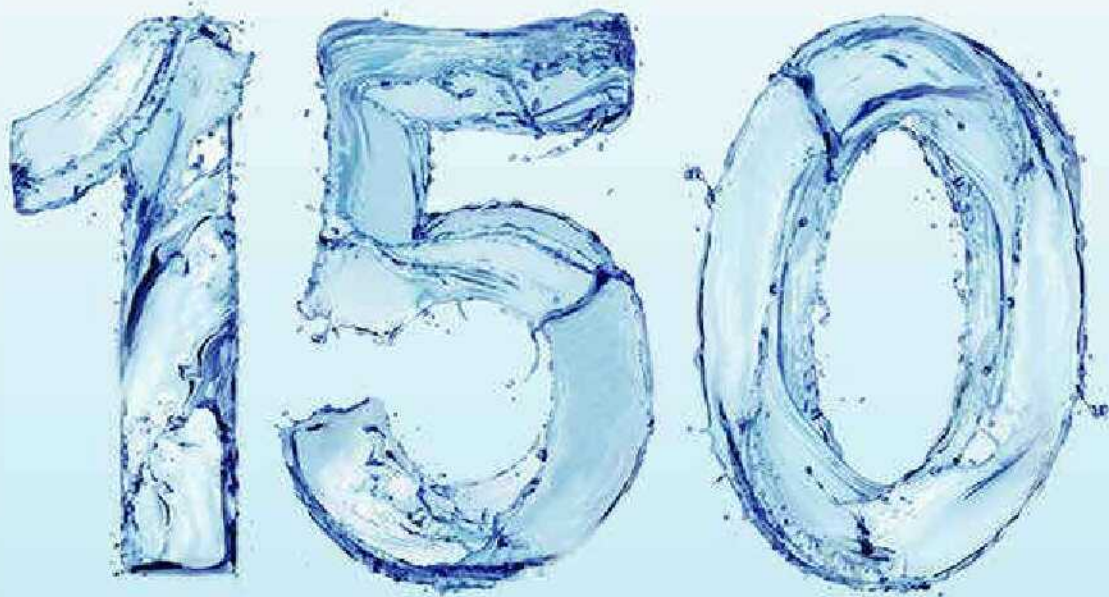


Annual Report 2021

KSB Pumps Company Limited



Y E A R S



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.

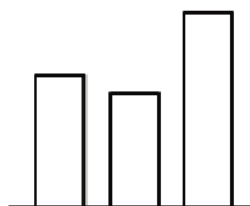
2021 in Figures

Order intake



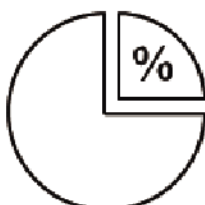
PKR **4,559** million

Sales



PKR **4,334** million

EBIT



PKR **140** million

Employees



311 as on 31st December 2021

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CORPORATE OBJECTIVES

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- 05 Mission Statement
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Occupational Health & Safety
Guidelines

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 29 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. He is also serving on the Board of Directors of German Pakistan Chamber of Commerce & Industry (GPCCI) and holds the position of Senior Vice President.



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, is a Director & the Chairman of the Audit Committee of KSB Pakistan. He is 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 a Director & Chairman HR&R Committee & Member Audit Committee of 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 cases in the Superior Courts.

Dr. Sven Baumgarten
Chairman Board of Directors



Chairman's Review

I am pleased to present annual review for the year ended December 31, 2021.

The year under review has been affected by 3rd and 4th COVID waves, supply chain disruptions, and inflationary pressures. Despite the challenges, Pakistan's economy continues to grow at moderate pace and overall outlook remains optimistic, given the down side risks including those on geo political front could be held back. KSB Pakistan, despite challenges on the external front, has been able to secure healthy order intake numbers in year 2021. Overall results of the company remained positive with a turnover of PKR 4.3 billion. Profit before tax of PKR 32 million, although affected by price pressures, still remained slightly above the last year's number.

KSB Pakistan offers a wide range of premium products in local as well as global markets Water, General Industry, Petro-chemical, Building Service, and Energy sectors. The company's product portfolio includes Pumps, Pump Castings, Automotive Parts, and Clean Drinking Water solutions through Ultra Filtration (UF) & Reverse Osmosis (RO) plants. Our world class after sales **KSB Supreme Serv** service facility supports the local operations while working as Reverse Engineering hub for the MEA region.

The inclusive board of directors of the company comprises qualified individuals bringing together rich experience and expertise in their respective fields. The board is compliant with the requirement of female representation. The Board members are well conversant with their fiduciary duties and steer the company to achieve its objectives in line with overall vision and global strategy of its parent company, KSB SE & Co. KGaA. Most of the members have acquired certifications under Directors' Training Program as prescribed by SECP. Regular meetings of the board and its committees were held during the year under review. The information and key matters presented to the board were assessed, required approvals and consents were given after due deliberations and active participation by the board members. Feedback from independent directors remains valuable while taking decisions.

I take this opportunity to thank fellow Board Members and all stakeholders for their trust and continued support to the management and the Company.



Dr. Sven Baumgarten
Chairman

Lahore: March 16, 2022

Imran Ghani

Chief Executive Officer & MD - KSB Pakistan



From the desk of CEO

KSB Pakistan – an experienced global pump manufacturer is successfully operating in Pakistan for more than last six decades and is a market leader in the local pump market. KSB sets the yardstick for others to follow as our pumps and valves lead the way on quality and versatility within the country.

We are one of the few companies within The KSB Group, that produces and exports its products to its sister concerned companies. Under the internal certification process of MBK - "Made by KSB", consistent quality and performance is maintained. We being a licensed HUB for three mainstream products, namely the B - Pump and SNW/PNW that are the Vertical Line Shaft Pumps and WKL being a Multistage Ring Section Pump, export across the globe with the support of a regional sales network. With these favorable factors, KSB aims to increase its export sales to the mother company, KSB Germany apart from the sister companies in Saudi Arabia, South Africa and Turkey.

Apart from our product portfolio catering different market areas, including building, water transportation & treatment and power plant processes, we are optimistic and enthusiastic about our future business outlook in new market areas. The Marine Industry will be our focus with new ship building in Karachi Shipyard, leisure boats, and aftersales support to existing fleet owners. KSB is known to fulfil the needs of the demanding world; therefore, from our research and development centers, we develop the most modern and necessary technology for the continuous improvement of processes.

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 will grow our SupremeServ Network within the country to further support our existing and future installed base.

KSB will not limit itself to our brand when it comes to aftersales. We are effectively using our Fluid Handling knowledge to perform 3rd party services and reverse engineer the parts in our state of the art Foundry. KSB Pakistan is a Regional Hub for Reverse Engineering for the Middle East, Africa and Russia and is investing in a new furnace dedicated to the components for the entire region, apart from local needs.

We are proud of our human resource, comprising more than 400 dedicated and proficient people. In the Year 2022, the company has taken several initiatives for the well-being of its employees and is committed to update the policies as per to meet the industry's standards and employees' aspirations. Another important initiative that has been taken is the opening of the company facilitated cafeteria is the "Kafe' KSB", where the employees can enjoy fresh and delicious food under a well-managed and subsidized rate. The benefit's scope is under the medical, life and business travel that has been broadened to serve the interests of the employees.

The importance of an attractive and smart workplace can never be denied, which is essential for the employees' well-being, productivity, and growth. The company has worked upon and improved the office ambience by having it branded. 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.

At KSB Germany, Digital Transformation is one of the most important initiatives taken by the Group. KSB Pakistan has also worked on the digitalization factor to align with the Group strategy. Over the next few years, we aim to intensify our exploitation of the opportunities and potential offered by digitalization to boost our competitiveness, our sales revenue, and our customers' satisfaction. We plan to initiate a Digital Transformation project that will impact all of our internal and external processes and the technological solutions we offer. Its goal is to introduce new, inspirational ideas into the company.

Training and development has always been a significant feature for the skill and knowledge development of the employees in any organization. It helps the companies to gain and retain top talent, increase job satisfaction and morale and improve their productivity. KSB Pakistan has initiated a "Training & Development Center", which can be used by the internal employees to attend the latest and modernized training and can also be utilized by external customers for their training sessions.

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



Imran Ghani
Chief Executive Officer / MD

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
Syed Tariq Ali	Director Operations
Muhammad Imran Malik	Director Sales & Strategic Marketing
Omar Saljouk	General Manager Services
Faryal Zafar	Chief Financial Officer
Fida Hussain	General Manager Operations
Imran Ahmed	General Manager Supply Chain & Business Controlling
Faisal Aman Khan	Company Secretary

Auditors

A.F. Ferguson & Co.	Chartered Accountants
---------------------	-----------------------

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

Jamal Nasim	Chairman
Dieter Antonius Pott	Member
Shezada Mazhar	Member

Secretary Audit Committee

Saeed Hussain

HR & R Committee

Shezada Mazhar	Chairman
Imran Ghani	Member
Hasan Aziz Bilgrami	Member

Secretary HR & R Committee

Shahzad Saleem

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

C DC Share Registrar Services Limited
CDC House, 99-B, Block B, SMCHS
Shahra-e-Faisal, Karachi-74400
Tel: (021) 111-111-500
Fax: (021) 34326053

Sales Offices

Lahore

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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

Golden Heights, Nusrat Road, Multan.
Ph: (061) 111 572 786 Fax: (061) 4541784
Email: info@ksb.com.pk

Karachi

307 & 308, 3rd Floor Parsa Tower, Block 6,
PECHS Shahrah-e-Faisal, Karachi
Ph: (021) 111 572 786 Fax: (021) 34388302
Email: info@ksb.com.pk

KSB Exclusive Partners

Sr	Channel	City	Location	Province	Partners	Contact#	Email
1	Dominar Engineers	Lahore	65-A Ferozpur Road Link Samanabad Road, near LOS	Punjab	Hammad Malik/ Syed Mehdi	0302-8744449/8 042-37500078	hammad.malik@de.com.pk
2	Industrial Development & Engineering Associates	Karachi	20-C Mezzanine Floor, Indus Centre 14th Com st PH-II DHA	Sindh	Saqib Khawaja	0300-8203077 021-353904812	saqib@idea.com.pk
3	Wali Muhammad & Co.	Quetta	Zonkiran Road Near Millennium Mall	Balochistan	Wali Muhammad	0300-8387668 081-2829635	gulemmachinery@yahoo.com
4	B&I Engineering	Lahore	House # 6-B Skindar Mali Road Gulberg II, Lahore	Punjab	Imran Yousaf Arbab Bilal	0300-4056939 042-32801273	imran@bieg.com
5	Modern Technology & Traders	Karachi	4th Floor, Building # 11-C/2 Lane-11 Bukhari Commercial DHA Phase-6	Sindh	Abdul Qayyum	0333-7299905 0311-1000953 021-35156121-4	qayoomahafk3@gmail.com



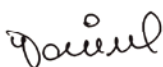
Notice of Annual General Meeting

Notice is hereby given that the 65th Annual General Meeting of the members of KSB Pumps Company Limited, will be held on Wednesday, the 27th April, 2022, at 3.30 p.m. Hotel Four Points Sheraton 25-26 Egerton Road, Lahore, to transact the following business:

1. To confirm the minutes of the 64th Annual General Meeting held on April 27, 2021.
2. To consider and adopt the audited accounts of the Company for the year ended December 31, 2021 and report of Auditors and Directors thereon.
3. To approve and declare dividend of 8.5% for the financial year ended December 31, 2021 as recommended by the Directors.
4. To appoint auditors for the year 2022 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.
2. The Share Transfer Books of the Company will remain closed from 20th April, 2022 to 27th April, 2022 (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 19th April, 2022 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.

4. In order to ensure the safety and well-being of participants due to COVID 19 the AGM may also be attended virtually via video-link (Zoom). 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.



BY ORDER OF THE BOARD
Faisal Aman Khan
Company Secretary

Lahore : April 02, 2022

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.

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, 2022.

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.

5. 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

6. 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

7. 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 share holder's brokers/participant/CDC account service.

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

8. 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, 2021 in the form of CD. Any member requiring printed copy of the annual report 2021 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, 2021 together with Auditor's report thereon.

