہ پیداوار کی درستگی میں بہتری اور عالمی بہترین طریقوں کے مطابق توانائی کی اصلاح پر زور دیتا ہے۔ توانائی کو مؤثر رکھنے کے لیے، کمپنی نے سال 2022 کے دوران 1 میگا واٹ کی صلاحیت کا سولر پلانٹ نصب کیا ہے۔

اس سے توانائی کی اصلاح اور لاگت کی مسابقت کے اپنے مقصد کو حاصل کرنے میں مدد ملے گی۔ مسابقتی ماحول میں درپیش چیلنجز اور ہمارے قابل قدر صارفین کی توقعات کا مقابلہ کرنے کے لیے، KSB پاکستان کے آپریشنز ریورس انجینئرنگ کے شعبے میں نئی ترقیاتی سرگرمیوں کے لیے تیار ہیں۔ اس مقصد کے لیے ایک نئی کم صلاحیتی فرنس نصب کی گئی ہے۔ یہ انڈکشن ہمیں نہ صرف کم لیڈ ٹائم کے ساتھ پرزے فراہم کرنے کے قابل بنائے گی بلکہ پگھلانے کے معاملے میں لاگت کی بچت کو یقینی بنائے گی۔ اسی طرح، ہماری پیداواری سہولت پروینڈر پارک کا قیام پائپ لائن میں ہے، جس کا مقصد لیڈ ٹائم کو کم کرنا اور زیادہ لاگت کا بچانا ہے۔

معیار، ماحولیات، پیشہ ورانہ صحت اور تحفظ

"KSB پاکستان اول درجہ کی مصنوعات اور شاندار خدمات فراہم کر کے اپنے صارفین، پلانٹس کو محفوظ، زیادہ بجلی کی بچت اور لاگت کم کرنے کی کوشش کرتی ہے۔ اس عہد کے ساتھ ہم مستحکم منافع بخش نموا اور اپنے مستقبل کی کامیاب صورت حاصل کرنے کی کوشش کرتے ہیں۔

KSB پمپس کمپنی لمیٹڈ اینٹیگریٹڈ مینجمنٹ سسٹم (ISO 9001, ISO 14001 & ISO 45001) کے لئے سرٹیفائیڈ ہے۔ کمپنی آئندہ سالوں میں ISO 50001 سرٹیفیکیشن بھی حاصل کرنے کی کوشش کرے گی۔ نئے معیارات کے مطابق تسلسل اور اپ گریڈیشن کو یقینی بنانے اور پائیدار ڈویلپمنٹ کی ضروریات کو پورا کرنے کے مقصد کے ساتھ جرمنی میں ہماری بیسٹ کمپنی کے بیرونی جائزہ کے علاوہ ہماری مصنوعات، عوامل اور خدمات کے

مجموعی بحالی کی رفتار میں منفی کردار ادا کرنے والے عوامل ہیں۔ ایندھن اور توانائی کی قیمتوں میں اضافے سمیت قیمتوں میں اضافے کے اثرات کے نتیجے میں بڑے پیمانے پر مینوفیکچرنگ میں کمی آئی۔ تاہم، زراعت کے لیے نقطہ نظر مثبت رہا ہے۔ توقع ہے کہ پبلک سیکٹر کی سرگرمیاں ابتدائی طور پر رک جائیں گی اور پھر 2023، جو کہ انتخابات کا سال ہے میں انتخابات کے بعد دوبارہ شروع ہو جائیں گی۔ نمو کے منفی خطرات زیادہ رہے ہیں۔ جغرافیائی سیاسی کشیدگی، خاص طور پر مشرقی یورپ کی صورت حال، تیل کی قیمتوں میں مزید اضافہ کرے گی اور پہلے سے ہی زیادہ مہنگائی کو بڑھانے میں حصہ ڈالے گی۔ ملک میں سیکورٹی اور امن و امان کی صورتحال کنٹرول میں رہی تاہم سیاسی عدم استحکام پبلک سیکٹر کی کارکردگی بالخصوص اور مجموعی طور پر معاشی سرگرمیوں کو متاثر کر سکتا ہے۔ پائیدار اقتصادی نمو کو یقینی بنانے کے لیے رکاوٹوں کو دور کرنے اور ساختی اصلاحات کو آسان بنانے کے لیے مزید مضبوط اور پرعزم کوششوں کی ضرورت ہے۔