THE ECONOMY

Global Economy

Having struck by recurring COVID waves and newly imposed restrictions, the world economic outlook would remain below previous expectations. Global supply chain disruptions, rising fuel and energy prices, combined with food inflation being the major reason for slow down, overall outlook would moderate at 4.4% in year 2022 and further slow down to 3.8% in year 2023. Inflation forecast remains on higher side for year 2022 as well; the number is expected to reduce as the supply chain disruptions eventually ease out and the imbalances in demand and supply recede over the medium term. Although the latest COVID variant is less severe, however, higher transmissibility has affected overall mobility. Eventually, reduction in number of cases and fatality ratio of new COVID variants would result in relaxed working conditions, improved labour supply, the reduced demand pressures and supply gaps thus enabling economic recovery pick up the pace. Although the vaccination process is rapid in the advanced economies, however, still very slow in many emerging markets and developing economies, also being one of the hinderance to improvement in mobility. Risks to the global growth are tilted towards down side. Inflationary pressures to continue before subsiding in medium term. Other risks like outbreak of further variants of COVID, climate changes, pressures on poor economies and geo political situation, especially recent escalations in East Europe, allied sanctions and impact on fuel prices pose severe threat to the overall economic performance. Multilateral cooperation at international level is need of time. Further enhanced vaccine availability, reduced tariffs and trade barriers combined with deeper structural reforms in medium term would allow the recovery process to be stronger. Effective policies on climate change could help lessen the impact of natural disasters.

Pakistan's Economy

Pakistan economy continues on recovery track although under external pressures, widening current account deficit and high inflation. GDP growth outlook for the fiscal year 2022 is 4%. Inflation is following upward trajectory, currently hovering around 12%. The outlook for the year 2022 remains between 9 - 11%, close to the upper side before gradual slowdown in the medium term. To combat the increasing inflationary pressures SBP has gradually increased the policy rate to 9.75%, although keeping unchanged in the recent monetary policy. IMF board has approved their 6th tranche for Pakistan noting the recent policy adjustments, however, 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. Outlook for agriculture, however, remains positive. Vaccination rate combined with steps to control COVID 19 variants in Pakistan is healthy so far, having positive impact to safe guard the economic growth or at least to avoid further deterioration. Public sector activity is expected to resume, and accelerate in the second half of year, in the wake of upcoming election year, still, continued fiscal consolidation measures would have slowdown impact. 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. The risk or resurgence of COVID variants remains present however on the basis of country wide vaccination drive and smart lockdown measures taken by government, the overall activity is expected to be less affected. 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 2021 with significant increase in revenue numbers. Profitability was mainly overshadowed by tremendous price pressures combined with supply disruptions. 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'	
	2021	2020
Sales	4,334,459	3,606,605
Gross Profit	594,360	594,517
Profit Before Interest and Tax	140,421	158,594
Profit Before Tax	31,725	23,636
Profit/(Loss) for the year	27,290	16,382
Earnings per share (EPS)	2.07	1.24

Pumps & Valves

The year 2021 was a healthy year for Pumps & Valves business; despite slow economic activity in the first half, significant increase in customer order intake was observed. General Industry, Petro./chemical, Building Services & Intercompany Export business were the main areas showing growth over year 2020. Foundry business from the automotive sector also exhibited upward trends, and a healthy revenue was recorded for the period. Slow development activity in the public sector resulted in a moderate business trend in Water, one of major market areas. Despite these challenges, the company was able to secure a few good projects from WASAs, PICIP, miscellaneous Municipal Corporations and Provincial Building Departments of different districts of Punjab. Alternate Channel Network (KSB Exclusive Partner & Authorized Distributor) remained 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 make efforts to increase our market share in the respective fields of business and explore 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. KSB Pakistan secured a few major projects in Punjab Aab-e-Pak Authority for Faisalabad and Multan Districts. Furthermore, other general contractors showed confidence in our competitive and quality filtration plants, increasing our filtration product footprints in Rawalpindi, Lahore and Sahiwal districts.

O&M jobs for Filtration, Tubewells & Disposal Stations were executed as per the contracts primarily for Lahore Districts through WASA Lahore. The company has successfully completed the second stage of our mega-project awarded by the Karachi Water and Sewerage Board for the construction of pump station of 100 MGD capacity. Closure of in-hand projects in efficient and cost-effective manners remains our prime area of focus.



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.

3,139
NUMBER OF PUMPS
PRODUCED

Our medium-term plan emphasizes the improvements in production accuracy and optimization in line with global best practices. 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, procurement of a new small capacity furnace is in pipeline. This induction will not only enable us to provide parts with shorter lead time but will ensure cost saving in terms of melting. Induction of new Felting area will also help in improving single flow process and will increase efficiency in delivery and capacity to cater to future business demands.

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 2021 has been a good year after a slow 2020 due to COVID factor. Business activity remained slower for Industry, however, KSB SupremeServ was able to bag a couple of good service projects based on Reverse Engineering and also complete one of major orders on fast track within year 2021. Spare parts business experienced slow down but the profitability was maintained by effective cost control measures. Service workshop was occupied with bigger and hi-tech pumps. One of the biggest pumps received in workshop and overhauled was a Mather and Plats from GENCO which is under commissioning at site.

Reverse Engineering segment performed very well. We have signed MOU with one of the leading fertilizer plants for reverse engineered parts. All of our big service/overhauling orders for non-KSB pumps were possible because of Reverse Engineering expertise possessed by KSB SupremeServ team.

Human Resource

Year 2021 was characterized by way of our committed response to pandemic and realigning our productions strategies to prepare, lead and support employees through a tough recovery phase. We made a steady transition keeping in view new reality of continued waves of global and local outbreaks of pandemic and its ensuing affect.

This was made possible by strict follow up of the SOPs and by laying increased emphasis on each other's safety and wellbeing. Thankfully,

as the vaccines became available, our staff acted responsibly, we managed to have our workforce vaccinated, as and when the vaccine was available for their respective age groups. We organized vaccination drives, where employees and their families were able to avail themselves of these facilities in a hassle-free manner. In these uncertain times, our dedicated workforce also completed important business targets, performed service jobs, and stayed constantly in contact with the customers.

1,512
TRAINING
MANHOURS

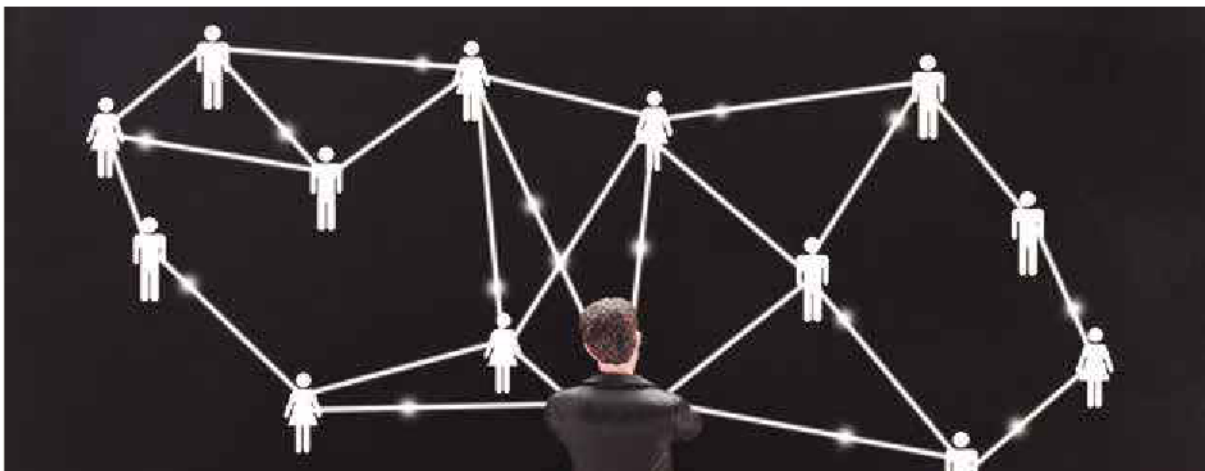
"Vision 2025"

We aspire to double our revenues by year 2025.

We cannot win the battle of future with the strategies of the past. Realizing this, a New Organization with clear customer centred approach has been put in place. Front End will deliver customer needs ably supported by Back End organization which will be producing the product portfolio sold by Front End. 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

We live 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 revised to next level. Performance appraisal process has been updated and high potential candidates are being mapped with clear development plans.

In line with our commitment to develop our workforce to meet challenges in changing times, KSB Pakistan employees completed 1512 hours of training. The year rounded up with an extensive two days' workshop on "Situational Leadership II" which aims at adapting management style to each unique situation or task to meet the needs of the team. 59 senior and middle managers successfully completed the training.



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

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 2021, office furniture was provided to a newly established office of Rescue 1122 in Hassan'abdal, and a water dispenser to apprenticeship directorate to ensure availability of cool drinking water. We further offer internships, apprenticeships, training opportunities, educational visits and study projects to students.

FUTURE OUTLOOK

Pumps & Valves

Business prospects for Pumps, Valves & Projects are pretty optimistic both in standard and high-end engineered markets for all major market areas. 1st half of the year is expected to record more growth than

the previous year. 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 market area Water. However, order intake will depend on the timely release of funds for subsequent tendering activities. Efforts to secure significant orders from more important projects including Punjab Aab-e-Pak Authority, WASA and K4 will remain intact in 2022.

We also expect growth in the Sugar and Steel sectors as some expansions are planned, and KSB Pakistan products portfolio and infrastructure are geared to provide the best services to our clientele, considering our specialization in this field. Auto parts business is also expected to grow, considering the strong growth sentiment of the auto sector. This year, new product launches in the auto sector will strengthen our business outlook. The export business also has some strong prospects, and we further expect our raw casting export for the pumps in the region and some significant orders are expected within year 2022.

Expansion in KSB Pakistan's market share with sustainable growth in the future will remain key focal point while relying on effective corporate communication for the key initiatives.

KSB SupremeServ

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

We are exploring new arena in marine and industry for reverse engineering parts and service jobs. We also expect repeat order from GENCO and fertilizer industry alike. 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. We have recently received our first order of spare parts for a cement plant. This is a new area that we have been trying to develop for little over a year now. Year 2022 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	31,725
Provision for taxation	(4,435)
Profit after taxation	27,290
Other comprehensive income/(loss) for the year - Net of Tax	(1,234)
Un-appropriated profit brought forward	412
Available for appropriation	26,468
Appropriated as under	
- Transfer to general reserve	15,000
- Proposed dividend @ Rs. 0.85 per share	11,220
Un appropriated profit carried forward	248

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, 2022.

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, 2021 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 seven are non-executive members.

The Chairman of the Board is other than the CEO and non-executive Director. Board of Directors composition consist of:

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. M. Masud Akhtar	2
03.	Mr. Imran Ghani	2
04.	Mr. Sajid Mahmood Awan	3
05.	Mr. Dieter Antonius Pott	3
06.	Ms. Ayesha Aziz	3
07.	Mr. Hasan Aziz Bilgrami	3
08.	Mr. Jamal Nasim	4
09.	Mr. Shezada Mazhar	4
10.	Mr. Asif Malik	1

Leave of absence was granted to Directors who could not attend the Board Meetings.



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 Independent Director	4
2.	Mr. Dieter Antonius Pott	- Member Non - Executive Director	3
3.	Mr. Shezada Mazhar	- Member Independent Director	4
4.	Mr. Sajid M. Awan	- Member Non - Executive Director	3

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 Independent Director	1
2.	Mr. Hasan Aziz Bilgrami	- Member Non Executive Director	1
3.	Mr. Sajid Mahmood Awan	- Member Chief Executive Officer	1



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 un-audited accounts of funds are as follows:

1. Provident Fund	31-12-2020	:	Rs. 209.236 Million.
2. Gratuity Fund	31-12-2020	:	Rs. 164.364 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, 2021 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 Directors take this opportunity to thank 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 expresses gratitude to entire KSB team for its resilience and hard work especially during this difficult year.

On behalf of the Board

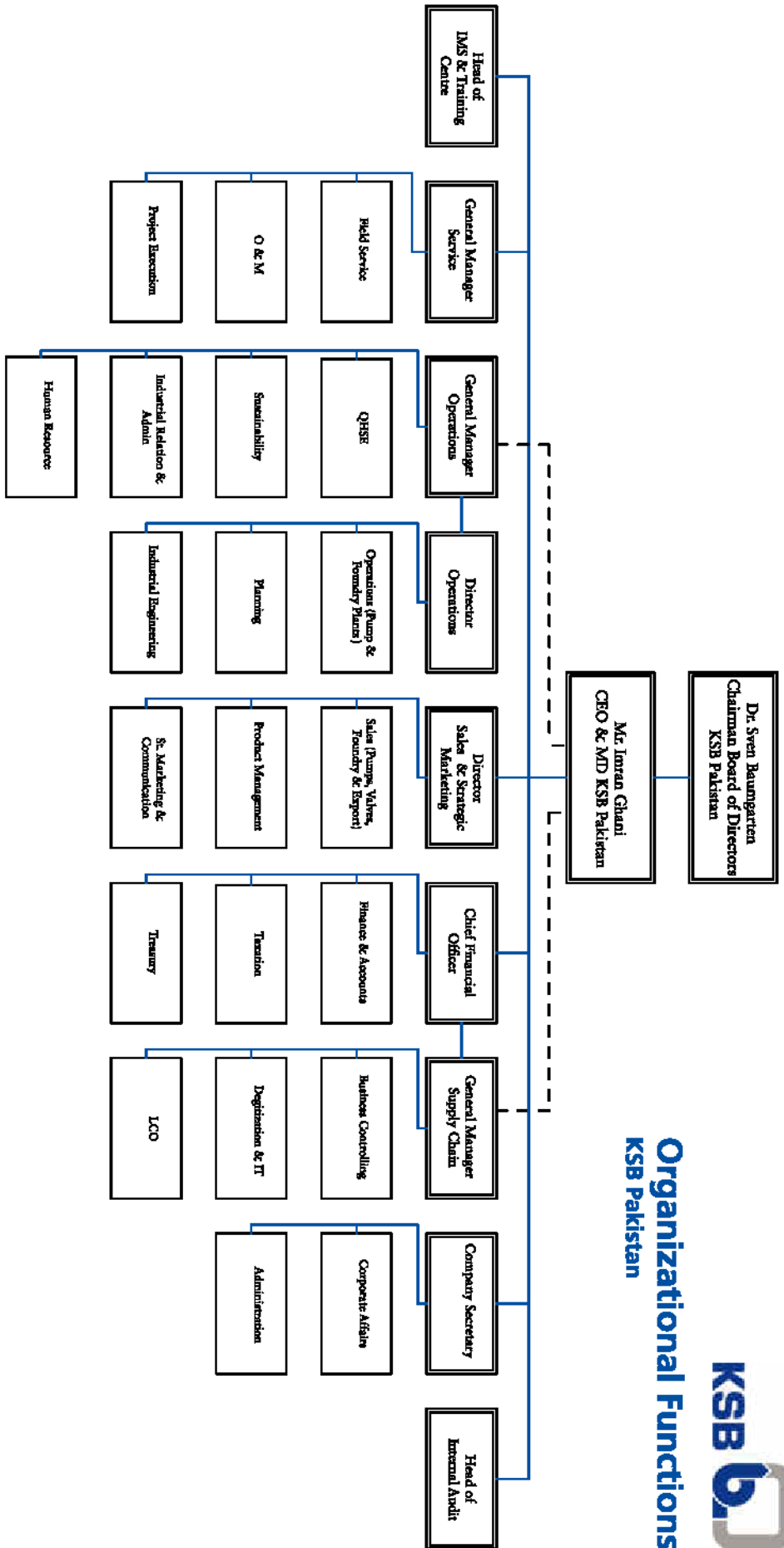
March 16, 2022
Lahore



Imran Ghami
Chief Executive Officer / MD



Shezada Mazhar
Director



Organizational Functions
KSB Pakistan



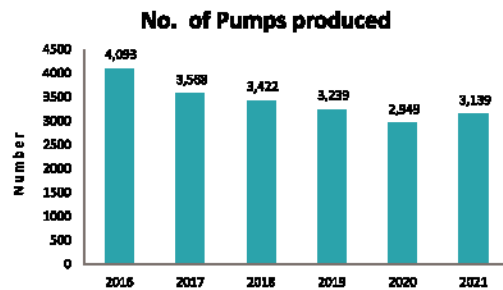
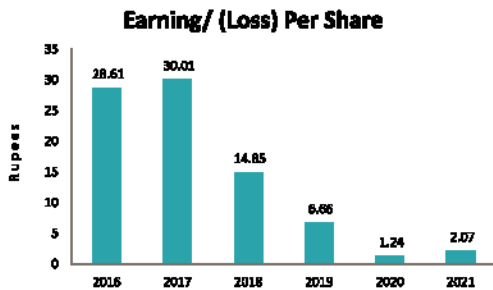
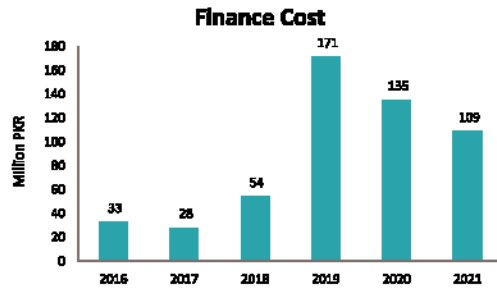
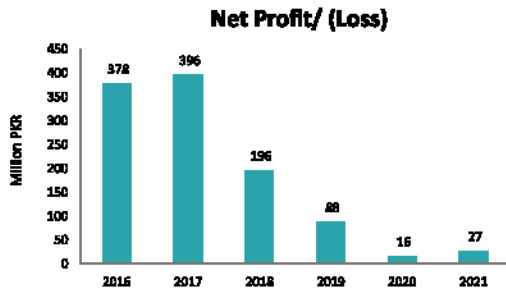
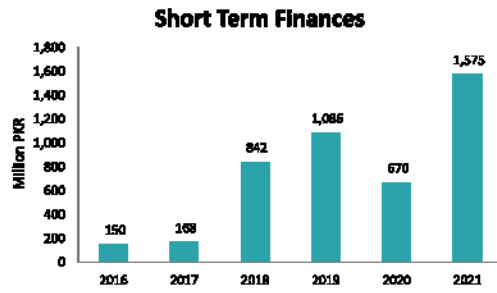
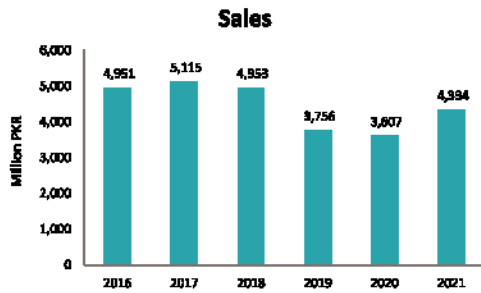
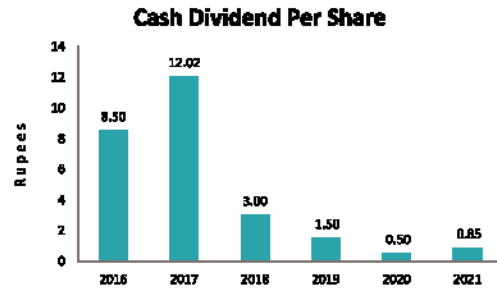
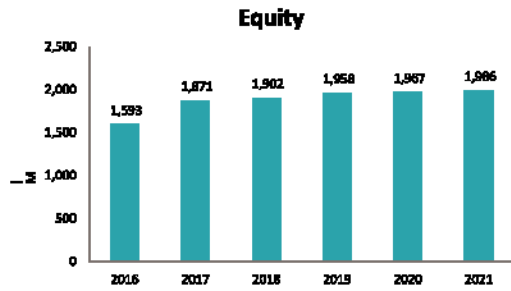
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6 Years Highlights



Vertical Analysis

	2021 Rs. in '000'	%age	2020 Rs. in '000'	%age
Balance Sheet				
Net worth / shareholders equity	1,986,568	33.80%	1,967,112	41.91%
Non current liabilities	76,772	1.31%	344,785	7.35%
Short term running finances/bank borrowings	1,835,706	31.23%	904,448	19.27%
Creditors, accrued and other liabilities	1,978,836	33.67%	1,476,941	31.47%
Total liabilities and equity	5,877,882	100.00%	4,693,286	100.00%
Fixed Assets	999,375	17.00%	1,088,677	23.20%
Long Term Loans and Deposits	13,306	0.23%	70,909	1.51%
Deferred Taxation	31,899	0.54%	-	0.00%
Current Assets	4,833,302	82.23%	3,533,700	75.29%
Total Assets	5,877,882	100.00%	4,693,286	100.00%
Profit and Loss Account				
Sales	4,334,458	100.00%	3,606,605	100.00%
Cost of sales	(3,740,097)	-86.29%	(3,012,089)	-83.52%
Gross Profit / (Loss)	594,361	13.71%	594,516	16.48%
Distribution and marketing costs	(335,515)	-7.74%	(303,269)	-8.41%
Administrative expenses	(227,029)	-5.24%	(205,732)	-5.70%
Other operating expenses	(1,691)	-0.04%	(11,771)	-0.33%
Other operating income	110,295	2.54%	84,849	2.35%
Operating Profit / (Loss)	140,421	3.24%	158,593	4.40%
Finance Cost	(108,696)	-2.51%	(134,957)	-3.74%
Profit / (Loss) before tax	31,725	0.73%	23,636	0.66%
Taxation	(4,435)	-0.10%	(7,254)	-0.20%
Profit / (Loss) for the year	27,290	0.63%	16,382	0.45%

2019 Rs. in '000'	%age	2018 Rs. in '000'	%age	2017 Rs. in '000'	%age	2016 Rs. in '000'	%age
1,957,898	39.63%	1,901,553	37.13%	1,871,369	39.10%	1,593,217	43.83%
273,575	5.54%	433,783	8.47%	413,515	8.64%	137,703	3.79%
1,211,456	24.52%	966,760	18.88%	269,215	5.62%	150,059	4.13%
1,497,734	30.31%	1,819,574	35.53%	2,232,091	46.64%	1,753,672	48.25%
4,940,663	100.00%	5,121,670	100.00%	4,786,190	100.00%	3,634,651	100.00%
1,196,996	24.23%	1,269,796	24.79%	1,245,786	26.03%	486,675	13.39%
69,256	1.40%	74,314	1.45%	13,044	0.27%	16,508	0.45%
-	0.00%	-	0.00%	-	0.00%	-	0.00%
3,674,411	74.37%	3,777,560	73.76%	3,527,360	73.70%	3,131,467	86.16%
4,940,663	100.00%	5,121,670	100.00%	4,786,190	100.00%	3,634,651	100.00%
3,755,532	100.00%	4,952,915	100.00%	5,115,215	100.00%	4,950,602	100.00%
(3,021,989)	-80.47%	(4,289,529)	-86.61%	(3,970,150)	-77.61%	(3,902,841)	-78.84%
733,543	19.53%	663,386	13.39%	1,145,066	22.39%	1,047,762	21.16%
(308,778)	-8.22%	(342,263)	-6.91%	(334,702)	-6.54%	(310,023)	-6.26%
(223,890)	-5.96%	(222,830)	-4.50%	(244,767)	-4.79%	(225,841)	-4.56%
(8,920)	-0.24%	(18,994)	-0.38%	(59,219)	-1.16%	(38,852)	-0.78%
95,498	2.54%	226,665	4.58%	60,854	1.19%	69,061	1.40%
287,453	7.65%	305,963	6.18%	567,231	11.09%	542,106	10.95%
(170,538)	-4.54%	(54,467)	-1.10%	(27,908)	-0.55%	(32,617)	-0.66%
116,915	3.11%	251,496	5.08%	539,324	10.54%	509,489	10.29%
(29,035)	-0.77%	(55,459)	-1.12%	(143,255)	-2.80%	(131,793)	-2.66%
87,880	2.34%	196,037	3.96%	396,068	7.74%	377,696	7.63%

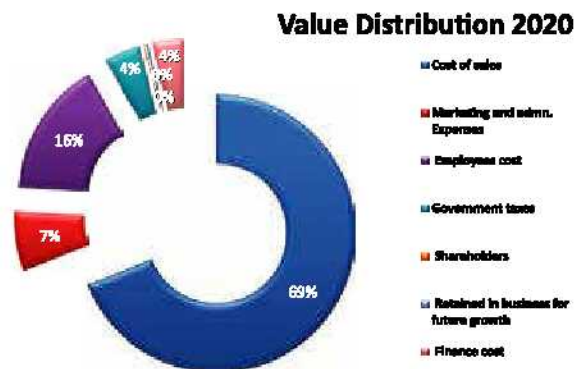
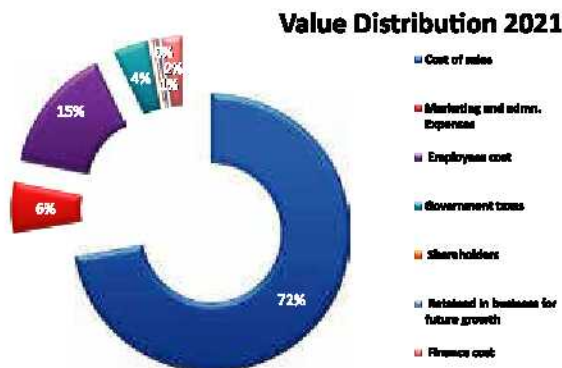
Horizontal Analysis