کمپنی

مالیاتی نتائج

KSB پاکستان کی کارکردگی سال 2022 میں ریونیو کے نمبرز میں نمایاں اضافے کے ساتھ مثبت رہی۔ منافع بنیادی طور پر سپلائی میں رکاوٹوں اور زیادہ شرح سود کے ساتھ ساتھ قیمتوں کے زبردست دباؤ میں رہا تھا۔ اس حقیقت کے باوجود، کمپنی بیرونی مارکیٹ کے حالات کو دیکھتے ہوئے، قیمتوں میں اضافے کو جزوی طور پر صارفین تک منتقل کر کے، اور مالی سال کے اچھے نمبروں کے ساتھ اختتام کر کے مارجن کو منظم کرنے میں کامیاب رہی، یہ بھی گزشتہ سال سے قدرے بہتر ہوا جیسا کہ درج ذیل کلیدی اشاروں سے ظاہر ہوتا ہے:-

سال 2022 روپے، 000، میں	سال 2021 روپے، 000، میں	
4,965,061	4,334,459	فروخت
778,749	594,360	مجموعی منافع
327,533	140,421	سود اور ٹیکس سے پہلے منافع
73,191	31,725	ٹیکس سے پہلے منافع
43,342	27,290	سالانہ منافع / (نقصان)
3.28	2.07	فی شیئر آمدنی (EPS)

پمپس اور والوز

سال 2022 پمپس اور والوز کے کاروبار کے لیے صحت مند سال تھا، سیاسی عدم استحکام کی وجہ سے پہلے ہی سست معاشی سرگرمی مزید سست ہو گئی۔ تاہم، کمپنی کے آرڈر کی مقدار میں نمایاں اضافہ دیکھا گیا۔ پانی، جنرل انڈسٹری، پیٹرولیم، پیٹرولیم اور بلڈنگ سروسز پاکستانی مارکیٹ میں نمایاں مارکیٹ شیئر کو یقینی بناتے ہوئے کلیدی شراکت دار رہے۔ انٹر کمپنی کاروبار 2022 تک مسلسل نمو کا ایک اور مضبوط شراکت دار رہا، اسی مدت کے لیے صحت مند آمدنی ریکارڈ کی گئی۔ متبادل چینل نیٹ ورک (KSB پارٹنر اور مجاز ڈسٹری بیوٹر) KSB کے صارفین کے لیے معیاری پمپس کے آسانی سے دستیاب اسٹاک کے ساتھ پائیدار مختلف کاروبار کا بنیادی محرک رہا۔

حصص داران کے لئے مجلس نطاء کی رپورٹ

KSB پیپس کمپنی لمیٹڈ کے نطاء 31 دسمبر 2022 کو ختم ہونے والے سال کی سالانہ رپورٹ معہ نظر ثانی شدہ مالیاتی کھاتوں اور اس پر محاسب کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

اقتصادیات
عالمی معیشت

سال 2022 نہ صرف پاکستان بلکہ پوری دنیا کے کاروباروں کے لیے ہنگامہ خیز اور اتار چڑھاؤ سے بھرا سال ثابت ہوا۔ عالمی معیشت کو مسلسل چیلنجوں کا سامنا ہے، جس کی تشکیل تین طاقتور قوتوں کے ایک دوسرے سے مربوط اثرات کی وجہ سے ہوئی ہے: جغرافیائی سیاسی تناؤ خاص طور پر روسی یوکرین تنازع، مہنگائی کے مسلسل اور وسیع تر دباؤ کی وجہ سے زندگی گزارنے کے اخراجات کا بحران، اور چین میں سست روی۔ 2023 میں مالیاتی سختی کے ساتھ ساتھ افراط زر کے بڑھتے رہنے کی توقع ہے۔ پاکستان کو نہ صرف عالمی چیلنجز کا سامنا ہے بلکہ آنے والے مہینوں میں اس کے اپنے مسائل کا بھی سامنا ہے۔ چیلنجز میں، عالمی سپلائی چین میں خلل، ایندھن اور توانائی کی بڑھتی ہوئی قیمتوں کے ساتھ ساتھ خوراک کی مہنگائی سست روی کی بڑی وجہ شامل ہیں۔ اگرچہ کثیرالجہتی ایجنسیوں کے ساتھ بات چیت جاری ہے، تاہم غیر معمولی موسمیاتی سیلاب کے ساتھ ساتھ غیر ملکی کرنسی کے ذخائر میں تیزی سے کمی، برآمدات کی سست روی، بلند شرح سود کے ماحول اور متعلقہ عوامل نے پاکستان کے معاشی نقطہ نظر کو ڈرامائی طور پر کشیدہ کر دیا ہے۔