	2021	2020	Change	2020	2019	Change
	Rs. In '000	Rs. In '000	(%)	Rs. In '000	Rs. In '000	(%)
Balance Sheet						
Net worth / shareholders equity	1,986,568	1,967,112	0.99%	1,967,112	1,957,898	0.47%
Non current liabilities	76,772	344,785	-77.73%	344,785	273,575	26.03%
Short term running finances/bank borrowings	1,835,706	904,448	102.96%	904,448	1,211,456	-25.34%
Creditors, accrued and other liabilities	1,978,836	1,476,941	33.98%	1,476,941	1,497,734	-1.39%
Total liabilities and equity	5,877,882	4,693,286	25.24%	4,693,286	4,940,663	-5.01%
Fixed Assets	999,375	1,088,677	-8.20%	1,088,677	1,196,996	-9.05%
Long Term Loans and Deposits	13,306	70,909	-81.24%	70,909	69,256	2.39%
Deferred Taxation	31,899	-	0%	-	-	0%
Current Assets	4,833,302	3,533,700	36.78%	3,533,700	3,674,411	-3.83%
Total Assets	5,877,882	4,693,286	25.24%	4,693,286	4,940,663	-5.01%
Profit and Loss Account						
Sales	4,334,458	3,606,605	20.18%	3,606,605	3,755,532	-3.97%
Cost of sales	(3,740,097)	(3,012,089)	24.17%	(3,012,089)	(3,021,989)	-0.33%
Gross Profit / (Loss)	594,361	594,516	-0.03%	594,516	733,543	-18.95%
Distribution and marketing costs	(335,515)	(303,269)	10.63%	(303,269)	(308,778)	-1.78%
Administrative expenses	(227,029)	(205,732)	10.35%	(205,732)	(223,890)	-8.11%
Other operating expenses	(1,691)	(11,771)	-85.63%	(11,771)	(8,920)	31.96%
Other operating income	110,295	84,849	29.99%	84,849	95,498	-11.15%
Operating Profit / (Loss)	140,421	158,593	-11.46%	158,593	287,453	-44.83%
Finance Cost	(108,696)	(134,957)	-19.46%	(134,957)	(170,538)	-20.86%
Profit / (Loss) before tax	31,725	23,636	34.22%	23,636	116,915	-79.78%
Taxation	(4,435)	(7,254)	-38.86%	(7,254)	(29,035)	-75.02%
Profit / (Loss) for the year	27,290	16,382	66.59%	16,382	87,880	-81.36%

2019 Rs. In '000	2018 Rs. In '000	Change (%)	2018 Rs. In '000	2017 Rs. In '000	Change (%)	2017 Rs. In '000	2016 Rs. In '000	Change (%)
1,957,898	1,901,553	2.96%	1,901,553	1,871,369	1.61%	1,871,369	1,593,217	17.46%
273,575	433,783	-36.93%	433,783	413,515	4.90%	413,515	137,703	200.30%
1,211,456	966,760	25.31%	966,760	269,215	259.10%	269,215	150,059	79.41%
1,497,734	1,819,574	-17.69%	1,819,574	2,232,091	-18.48%	2,232,091	1,753,672	27.28%
4,940,663	5,121,670	-3.53%	5,121,670	4,786,190	7.01%	4,786,190	3,634,651	31.68%
1,196,996	1,269,796	-5.73%	1,269,796	1,245,786	1.93%	1,245,786	486,675	155.98%
69,256	74,314	-6.81%	74,314	13,044	469.71%	13,044	16,508	-20.98%
-	-	0%	-	-	0%	-	-	0%
3,674,411	3,777,560	-2.73%	3,777,560	3,527,360	7.09%	3,527,360	3,131,467	12.64%
4,940,663	5,121,670	-3.53%	5,121,670	4,786,190	7.01%	4,786,190	3,634,651	31.68%
3,755,532	4,952,915	-24.18%	4,952,915	5,115,215	-3.17%	5,115,215	4,950,602	3.33%
(3,021,989)	(4,289,529)	-29.55%	(4,289,529)	(3,970,150)	8.04%	(3,970,150)	(3,902,841)	1.72%
733,543	663,386	10.58%	663,386	1,145,066	-42.07%	1,145,066	1,047,762	9.29%
(308,778)	(342,263)	-9.78%	(342,263)	(334,702)	2.26%	(334,702)	(310,023)	7.96%
(223,890)	(222,830)	0.48%	(222,830)	(244,767)	-8.96%	(244,767)	(225,841)	8.38%
(8,920)	(18,994)	-53.04%	(18,994)	(59,219)	-67.93%	(59,219)	(98,852)	52.42%
95,498	226,665	-57.87%	226,665	60,854	272.47%	60,854	69,061	-11.88%
287,453	305,963	-6.05%	305,963	567,231	-46.06%	567,231	542,106	4.63%
(170,538)	(54,467)	213.11%	(54,467)	(27,908)	95.17%	(27,908)	(32,617)	-14.44%
116,915	251,496	-53.51%	251,496	539,324	-53.37%	539,324	509,489	5.86%
(29,035)	(55,459)	-47.65%	(55,459)	(143,255)	-61.29%	(143,255)	(131,793)	8.70%
87,880	196,037	-55.17%	196,037	396,068	-50.50%	396,068	377,696	4.86%

Statement of Value Addition

	2021 Rs. in '000	%age	2020 Rs. in '000	%age
Value Addition				
Net sales	4,334,459	97.52	3,606,605	97.70
Other income	110,295	2.48	84,849	2.30
	4,444,754	100.00	3,691,454	100.00
Value Distribution				
Cost of sales (excluding employees' cost)	3,211,120	72.25	2,546,279	68.98
Marketing, admin. & other expenses (excluding employees' cost)	265,755	5.98	255,367	6.92
Employees cost				
- Salaries, wages, amenities and staff welfare	647,428	14.57	582,879	15.79
- Workers' profit participation fund	1,691	0.04	1,244	0.03
	649,119	14.60	584,123	15.82
Government				
- Taxes & Duties	182,773	4.11	154,345	4.18
- Workers' welfare fund	-	0.00	-	0.00
	182,773	4.11	154,345	4.18
Shareholders				
- Dividend	11,220	0.25	6,600	0.18
- Bonus shares	-	0.00	-	0.00
	11,220	0.25	6,600	0.18
Retained in business for future growth				
- Retained profit	16,070	0.36	9,783	0.27
Finance cost	108,697	2.45	134,957	3.66
	4,444,754	100.00	3,691,454	100.00



Key Financial Data for 6 Years

	Rupees In '000'					
Balance sheet	2021	2020	2019	2018	2017	2016
Paid up capital	132,000	132,000	132,000	132,000	132,000	132,000
Reserves	1,854,569	1,835,112	1,825,898	1,769,553	1,739,369	1,461,217
Net worth / shareholders equity	1,986,569	1,967,112	1,957,898	1,901,553	1,871,369	1,593,217
Non current liabilities	76,772	344,785	273,575	433,783	413,515	137,703
Short term running finances/ bank borrowings	1,835,707	904,447	1,211,456	966,760	269,215	150,059
Creditors, accrued & other liabilities	1,978,835	1,476,942	1,497,734	1,819,574	2,232,091	1,753,672
Current liabilities	3,814,542	2,381,389	2,709,190	2,786,335	2,501,306	1,903,731
Total liabilities	3,891,314	2,726,174	2,982,765	3,220,117	2,914,821	2,041,434
Total Liabilities & Equity	5,877,883	4,693,286	4,940,663	5,121,670	4,786,190	3,634,651
Fixed assets	999,375	1,088,677	1,196,996	1,269,796	1,245,786	486,675
Long term loans and deposits	13,306	70,909	69,256	74,314	13,044	16,508
Deferred taxation	31,899	-	-	-	-	-
Current assets	4,833,303	3,533,700	3,674,411	3,777,560	3,527,360	3,131,467
Total assets	5,877,883	4,693,286	4,940,663	5,121,670	4,786,190	3,634,651
Inventory	1,564,143	792,327	867,928	1,068,061	1,030,607	886,432
Trade debts and contract assets	2,157,015	2,088,249	2,119,541	1,987,700	1,632,115	1,557,229
Trade and other payables and contract liabilities	1,893,607	1,396,106	1,411,207	1,728,239	2,153,288	1,681,134
Material consumption	2,438,882	1,895,940	1,889,247	2,927,693	2,529,740	2,652,496
Profit and loss						
Sales	4,334,458	3,606,605	3,755,532	4,952,915	5,115,215	4,950,602
Cost of goods sold	(3,740,098)	(3,012,089)	(3,021,989)	(4,289,529)	(3,970,150)	(3,902,841)
Gross Profit	594,360	594,516	733,543	663,386	1,145,066	1,047,762
Distribution and marketing cost	(335,515)	(303,269)	(308,778)	(342,263)	(334,702)	(310,023)
Administrative expenses	(227,029)	(205,732)	(223,890)	(222,830)	(244,767)	(225,841)
Other operating expenses	(1,691)	(11,771)	(8,920)	(18,994)	(59,219)	(38,852)
Other operating income	110,295	84,849	95,498	226,665	60,854	69,061
Operating Profit	140,421	158,593	287,453	305,963	567,231	542,106
Finance Cost	(108,697)	(134,957)	(170,538)	(54,467)	(27,908)	(32,617)
Profit before tax	31,724	23,636	116,915	251,496	539,324	509,489
Taxation	(4,434)	(7,254)	(29,035)	(55,459)	(143,255)	(131,793)
Net Profit	27,290	16,382	87,880	196,037	396,068	377,696

Key Performance Indicators

		2021	2020	2019	2018	2017	2016
Gross Margin	%	13.71	16.48	19.53	13.39	22.39	21.16
Net profit to Sales	%	0.63	0.45	2.34	3.96	7.74	7.63
Return on equity	%	1.37	0.83	4.49	10.31	21.16	23.71
Return on capital employed	%	6.81	6.86	12.88	13.10	24.83	31.32
Return on assets	%	0.46	0.35	1.78	3.83	8.28	10.39
EBITDA	Rupees in '000	296,946	317,942	446,482	432,375	644,838	610,421
EBITDA margin	%	6.85	8.82	11.89	8.73	12.61	12.33
Inventory turnover ratio	Times	1.56	2.39	2.18	2.74	2.45	2.99
Inventory turnover in number of days	Days	234	153	168	133	149	122
Debtor Turnover ratio	Times	2.01	1.73	1.77	2.49	3.13	3.18
Collection period (Days)	Days	182	211	206	146	116	115
Creditor turnover	Times	1.98	2.16	2.14	2.48	1.84	2.32
Credit turnover in number of days	Days	185	169	170	147	198	157
Operating cycle	Days	231	195	203	133	67	80
Total assets turnover ratio	Times	0.74	0.77	0.76	0.97	1.07	1.36
Fixed assets turnover ratio	Times	4.34	3.31	3.14	3.90	4.11	10.17
Price earning ratio	Times	188	313	25.53	12.36	10.20	14.27
Cash dividend per share	Rupees	0.85	0.5	1.50	3.00	12.02	8.50
Dividend yield ratio	Times	0.00	0.00	0.01	0.02	0.04	0.02
Dividend pay out ratio	Times	0.41	0.40	0.23	0.20	0.40	0.30
Dividend cover ratio	Times	2.43	2.48	4.44	4.95	2.50	3.37
Earnings Per Share	Rupees	2.07	1.24	6.66	14.85	30.01	28.61
Number of Shares	Number	13,200	13,200	13,200	13,200	13,200	13,200
Debt Equity Ratio		0.92 : 1	0.59:1	0.70:1	0.65 : 1	0.31 : 1	0.12: 1
Interest Cover ratio	Times	1.29	1.18	1.69	5.62	20.33	16.62
Current Ratio	Times	1.27	1.48	1.36	1.36	1.41	1.64
Acid test ratio	Times	0.86	1.15	1.04	0.97	1.00	1.18
Break up value per share	Rupees	150.50	149.02	148.33	144.06	141.77	120.70
Market Value of shares - year end	Rupees	388.45	388.45	169.96	183.58	306.00	408.25
Market Value of shares - high	Rupees	402.17	402.17	182.97	415.00	474.90	409.41
Market Value of shares - low	Rupees	109.67	109.67	85.00	177.50	266.50	192.19
Summary of cash flow statement							
Operating activities	Rupees in '000	(413,140)	127,114	12,972	(630,000)	765,492	493,411
Investing activities	Rupees in '000	(64,148)	(45,362)	(82,895)	(148,948)	(832,959)	(136,170)
Financing Activities	Rupees in '000	(234,732)	217,906	(163,610)	(188,013)	254,837	(49,101)
Cash and cash equivalent-closing balance	Rupees in '000	(1,316,214)	(604,194)	(903,852)	(670,319)	296,642	109,272

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CORPORATE GOVERNANCE

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Pattern of Shareholding As at December 31, 2021

Number of Shareholders	Shareholding	Total Shares
374	1 to 100	11,568
205	101 to 500	57,992
200	501 to 1000	121,366
120	1001 to 5000	266,888
14	5001 to 10000	103,991
4	10001 to 15000	52,700
3	15001 to 20000	52,000
3	20001 to 25000	69,349
2	25001 to 30000	59,600
2	30001 to 35000	64,703
2	35001 to 40000	77,900
1	40001 to 45000	45,000
1	50001 to 55000	54,000
2	55001 to 60000	110,392
1	90001 to 95000	93,700
1	95001 to 100000	99,500
1	110001 to 115000	110,393
2	135001 to 140000	276,888
1	140001 to 145000	143,863
1	270001 to 275000	272,373
1	295001 to 300000	300,000
1	340001 to 345000	342,100
1	550001 to 555000	550,400
1	1000001 to 1005000	1,002,800
1	1085001 to 1090000	1,087,559
1	7770001 to 7775000	7,772,975
946		13,200,000

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	14	674,331	5.11
Insurance Companies	1	272,373	2.06
Modarabas and Mutual Funds	3	93,900	0.71
General Public			
a. Local	917	3,121,254	23.65
b. Foreign	5	1,800	0.01
Foreign Companies	-	-	-
Others	4	175,808	1.33
- 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)			
Total	946	13,200,000	100

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
Mr. Munaf Ibrahim	1,002,800	7.60

Statement of Compliance

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

KSB Pumps Company Limited

For the Year Ended December 31, 2021

The Company has complied with the requirements of the Regulations in the following manner: -

1. The total number of directors are 8 as per the following:
 - a. Male : 7
 - b. Female : 1
2. Composition of Board of Directors (the Board) is as follows:

Category	Names
Independent Director	Mr. Shezada Mazhar Mr. Jamal Nasim Ms. Ayesha Aziz Mr. Asif Malik
Other Non-Executive Directors	Dr. Sven Baumgarten Mr. Dieter Antonius Pott Mr. Hasan Aziz Bilgrami
Executive Directors	Mr. Imran Ghani
Female Director	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 Board has arranged Director's Training Program for Mr. Imran Ghani, Chief Executive Officer of the Company during the year ended December 31, 2021.
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**

- | | |
|----------------------------|---------------------------------|
| • Mr. Jamal Nasim | Chairman / Independent Director |
| • Mr. Dieter Antonius Pott | Member / Non-Executive Director |
| • Mr. Shezada Mazhar | Member / Independent Director |

b) **HR and Remuneration Committee**

- | | |
|---------------------------|----------------------------------|
| • Mr. Shezada Mazhar | Chairman / Independent Director |
| • Mr. Hasan Aziz Bilgrami | Member / Non-Executive Director |
| • Mr. Imran Ghani | Member / Chief Executive Officer |

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;

a) **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.

b) **HR and Remuneration Committee**

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

15. The Board has set up an effective internal audit function who is considered to be suitably qualified and experienced for the purpose and is 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.

For and on behalf of the Board.

March 16, 2022
Lahore



Imran Ghani
Chief Executive Officer / MD



Shezada Mazhar
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, 2021 to December 31, 2021 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, 2021 to December 31, 2021.

A.F.Ferguson & Co
Chartered Accountants
Name of engagement partner: Amer Raza Mir
Lahore
Date: March 29, 2022
UDIN: CR202110118SFCOPLMjE

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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, 2021, 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, 2021 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 Matters

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, 2021, the Company recognized an amount of Rs. 424 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.



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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 Mr. Amer Raza Mir.

A.F. Ferguson & Co.

Chartered Accountants

Name of engagement partner: Amer Raza Mir

Lahore

Date: March 29, 2022

UDIN: AR202110118ILkMFwBYD

Statement of Financial Position As at December 31, 2021

	Note	2021 Rupees	2020 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 15,000,000 (2020: 15,000,000) ordinary shares of Rs 10 each	5	150,000,000	150,000,000
Issued, subscribed and paid up capital	5	132,000,000	132,000,000
Revenue reserves	6	1,854,568,579	1,835,112,034
		1,986,568,579	1,967,112,034
NON CURRENT LIABILITIES			
Long term finances - secured	7	-	250,231,042
Deferred tax liabilities	8	-	17,962,164
Employees' retirement and other benefits	9	76,772,467	72,223,521
Deferred grant	10	-	4,368,548
		76,772,467	344,785,275
CURRENT LIABILITIES			
Trade and other payables	11	1,871,991,802	1,393,225,998
Contract liabilities	12	21,615,056	2,879,982
Current portion of long term finances - secured	7	255,746,149	221,946,967
Current portion of deferred grant	10	4,219,302	12,200,537
Short term finances - secured	13	1,575,741,307	670,300,329
Provisions for other liabilities and charges	14	70,007,341	66,442,933
Unclaimed dividend		10,110,541	10,083,405
Due to provident fund	15	5,109,849	4,308,801
		3,814,541,347	2,381,388,952
CONTINGENCIES AND COMMITMENTS			
	16	-	-
		5,877,882,393	4,693,286,261

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


Chairman


Chief Executive


Chief Financial Officer

	Note	2021 Rupees	2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	17	925,374,021	1,050,901,999
Intangible assets	18	5,533,712	14,083,051
Capital work-in-progress	19	68,467,182	23,691,863
Long-term loans and deposits	20	13,306,372	70,909,142
Deferred tax assets	8	31,898,873	-
		1,044,580,160	1,159,586,055
CURRENT ASSETS			
Stores, spares and loose tools	21	119,633,942	115,804,122
Stock-in-trade	22	1,444,509,579	676,523,227
Trade debts - unsecured	23	1,586,953,194	1,396,912,186
Contract assets	24	570,062,416	691,336,694
Advances, deposits, prepayments and other receivables	25	852,615,878	587,017,447
Cash and bank balances	26	259,527,224	66,106,530
		4,833,302,233	3,533,700,206
		5,877,882,393	4,693,286,261


Chairman


Chief Executive


Chief Financial Officer

Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2021

	Note	2021 Rupees	2020 Rupees
Sales	27	4,334,458,621	3,606,605,276
Cost of sales	28	(3,740,097,978)	(3,012,088,716)
Gross profit		594,360,643	594,516,560
Distribution and marketing expenses	29	(335,514,640)	(303,268,908)
Administrative expenses	30	(227,029,085)	(205,732,123)
Other operating expenses	31	(1,690,903)	(11,771,211)
Other operating income	32	110,295,300	84,849,517
Finance costs	33	(108,696,674)	(134,957,259)
Profit before taxation		31,724,641	23,636,576
Taxation	34	(4,434,170)	(7,254,334)
Profit after taxation		27,290,471	16,382,242
Other comprehensive (loss) / income:			
Items that will not be subsequently reclassified in profit or loss:			
Remeasurement of defined benefit plans - net of tax		(1,233,926)	12,631,696
Items that may be subsequently reclassified in profit or loss			
		-	-
		(1,233,926)	12,631,696
Total comprehensive income for the year		26,056,545	29,013,938
Earnings per share - basic & diluted rupees	35	2.07	1.24

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


Chairman


Chief Executive


Chief Financial Officer

Statement of Changes in Equity

For the year ended December 31, 2021

	Share Capital Rupees	Revenue Reserve		Total Rupees
		General Reserves Rupees	Unappropriated Profit Rupees	
Balance as at January 1, 2020	132,000,000	1,729,600,000	96,298,096	1,957,898,096
Transfer to general reserve		76,000,000	(76,000,000)	-
Profit for the year ended December 31, 2020	-	-	16,382,242	16,382,242
Other comprehensive income for the year	-	-	12,631,696	12,631,696
Total comprehensive income for the year	-	-	29,013,938	29,013,938
Transactions with owners in their capacity as owners:				
Final dividend for the year ended December 31, 2019 Rs 1.5 per share	-	-	(19,800,000)	(19,800,000)
Balance as at December 31, 2020	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

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


Chairman


Chief Executive


Chief Financial Officer

Statement of Cash Flows

For the year ended December 31, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	36	(268,150,960)	388,944,987
Finance costs paid		(85,807,708)	(146,668,624)
Taxes paid		(94,227,058)	(91,085,205)
Employees' retirement and other benefits paid		(22,556,883)	(22,423,935)
Decrease / (Increase) in long term loans and deposits - net		57,602,770	(1,653,029)
		(144,988,879)	(261,830,793)
Net cash (used in) / generated from operating activities		(413,139,839)	127,114,194
Cash flows from investing activities			
Fixed capital expenditure including capital work in progress		(89,496,956)	(59,838,230)
Payment for acquisition of intangible assets			(5,358,768)
Proceeds from sale of property, plant and equipment		25,348,815	19,834,885
Net cash (used in) investing activities		(64,148,141)	(45,362,113)
Cash flows from financing activities			
Proceeds from long term finances-secured			268,818,846
Repayment of long term finances-secured		(228,159,440)	(31,250,000)
Dividend paid		(6,572,864)	(19,662,486)
Net cash (used in) / generated from financing activities		(234,732,304)	217,906,360
Net (decrease) / Increase In cash and cash equivalents		(712,020,284)	299,658,441
Cash and cash equivalents at the beginning of the year		(604,193,799)	(903,852,240)
Cash and cash equivalents at the end of the year	37	(1,316,214,083)	(604,193,799)

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


Chairman


Chief Executive


Chief Financial Officer

Notes to the Financial Statements

For the year ended December 31, 2021

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

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 and applicable / relevant to the Company's operations

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on or after January 1, 2021 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, except for the following:

- The Securities and Exchange Commission of Pakistan ('SECP') through SRO 229(I)/2019 dated February 14, 2019 notified that the standard IFRS 9, 'Financial Instruments' would be effective for reporting period / year ending on or after June 30, 2019. However, SECP through SRO 985 (I)/ 2019 dated September 30, 2019 granted exemption from applying Expected credit loss based impairment model to financial assets due from the Government till June 30, 2021. During the current period, the management has applied Expected credit loss model to financial assets due from Government. However, there is no material impact as a result of this change.

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 1, 2021 but are considered not to be relevant or material to the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

(a) Amendments to IAS 16, 'Property plant and equipment'

The amendment to IAS 16 Property, Plant and Equipment (PP&E) effective for accounting periods beginning on or after January 01, 2022, prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is testing whether the asset is functioning properly when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

(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, 2023, 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 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.

- (e) 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.

- (f) Amendments to IAS 37, 'Cost of fulfilling a contract'

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

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.
- Cost to complete the projects - 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 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 Company also reviews for any indicators for impairment of property, plant and

equipment on a regular basis. 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. 13.51 million (2020: Rs 18.35 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, 2021. Projected Unit Credit

Method, using the following significant assumptions is used for valuation of the scheme:

	2021	2020
Discount rate per annum	11.75%	9.75%
Expected rate of increase in salary level per annum	10.00%	8.75%
Expected rate of return per annum	11.75%	9.75%
Average duration of the defined benefit obligation	6 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. 18.56 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, 2021. Projected Unit Credit Method, using the following significant assumptions is used for valuation of the scheme:

	2021	2020
Discount rate per annum	11.75%	9.75%
Expected rate of increase in salary level per annum	10.00%	8.75%
Expected rate of return per annum	11.75%	9.75%
Average duration of the defined benefit obligation	2 years	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, 2021. Projected Unit Credit Method, using the following significant assumptions is used for valuation of the scheme:

	2021	2020
Discount rate per annum	11.75%	9.75%
Expected rate of increase in salary level per annum	10.00%	8.75%
Expected rate of return per annum	11.75%	9.75%
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 17 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, 2021 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 other comprehensive income during the period 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 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 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 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 estimate.