2022 کے وسط میں شدید سیلاب نے پاکستان میں تباہی مچادی۔ ایک اندازے کے مطابق 33 ملین سے زیادہ لوگ متاثر ہوئے ہیں اور معیشت کو 20 بلین امریکی ڈالر کا نقصان ہوا ہے۔ سیلاب نے ملک میں معاشی اور زرعی سرگرمیوں کو متاثر کیا ہے کیونکہ اہم فصلوں کی پیداوار میں نمایاں نقصان ہوا ہے۔ ٹیکسٹائل سیکٹر میں کپاس کی عدم دستیابی کی وجہ سے کارخانے بند ہو گئے جبکہ زرعی پیداوار کی قلت کے باعث اشیائے خورد و نوش کی قیمتوں میں اضافہ کے باعث مہنگائی میں مزید اضافہ ہو گیا۔ اس منظر نامے کے ساتھ، عالمی منڈیوں کے حساب سے ملک کے ڈیفالٹ کا خطرہ بڑھ جاتا ہے۔ غیر یقینی صورتحال سے نمٹنے اور نمو کی رفتار پر واپس آنے کے لیے، ملک کو ساختی اصلاحات کی اشد ضرورت ہے، جیسے کہ ٹیکس نیٹ میں توسیع، سستی بجلی کی پیداوار، ایندھن کے نرخوں میں کمی، برآمدی شعبوں کی حوصلہ افزائی، آئی ٹی سیکٹر کی برآمدات کو فروغ دینے کے لیے ٹارگٹڈ پالیسیاں، اور ٹیلنٹ ترقیاتی پروگرام کو استوار کرنا۔ اس طرح کی تلخ حقیقتوں کے ذریعے، ہمارا کاروبار ایک پائیدار کاروباری ماڈل کی تعمیر کے لیے کام کر رہا ہے اور اس نے مقامی کے ساتھ ساتھ برآمد پر مبنی روڈ میپ بھی تیار کرنا شروع کر دیا ہے۔

پاکستان کی معیشت

پاکستانی معیشت دباؤ کا شکار ہے اور بحالی کی راہ پر گامزن رہنے کی کوششیں کر رہی ہے، حالانکہ بیرونی دباؤ، بڑھتے ہوئے کرنٹ اکاؤنٹ خسارہ اور مہنگائی میں اضافہ ہوا ہے۔ مالی سال 2023 کے لیے جی ڈی پی کی شرح نمو 3.8 فیصد ہے۔ افراط زر بڑھ رہا ہے، فی الحال بیس کی دہائی کا سب سے زیادہ ہے۔ مہنگائی کے بڑھتے ہوئے دباؤ سے نمٹنے کے لیے اسٹیٹ بینک نے بتدریج پالیسی ریٹ بڑھا کر 20% کر دیا، جو کہ حالیہ مانیٹری پالیسی سے 3% زیادہ ہے۔ آئی ایم ایف کی اگلی قسط ابھی تک منظور نہیں ہوئی، جس میں معاشی استحکام کو بحال کرنے اور اسے برقرار رکھنے کے لیے اضافی کوششوں پر زور دیا گیا ہے۔ کرنسی کی قدر میں کمی، ایندھن کی قیمتوں میں اضافہ اور توانائی کے ٹیرف، حالیہ ایڈجسٹمنٹ اور مجموعی بیرونی دباؤ کے نتائج،

چیئر مین کی جائزہ رپورٹ

میں 31 دسمبر 2022 کو ختم ہونے والے سال کی سالانہ جائزہ پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