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 of 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 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 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 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

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. Management determines the classification of its financial assets at the time of initial recognition.

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 other comprehensive income.

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.

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 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 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 re-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 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 other comprehensive income.

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 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 other comprehensive income.

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 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 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

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 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

2021 (Number of shares)	2020 (Number of shares)		2021 Rupees	2020 Rupees
15,000,000	15,000,000	Ordinary shares of Rs 10 each fully paid in cash	150,000,000	150,000,000

5.2 Issued, subscribed and paid - up share capital

2021 (Number of shares)	2020 (Number of shares)		2021 Rupees	2020 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
12,218,900	12,218,900	Ordinary shares of Rs 10 each issued as fully paid bonus shares	122,189,000	122,189,000
13,200,000	13,200,000		132,000,000	132,000,000

5.1.1 As at December 31, 2021, the holding Company KSB SE & Co. KGaA, having its registered office at 67227 Johann-Klein-Street 09, Frankenthal, Germany, held 7,772,975 (2020: 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, 2021.

5.1.2 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, 2021.

6. Revenue reserves	Note	2021 Rupees	2020 Rupees
General Reserve:			
Opening balance		1,805,600,000	1,729,600,000
Transfer from unappropriated profit		22,500,000	76,000,000
		1,828,100,000	1,805,600,000
Unappropriated profit		26,468,579	29,512,034
		1,854,568,579	1,835,112,034
7. Long Term Finance- Secured			
Long term loan			
- Diminishing Musharika - BankIslami Pakistan Limited	7.1	125,000,000	218,750,000
- Loan for wages and salaries - Allied Bank Limited	7.2	130,746,149	253,428,009
		255,746,149	472,178,009
Less: Current portion shown under current liabilities		(255,746,149)	(221,946,967)
		-	250,231,042

- 7.1** 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 million. Under the arrangement, principal amount of Rs 500 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 7.73% per annum (2020: 10.05% per annum). The amount is secured by way of exclusive charge over specific plant and machinery amounting to Rs 500 million. As at December 31, 2021 the Company has repaid an amount of Rs 375 million (2020: 281.25 million).
- 7.2** 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 (2020: 7.7% per annum). As at December 31, 2021 the Company has repaid an amount of Rs 134.41 million (2020: Nil).

7.3	Note	2021 Rupees	2020 Rupees
The reconciliation of the carrying amount is as follows:			
Opening balance		472,178,009	250,000,000
Loan received during the year		-	268,818,846
Repayments during the year		(228,159,440)	(31,250,000)
		<u>244,018,569</u>	<u>487,568,846</u>
Discounting adjustment - deferred grant	10	-	(21,414,595)
Interest charged using the effective rate of interest		14,661,441	8,460,727
Interest payments paid during the year		(2,933,861)	(2,436,969)
Closing balance		<u>255,746,149</u>	<u>472,178,009</u>
8 Deferred tax liabilities			
The liabilities for deferred tax comprises temporary differences relating to:			
Accelerated tax depreciation		78,678,400	90,202,800
Provision for doubtful debts		(6,326,600)	-
Accumulated compensated absences		(8,421,271)	(7,371,948)
Ex-gratia and other adjustment		(7,953,857)	(9,122,654)
Unused tax Losses		(87,875,545)	(55,746,034)
Net deferred tax liability at the year end		<u>(31,898,873)</u>	<u>17,962,164</u>
The gross movement in net deferred tax liability during the year is as follows:			
Opening Balance		17,962,164	57,884,316
Credited to profit or loss		(49,814,177)	(45,081,577)
Charged to other comprehensive income - net of other adjustment		(371,428)	5,159,425
Other adjustment to OCI		324,568	-
Closing balance		<u>(31,898,873)</u>	<u>17,962,164</u>

- 8.1** The Company has not recognized deferred tax asset amounting to Rs 135.98 million (2020: 89.12 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 in the year 2025.

	Note	2021 Rupees	2020 Rupees
9	Employees' retirement and other benefits		
These are composed of:			
Ex-gratia	9.1	30,022,503	33,728,668
Gratuity	9.2	13,406,275	9,790,775
Accumulated compensated absences	9.3	33,343,689	28,704,078
		<u>76,772,467</u>	<u>72,223,521</u>
9.1	Ex-gratia		
The amounts recognized in Statement of Financial Position is as follows:			
Present value of defined benefit obligation	9.1.1	30,022,503	33,728,668
Closing net liability		<u>30,022,503</u>	<u>33,728,668</u>
9.1.1	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		33,728,668	31,603,291
Current Service Cost		1,171,087	1,026,471
Interest cost		3,004,844	3,340,025
Benefits paid		(5,819,505)	(3,828,371)
Remeasurement adjustments charged to other comprehensive loss:			
- Actuarial gain from changes in financial assumptions		(133,417)	(8,502)
- Experience adjustment		(1,929,174)	1,595,754
		<u>(2,062,591)</u>	<u>1,587,252</u>
Present value of defined benefit obligation as at year end		<u>30,022,503</u>	<u>33,728,668</u>
The amounts recognized in the statement of profit or loss are as follows:			
Current service cost		1,171,087	1,026,471
Net Interest cost for the year		3,004,844	3,340,025
Total included in salaries, wages and amenities		<u>4,175,931</u>	<u>4,366,496</u>
The amounts recognized in the other comprehensive loss are as follows:			
Actuarial gain from changes in financial assumptions		(133,417)	(8,502)
Experience adjustments		(1,929,174)	1,595,754
Total remeasurements chargeable in other comprehensive loss		<u>(2,062,591)</u>	<u>1,587,252</u>
Present value of defined benefit obligation as at start of the year		33,728,668	31,603,291
Expense chargeable to P&L		4,175,931	4,366,496
Remeasurements chargeable in other comprehensive loss		(2,062,591)	1,587,252
Benefits paid		(5,819,505)	(3,828,371)
Benefits payable transferred to short term liability			-
Present value of defined benefit obligation as at the end of year		<u>30,022,503</u>	<u>33,728,668</u>

9.1.2 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	2%	29,572,511	30,493,865
Salary Rate	2%	30,495,164	29,563,234

9.1.3 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.

	Note	2021 Rupees	2020 Rupees
9.2 Gratuity			
Present value of defined benefit obligation	9.2.1	166,669,411	183,507,387
Fair value of plan assets	9.2.2	(153,263,136)	(173,716,612)
Liability as at December 31		<u>13,406,275</u>	<u>9,790,775</u>
Liability as at January 1		9,790,775	22,477,333
Charged to statement of profit or loss		15,272,123	20,332,858
Contribution by the Company		(15,000,000)	(13,641,043)
Remeasurement income/loss chargeable in other comprehensive loss		3,343,377	(19,378,373)
Liability as at December 31		<u>13,406,275</u>	<u>9,790,775</u>

9.2	Gratuity	Note	2021 Rupees	2020 Rupees
9.2.1	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		183,507,387	197,213,194
	Current Service Cost		16,756,775	18,571,467
	Interest cost		15,576,096	20,329,744
	Benefits due		(36,492,372)	-
	Benefits paid		(12,469,164)	(33,008,715)
	Remeasurement adjustments charged to other comprehensive loss:			
	- Actuarial gain from changes in financial assumptions		(323,212)	(481,317)
	- Experience adjustment		113,901	(19,116,986)
			(209,311)	(19,598,303)
	Present value as at year end		<u>166,669,411</u>	<u>183,507,387</u>
9.2.2	The movement in fair value of plan assets is as follows:			
	Balance of plan assets as at December 31,2020		173,716,612	174,735,861
	Total Company's Contribution during the year		15,000,000	13,641,043
	Interest income during the period		17,060,748	18,568,353
	Benefits paid		(12,469,164)	(33,008,715)
	Benefits due but not paid		(36,492,372)	-
	Return on plan assets, excluding interest income		(3,552,688)	(219,930)
	Balance of plan assets as at December 31,2021		<u>153,263,136</u>	<u>173,716,612</u>
	The amounts recognized in the statement of profit or loss are as follows:			
	Current service cost		16,756,775	18,571,467
	Interest cost on defined benefit obligation		15,576,096	20,329,744
	Less: Interest income on plan assets		(17,060,748)	(18,568,353)
	Total included in salaries, wages and amenities		<u>15,272,123</u>	<u>20,332,858</u>
	Total remeasurement chargeable to other comprehensive loss			
	Actuarial gain from changes in demographic assumptions		-	-
	Actuarial gain from changes in financial assumptions		(323,212)	(481,317)
	Experience adjustments		113,901	(19,116,986)
			(209,311)	(19,598,303)
	Return on plan asset, excluding interest income		3,552,688	219,930
	Total remeasurement chargeable to other comprehensive loss		<u>3,343,377</u>	<u>(19,378,373)</u>
9.2.2.1	Plan assets are comprised of as follows:			
	Investment in TDR- net of gratuity payable to ex-employee		11,477,431	70,011,610
	Mutual fund		126,676,302	94,000,000
	Balance at bank		15,109,403	9,705,002
			<u>153,263,136</u>	<u>173,716,612</u>

9.2.3 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	2021	2020	2019	2018	2017
	Rupees				
Present value of defined benefit obligation	168,125,839	183,507,387	197,213,194	188,260,714	155,380,686
Less:					
Fair value of plan assets	<u>154,719,564</u>	<u>173,716,612</u>	<u>174,735,861</u>	<u>152,900,572</u>	<u>133,454,100</u>
Deficit	<u>13,406,275</u>	<u>9,790,775</u>	<u>22,477,333</u>	<u>35,360,142</u>	<u>21,926,586</u>
Experience adjustment on obligation	0.07%	-10%	5%	4%	4%
Experience adjustment on plan assets	2.30%	0.13%	0.23%	-1%	1%

9.2.4 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	2%	158,248,859	179,295,695
Salary Rate	2%	179,575,469	157,823,044

9.2.5 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.

9.3	Accumulated compensated absences	Note	2021 Rupees	2020 Rupees
	The amounts recognized in Statement of Financial Position is as follows:			
	Present value of defined benefit obligation	9.3.1	33,343,689	28,704,078
	Closing net liability		<u>33,343,689</u>	<u>28,704,078</u>
9.3.1	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		28,704,078	36,610,524
	Current Service Cost		925,982	824,411
	Interest cost		2,713,950	3,839,992
	Benefits paid		(1,737,378)	(4,954,521)
	Actuarial gain from changes in financial assumptions		(39,619)	(26,587)
	Experience adjustment		2,776,676	(7,589,741)
	Present value of defined benefit obligation as at year end		<u>33,343,689</u>	<u>28,704,078</u>
	The amounts recognized in the statement of profit or loss are as follows:			
	Current service cost		925,982	824,411
	Net Interest cost for the year		2,713,950	3,839,992
	Actuarial gain from changes in financial assumptions		(39,619)	(26,587)
	Experience adjustment		2,776,676	(7,589,741)
	Total included in salaries, wages and amenities		<u>6,376,989</u>	<u>(2,951,925)</u>
	Present value of defined benefit obligation as at start of the year		28,704,078	36,610,524
	Expense chargeable to P&L		6,376,989	(2,951,925)
	Benefits paid		(1,737,378)	(4,954,521)
	Benefits payable transferred to short term liability		-	-
	Present value of defined benefit obligation as at year end		<u>33,343,689</u>	<u>28,704,078</u>

9.3.2 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	2%		31,307,223	35,654,096
Salary Rate	2%		35,615,157	31,311,221

9.3.3 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.

10 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 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	2021 Rupees	2020 Rupees
Opening balance		16,569,085	-
Deferred grant recognised during the period/year		-	21,414,595
Credited to profit or loss	32	(12,349,783)	(4,845,510)
		4,219,302	16,569,085
Current portion shown under current liabilities		(4,219,302)	(12,200,537)
Closing balance		-	4,368,548

11 Trade & Other Payables

Trade creditors	11.1	954,004,022	701,388,697
Accrued liabilities	11.2	385,681,726	342,417,211
Advances from customers		431,055,230	241,147,895
Workers' profits participation fund	11.3	1,697,216	1,325,091
Workers' welfare fund	11.4	2,386,026	2,386,026
Rent received in advance		-	1,224,109
Accrued finance cost		29,316,153	18,154,767
Other liabilities		67,851,429	85,182,202
		1,871,991,802	1,393,225,998

11.1 Trade creditors include amount due to holding Company of Rs 253.87 million (2020: Rs 153.02 million) and associated undertakings of Rs 24.489 million (2020: Rs 68.85 million).

11.2 Accrued liabilities include amount due to holding Company of Rs 35.56 million (2020: Rs 27.35 million) and associated undertakings of Rs 34.75 million (2020: Rs 11.67 million).

11.3	Workers' profit participation fund	Note	2021 Rupees	2020 Rupees
	Balance at beginning of the year		1,325,091	6,345,709
	Allocation for the period	31	1,690,903	1,244,030
	Interest payable on funds utilized by the Company		6,313	81,061
			<u>3,022,307</u>	<u>7,670,800</u>
	Less: Amount paid during the period		(1,325,091)	(6,345,709)
	Balance at the end of the period		<u>1,697,216</u>	<u>1,325,091</u>
11.4	Workers' welfare fund			
	Balance at beginning of the year		2,386,026	16,611,220
	Provision for the year	31	-	-
			<u>2,386,026</u>	<u>16,611,220</u>
	Less: Amount adjusted during the year		-	(14,225,194)
	Balance at the end of the year		<u>2,386,026</u>	<u>2,386,026</u>
12	Contract liabilities			
	Opening contract liabilities		2,879,982	8,486,428
	Revenue recognised that was included in the contract liabilities balance at the beginning of the period		2,873,836	6,650,570
	Contract liabilities aroused during the year		21,608,910	1,044,124
	Closing contract liabilities	12.1	<u>21,615,056</u>	<u>2,879,982</u>

12.1 This represents contract liabilities related to long term projects.

13 Short term finances - secured

The credit facilities available to the Company from various commercial banks aggregate to Rs 3,466.73 million (2020: Rs 3,191.44 million). These include letters of guarantee, letters of credit, and cash finance facilities, which can be used interchangeably. Furthermore, guidance limit amounting to Rs 60.74 million (2020: 168.00 million) has also been obtained. Moreover, as at December 31, 2021 the Company has unutilized credit facilities amounting to Rs 887.51 million (2020: Rs 1,305.53 million).

Mark up on cash finance ranges from 3.00% to 10.02% (2020: 3.00% to 15.16%) per annum as per agreements with banks. While mark up on export finance is charged at SBP rate plus 1.00% (2020: 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. 3,747 million (2020: Rs 3,747 million) and the guidance limit is secured by way of ranking charge amounting to Rs. 556.00 million (2020: Rs. 556.00 million).

14	Provisions for other liabilities & charges	Note	2021 Rupees	2020 Rupees
	Bonus to employees	14.2	41,833,334	43,000,000
	Sales incentive scheme	14.3	28,174,007	23,442,933
			<u>70,007,341</u>	<u>66,442,933</u>

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

		Bonus to employees Rupees	Sales incentive scheme Rupees	Total Rupees
Balance as at January 1, 2021		43,000,000	23,442,933	66,442,933
Provisions made during the year		51,633,598	28,174,007	79,807,605
Reclassified to other liabilities	14.1.1	(9,800,264)	-	(9,800,264)
Less: payments/adjustments made during the year		<u>(43,000,000)</u>	<u>(23,442,933)</u>	<u>(66,442,933)</u>
Balance as at December 31, 2021		<u>41,833,334</u>	<u>28,174,007</u>	<u>70,007,341</u>

14.1.1 Subsequent to the year ended December 31, 2021, the Company has finalized the final settlement. Accordingly, the respective amount has been transferred to the employee account in other liabilities.

14.2 Bonus to employees

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

14.3 Sales incentive scheme

The sales incentive is payable to staff in consideration of achieving specific target in a stipulated time period. All provisions as at December 31, 2021 are expected to be utilized in the next financial year.

15	Due to provident fund	2021 Rupees	2020 Rupees
	Balance at beginning of the year	4,308,801	4,389,980
	Contribution Due	48,829,090	49,448,960
	Less: Amount paid during the year	(48,028,042)	(49,530,139)
	Balance at the end of the year	<u>5,109,849</u>	<u>4,308,801</u>

- 15.1** 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.

16 Contingencies and commitments

16.1 Contingencies

- 16.1.1** The Company has issued guarantees of Rs 784.04 million (2020: Rs 829.28 million) against the performance of various contracts.

- 16.1.2** During the year ended December 31, 2018, National Accountability Bureau (NAB) initiated an inquiry related to the project undertaken with Punjab Saaf Pani Company (PSPC) by the Company for supply of 116 filtration plants in year ended December 2015. The Company filed a writ petition in the Lahore High Court and furnished the required deposit of Rs 60.00 million till completion of further inquiry for obtaining bail orders of the former Managing Director Mr. Masud Akhtar. Subsequent to the year ended December 31, 2021, the Honorable Accountability Court, Lahore acquitted the former Managing Director Mr. Masud Akhtar vide order dated January 31, 2022. The management has filed an application for the refund of the above mentioned security. Management, in consultation with their legal advisor, is confident that no financial liability is expected in this regard and the security will be refunded in due course.

- 16.1.3** 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 18.24 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 decided in favour of the Company, some issues have been remanded back and certain issues have 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 of which the Company has filed an appeal vide letter dated March 30, 2021 amounting to Rs 1.80 million against 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.

- 16.1.4** The Additional Commissioner Inland Revenue ('AdCIR') under section 122 of ITO 2001 vide order dated April 30, 2012 in respect of tax year 2011, raised a demand of Rs 22.36 million on account of disallowance of certain expenditures and tax credit. Being aggrieved, the Company filed appeal before the Commissioner Inland Revenue (Appeals) which was partially decided in Company's favour vide order dated November 8, 2012. Being aggrieved the Company filed an appeal before the Appellate Tribunal Inland Revenue ('ATTR'), which was decided in Company's favour on February 19, 2019 and remanded back the amount of Rs 6.80 million. The remand back proceedings have not yet been initiated. The management and the taxation expert of the Company believes that there are meritorious ground available to defend the foregoing demand. Consequently, no provision has been recorded in these financial statements.

- 16.1.5** The additional Commissioner Inland Revenue raised demand of Rs. 350.80 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 foregoing demand. Consequently, no provision has been recorded in these financial statements.

16.1.6 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. Being aggrieved the Company filed an appeal with the Commissioner Inland Revenue Appeals on December 20, 2021 which is still pending. 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.

16.2 Commitments

Letters of credit other than for capital expenditure approximately Rs 307.30 million (2020: Rs 116.73 million).

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

	Note	2021 Rupees	2020 Rupees
Cost of sales	28	136,874,890	137,430,464
Distribution and marketing expenses	29	1,901,610	4,317,078
Administration expenses	30	9,199,259	8,674,741
		147,975,759	150,422,283

17.4 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.

17.5 Disposal of certain items of property, plant and equipment

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													
Mercedes Benz E-300 LEA-18A-21	Directors 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 Marmoon Rashheed LE-17-3210	Marmoon Rashheed	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 Sobail Abbas RI-17-250	Sobail 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						
Other items sold having book value less													
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							

Year ended December 31, 2020		Sold to		Accumulated depreciation		Book value		Sale proceeds		Gain/(Loss) on disposal		Mode of Disposal	
Particulars of assets		Rupees		Rupees		Rupees		Rupees		Rupees		Rupees	
Fixed assets sold having book value greater than Rs 500,000													
Toyota Fortuner LE 15 707	Sajid Mahmood Awan	Directors	5,400,894	4,590,760	810,134	1,669,000	858,866	As per Company policy					
Employees:													
Toyota Corolla Alais Ishriq Ahmad RI-57	Ishriq Ahmad		2,245,605	584,793	1,660,812	1,948,298	287,486	As per Company policy					
Toyota Corolla GLL Taimoor Rai LEB-15-1141	Taimoor Rai		1,845,500	922,750	922,750	1,391,780	469,030	As per Company policy					
Toyota Corolla GLI 1300CC Shahrzad Umer RIA-16-536	Shahrzad umer		1,830,740	915,370	915,370	971,000	55,630	As per Company policy					
Toyota Corolla 1800CC Ashraf Sohail RIE-16-53	Ashraf Sohail		2,487,285	1,140,006	1,347,279	2,076,771	729,492	As per Company policy					
Honda BRV 1500CC Javed Umar LEB-5416	Javed Umer		2,395,727	773,620	1,622,107	2,171,986	549,879	As per Company policy					
Honda City Manual Ali Asad KHI BFB-576	Ali asad		1,554,525	777,263	777,263	1,074,160	296,897	As per Company policy					
Toyota Corolla GLI 1300CC- Uzair Sajid LEC-16-3904	Uzair Sajid		1,903,293	951,647	951,647	1,405,480	453,833	As per Company policy					
Suzuki Swift 1328CC Zia Ullah LEH-16-7004	Zia Ullah		1,363,523	681,762	681,762	742,860	61,098	As per Company policy					
Corolla Altis Grande Faryal Zafar LEF-16-2389	Faryal Zafar		2,493,500	1,246,750	1,246,750	1,578,750	332,000	As per Company policy					
Suzuki Swift 1328CC Ali Raza Shah RIE-16-98	Ali Raza Shah		1,503,243	751,622	751,622	895,180	143,558	As per Company policy					
Honda City 1300CC Adeel Ali Siddiqi LE-17-1224	Adeel Ali Siddiqi		1,562,740	781,370	781,370	966,860	185,490	As per Company policy					
Fixed assets sold having book value less than Rs 500,000													
Laptop Sony Vaio Sajid Mahmood Awan	Sajid Mahmood Awan	Directors	199,000	199,000	-	20,000	20,000	As per Company policy					
Employees:													
Dell Laptop Mamoon Riaz	Mamoon Riaz		100,000	100,000	-	-	-	As per Company policy					
Laptop Dell Inspiron 5537 Afzaal Ali	Afzaal Ali		78,400	78,400	-	11,760	11,760	As per Company policy					
Outsiders:													
Moulding Machine EMM CT3 Top	Match Engineering PVT Ltd		1,254,478	1,066,306	188,172	400,000	211,828	As per Company policy					
Moulding Machine BMM CT3 Bottom	Match Engineering PVT Ltd		653,121	555,153	97,968	400,000	302,032	As per Company policy					
FAW X-PV Dual A/C EFI 1000 CC LEA-15-7241	Mr. Salman Bashir Third Party		908,150	454,075	454,075	505,000	50,925	As per Company policy					
Suzuki Cultus AY1-556	Insurance Claim Received		990,000	495,000	495,000	875,000	380,000	As per Company policy					
Other items sold having book value less than Rs 500,000													
			81,840,091	81,376,977	463,114	731,000	267,886	As per Company policy					
			112,609,815	98,442,624	14,167,195	19,834,885	5,667,690						

18	Intangible Assets	Note	Rupees	
	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	18.1		(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%
	Net carrying value basis			
	Year ended December 31, 2020			
	Opening net book value (NBV)			17,651,049
	Additions (at cost)			5,358,768
	Disposals (at NBV)			-
	Amortization charge			(8,926,766)
	Closing net book value (NBV)			<u>14,083,051</u>
	Gross carrying value basis			
	As at December 31, 2020			
	Cost			42,057,302
	Accumulated amortisation			(27,974,251)
	Net book value (NBV)			<u>14,083,051</u>
	Amortization Rate % per annum			33.33%
		Note	2021 Rupees	2020 Rupees
18.1	The amortisation charge for the year has been allocated as follows:			
	Cost of sales	28	4,455,601	4,855,609
	Distribution and marketing	29	4,003,415	4,003,415
	Administration expenses	30	90,323	67,742
			<u>8,549,339</u>	<u>8,926,766</u>
18.2	The cost of fully amortized software which are still in use as at December 31, 2021 is Rs 17.59 million (2020: Rs 15.84 million).			

20.1 Reconciliation of the carrying amount of loans to:

	Directors		Executives	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
Balance as at January 1	-	83,302	888,405	2,210,120
Transfers to executives during the year	-	-	-	-
Disbursements during the year	-	-	3,350,000	-
Less: Repayments during the year	-	(83,302)	(1,576,695)	(1,321,715)
Balance as at December 31	-	-	2,661,710	888,405

20.1.1 These represent interest free loans to Executives and Director. Loan to Director, comprises of loan to Chief Financial Officer, which has been made in compliance with the requirements of the Companies Act 2017. 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 (2020: 24 to 36 months).