یہ سال مضبوط سیاسی عدم استحکام، کرنسی کی قدر میں شدید کمی اور ملک کے غیر ملکی ذخائر میں کمی کی وجہ سے سپلائی چین میں رکاوٹوں سے متاثر ہوا ہے۔ روس یوکرین جنگ کے اثرات نے عدم استحکام کو مزید ہوا دی۔ اور یا قدرت نے بھی مدد نہیں کی، پاکستان تاریخ کے بدترین سیلاب سے متاثر ہوا، جس سے بنیادی ڈھانچے کو نقصان پہنچا اور لاکھوں افراد بے گھر ہوئے جن کی زندگی کو معمول پر لانے کے لیے سخت کوششوں کی ضرورت ہے۔

مندرجہ بالا تمام چیلنجوں کے باوجود، KSB پاکستان سال 2022 کے لیے پُر عزم اعداد و شمار سے زیادہ نتائج حاصل کرنے میں کامیاب رہا ہے۔ سال 2021 کے مقابلے 5,014 ملین روپے کا مضبوط آرڈر بک 10 فیصد زیادہ فروخت کے ساتھ اور پچھلے سال کے مقابلے میں بجٹ اور کمپنی کی مضبوط آپریشنل کارکردگی کی بات کرتے ہوئے 6.6% کا زیادہ EBIT ہے۔

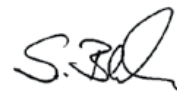
کمپنی اپنے قابل قدر صارفین کو فروخت کے بعد سپورٹ فراہم کرنے کے لیے ملک میں اپنے فٹ پرنٹ کو وسعت دے رہی ہے۔ فاؤنڈری میں اس کے سپریم سرو کے کاروبار کو سپورٹ کرنے کے لیے، لاہور اور فیصل آباد میں 02 سروس پارٹنرز کے علاوہ ایک نئی فرنس کا اضافہ کیا گیا ہے اور کراچی میں جدید ترین ورکشاپ کی سہولت کمپنی کے اسٹیک ہولڈرز کے لیے مقامی طور پر قدر پیدا کرنے کے عزم کو ظاہر کرتی ہے۔

KSB پاکستان ایک ذمہ دار کمپنی کے طور پر عالمی ماحول میں کام کرنے کا لائسنس، پائیداری سے پیچھے نہیں رہا۔ ہم نے دونوں اپنی فیکٹری اور لاہور میں گرین انرجی نصب کی ہے اور اس طرح اپنے کاربن فٹ پرنٹ کو کم کیا ہے۔ اس کے علاوہ KSB جرمنی، KSB پاکستان اور KSB پاکستان کے ملازمین نے سیلاب کی تباہ کاریوں کے مشکل دنوں میں دل کھول کر چندہ دیا۔ خوراک، رہائش اور مکانات کی تعمیر نو کے تمام شعبوں میں ہم نے اپنا حصہ ڈالا ہے۔

KSB نے اپنے ملازمین کی رائے جاننے کے لئے عالمی سطح پر ایک وائس سروے کیا۔ KSB پاکستان ٹیم کی شرکت کی شرح 88% تھی، جو عالمی بیس مارک سے پہلے ہی زیادہ تھی۔ فیڈ بیک کا جائزہ لیا گیا اور ملازمین کی طرف سے اُجاگر کردہ شعبوں کو بہتر بنانے کے لیے ایکشن پلان تیار کیا جا رہا ہے۔

مضبوط اہل بورڈ کمپنی کی فیصلہ سازی میں قدر کو بڑھاتا ہے۔ بورڈ کے فیلو ممبران عالمی اور مقامی معاشی رجحانات سے اچھی طرح واقف ہیں اور ساتھ ہی وہ مضبوط کاروباری ذہانت کے حامل ہیں جو مستقبل کی سرمایہ کاری اور مارکیٹوں تک رسائی میں مدد دیتے ہیں۔ بورڈ کی باقاعدہ میٹنگز اور ماضی کے نتائج کا جائزہ اور مستقبل کے لیے حکمت عملی تیار کرنا KSB پاکستان کے بورڈ کا خاصہ ہے۔

میں اپنے فیلو بورڈ ممبران اور تمام اسٹیک ہولڈرز کے اعتماد اور انتظامیہ اور کمپنی کے ساتھ مسلسل تعاون کے لیے ان کا شکریہ ادا کرتا ہوں۔



Dr. Sven Baumgarten

چیئر مین

لاہور: 10 مارچ 2023ء



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