20.1.2 The maximum aggregate amount due from Director and Executives at any time during the year was Nil (2020: Rs 0.08 million) and Rs 2.66 million (2020: Rs 2.21 million) respectively.

20.2 The security deposit of Rs 60.00 million, deposited with Lahore High Court on account of an inquiry initiated by the National Accountability Bureau (NAB) for supply of filtration plants to Punjab Saaf Pani Company (PSPC) by the Company, is refundable and will be paid with interest, therefore, no impairment charge is being made. Subsequent to the year end, the case has been decided in the favour of former Chief Executive (Mr. Masud Akhtar) vide order dated January 31, 2022 and the Company has filed application for the refund of said security.

	Note	2021 Rupees	2020 Rupees
21 Stores, spares and loose tools			
Stores, spares and loose tools	21.1	119,633,942	115,804,122
		119,633,942	115,804,122

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	2021 Rupees	2020 Rupees
	Raw Materials	22.1	717,613,812	423,189,241
	Work in process		648,779,233	241,578,479
	Finished goods		130,072,537	56,711,510
			<u>1,496,465,582</u>	<u>721,479,230</u>
	Provision for obsolescence	22.2	(51,956,003)	(44,956,003)
			<u>1,444,509,579</u>	<u>676,523,227</u>

22.1 This includes stock in transit amounting to Rs 83.73 million (2020: Rs 38.38 million).

22.2	Provision for obsolescence	Note	2021 Rupees	2020 Rupees
	Opening provision		44,956,003	52,731,491
	Provision for the year		7,000,000	-
	Less: reversal of specific provision	22.2.1	-	(7,775,488)
	Closing provision		<u>51,956,003</u>	<u>44,956,003</u>

22.2.1 The reversal of provision pertains to those specific provision against items in Work In Process which have either been sold or consumed during the year.

23	Trade debts - unsecured	Note	2021 Rupees	2020 Rupees
	Considered good			
	Related parties - KSB group companies	23.1 & 23.2	220,091,317	161,513,743
	Related parties - common directorship	23.1 & 23.2	30,421	4,147,971
	Others		1,366,831,456	1,231,250,472
			<u>1,586,953,194</u>	<u>1,396,912,186</u>
	Considered doubtful		113,109,366	98,650,981
			<u>1,700,062,560</u>	<u>1,495,563,167</u>
	Less: Loss allowance	23.3	(113,109,366)	(98,650,981)
			<u>1,586,953,194</u>	<u>1,396,912,186</u>

	Note	2021 Rupees	2020 Rupees
23.1 Due from related parties - considered good			
Related parties - KSB group companies			
KSB Pumps Co. Ltd. Thailand		66,460,550	-
KSB Pumps And Valves (Pty), South Africa		31,109,994	29,786,279
KSB Sverige AB, Sweden		27,099,322	11,260,878
KSB ITUR ,Spain		20,767,216	6,883,941
KSB Polska Sp.		19,021,901	531,234
KSB Italia		11,182,077	18,134,530
KSB Australia		11,267,139	19,615,433
KSB SE & Co. KGaA, Germany		10,205,784	2,978,436
KSB Singapore (Asia Pacific), Singapore		5,486,192	3,764,950
KSB Limited- UK		3,669,222	-
KSB Malaysia Pumps & Valves Sdn Bhd		3,471,649	12,820
KSB Taiwan Co., Limited		3,272,311	26,970,339
KSB Service GmbH		2,730,815	4,167,788
KSB Service LLC		1,981,027	7,187,283
KSB Limited- Hongkong		911,131	-
KSB Bombas e Válvulas, SA		882,024	-
KSB Pumps and valves Limited, Slovenia		562,379	3,162,134
PT KSB Indonesia		10,584	5,544,704
KSB Pompa, Armatür Sanayi, Turkey		-	12,150,283
KSB ZAMBIA LIMITED		-	7,591,117
KSB Pumpy Armatury s.r.o., concern, Czech Republic		-	943,895
KSB Chile S.A.		-	548,541
PT. KSB Sales Indonesia		-	279,158
		220,091,317	161,513,743
Related parties - common directorship			
Security Papers Limited		30,421	4,147,971
		30,421	4,147,971
		220,121,738	165,661,714

23.1.1 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs 276.57 million (2020: Rs 325.39 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	2021 Rupees	2020 Rupees
Opening as at January 1		98,650,981	129,490,357
Increase during the year		17,312,129	23,518,930
Less: Write offs during the year		(2,853,744)	(4,358,306)
Less: Specific provision written back during the year	23.3.1		(50,000,000)
Closing as at December 31		113,109,366	98,650,981

23.3.1 The write back of provision pertains to reversal of specific provision made in prior period.

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 (2020: 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.

	Note	2021 Rupees	2020 Rupees
24 Contract assets			
Contract assets		607,191,746	735,882,090
Less: Loss allowance	24.1	(37,129,330)	(44,545,396)
		<u>570,062,416</u>	<u>691,336,694</u>

24.1 The closing loss allowances for contract assets as at December 31, 2021 reconcile to the opening loss allowances as follows:

	Note	2021 Rupees	2020 Rupees
Opening loss allowance as at January 1		44,545,396	1,041,794
(Decrease) / Increase in loss allowance recognised in profit or loss during the year		(7,416,066)	43,503,602
Closing loss allowance as at December 31		<u>37,129,330</u>	<u>44,545,396</u>
25 Advances, deposits, prepayments and other receivables			
Current portion of long term loans to employees	20	2,311,000	1,559,337
Short term advances to employees- considered good	25.1 & 25.2	17,946,020	12,310,877
Advances to suppliers and contractors			
Considered good		165,607,326	67,452,536
Considered doubtful		1,672,801	681,339
		167,280,127	68,133,875
Due from related parties	25.3	6,871,724	6,002,343
Trade deposits and prepayments			
Considered good		89,819,327	87,362,700
Considered doubtful		17,700,045	22,420,199
Current portion of security deposits		60,000,000	-
		167,519,372	109,782,899
Letters of credit, deposits and opening charges		3,162,685	1,060,160
Claims Recoverable from Government			
Sales tax receivable		116,634,740	57,828,165
Income tax receivable		387,222,199	347,243,488
		503,856,939	405,071,653
Other receivables			
Considered good		3,040,857	6,197,841
Considered doubtful		275,000	275,000
		3,315,857	6,472,841
		<u>872,263,724</u>	<u>610,393,985</u>
Less: Provision for doubtful amounts	25.4	(19,647,846)	(23,376,538)
		<u>852,615,878</u>	<u>587,017,447</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 Rs 2.99 million (2020: Rs 2.99 million), Umar Siddique of Rs 2.40 million(2020: Nil), M. Imran Siddique of Rs 4.56 million(2020: Rs 2.78 million) and Matraf Rasul of Rs 1.50 million(2020: Nil).

25.2 Short term advances to employees includes the amount due from executives of Rs 7.23 million (2020: Rs 6.65 million).

25.3 Due from related parties	Note	2021 Rupees	2020 Rupees
Holding Company			
KSB SE & Co. KGaA, Germany		1,044,445	5,788,233
Associated undertakings			
KSB SAS, France		86,438	-
KSB Middle East FZE, UAE		2,887,492	214,110
KSB Service LLC		1,933,927	-
PT. KSB Indonesia		919,422	-
		<u>5,827,279</u>	<u>214,110</u>
		<u>6,871,724</u>	<u>6,002,343</u>
25.4 Provision for doubtful advances			
Opening balance		23,376,538	21,516,538
Provision made during the year		(3,728,692)	1,860,000
		<u>19,647,846</u>	<u>23,376,538</u>
Less: Amount written off against provision		-	-
Closing balance		<u>19,647,846</u>	<u>23,376,538</u>
26 Cash and bank balances			
At banks			
Saving accounts	26.1 & 26.2	200,841,969	37,140,764
Current accounts		58,104,876	28,519,060
		<u>258,946,845</u>	<u>65,659,824</u>
Cash in hand		580,379	446,706
		<u>259,527,224</u>	<u>66,106,530</u>

26.1 The balances in saving accounts bear mark-up which ranges from 5.50% to 7.25% (2020: 5.50% to 11.25%) per annum.

26.2 Included in the balance are Term deposit receipts amounting Rs 20.00 million (2020: Rs 20.00 million) bearing interest rate 6.5% (2020: 6.0%) per annum.

27 Sales	Note	2021 Rupees	2020 Rupees
Local Sales			
Product Sales		3,893,458,796	3,081,049,185
Project Sales		500,435,341	384,887,200
		4,393,894,137	3,465,936,385
Less: Sales tax		(645,420,141)	(510,368,010)
		3,748,473,996	2,955,568,375
Export sales			
		585,984,625	651,036,901
	27.1	4,334,458,621	3,606,605,276

27.1 Disaggregation of revenue

27.1.1 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	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
Foreign jurisdiction wise sales						
Asia	2,359,742	26,773,750	159,581,572	82,871,282	161,941,314	109,645,032
Australia	-	-	10,522,967	54,740,437	10,522,967	54,740,437
Africa	-	-	88,189,756	66,284,922	88,189,756	66,284,922
Europe	-	-	306,755,485	404,930,941	306,755,485	404,930,941
South America	-	-	1,505,709	9,200,575	1,505,709	9,200,575
North America	-	-	17,069,394	6,234,994	17,069,394	6,234,994
	2,359,742	26,773,750	583,624,883	624,263,151	585,984,625	651,036,901

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

	2021 Rupees	2020 Rupees
Revenue recognized at a point in time	3,910,023,935	3,281,589,657
Revenue recognized over time	424,434,686	325,015,619
	4,334,458,621	3,606,605,276

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

	2021 Rupees	2020 Rupees
Product Sales		
Pumps and valves	2,379,990,780	2,376,226,833
Castings	799,913,647	539,076,874
	3,179,904,427	2,915,303,707
Services	730,119,508	366,285,950
Project sales	424,434,686	325,015,619
	4,334,458,621	3,606,605,276

27.2 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, 2021:

	2022 Rupees	2023 Rupees	2024 Rupees	Total Rupees
Revenue expected to be recognised	455,000,000	190,000,000	15,000,000	660,000,000

28	Cost of goods sold	Note	2021 Rupees	2020 Rupees
	Raw material consumed		2,596,747,633	1,657,350,481
	Salaries, wages, amenities and staff welfare	28.2	350,372,756	318,574,272
	Staff training		266,998	144,440
	Electricity and power		207,210,488	145,042,209
	Stores and spares consumed		322,696,169	202,918,327
	Insurance		6,872,294	6,627,685
	Travelling and conveyance		28,061,278	26,762,756
	Postage and telephone		8,471,367	8,427,818
	Printing and stationery		2,484,288	1,466,710
	Rent, rates and taxes		4,952,408	3,665,834
	Repairs and maintenance		30,618,741	11,047,851
	Legal & professional charges		4,941,698	4,288,179
	SAP user licence fee & other IT services		41,769,161	35,636,061
	Packing expenses		36,409,749	33,462,998
	Outside services	28.1	409,693,463	332,071,103
	Depreciation on property, plant and equipment	17.3	136,874,890	137,430,464
	Amortization of intangible assets	18.1	4,455,601	4,855,609
	Provision for obsolete stores & stocks	22.2	7,000,000	-
	Warranties		12,651,314	37,205,396
	Other expenses		8,109,463	9,438,557
			<u>4,220,659,759</u>	<u>2,976,416,750</u>
	Opening work-in-process		241,578,479	277,209,525
	Less: Closing work-in-process		(648,779,233)	(241,578,479)
	Less: Decrease in work-in-process		(407,200,754)	35,631,046
	Cost of goods manufactured		3,813,459,005	3,012,047,796
	Opening stock of finished goods		56,711,510	56,752,430
	Less: Closing stock of finished goods		(130,072,537)	(56,711,510)
	Less: Decrease in finished goods		(73,361,027)	40,920
			<u>3,740,097,978</u>	<u>3,012,088,716</u>

28.1 Outside cost includes contract cost amounting to Rs 409.69 million (2020: Rs 330.58 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	2021 Rupees	2020 Rupees
Gratuity fund			
Current service cost		8,210,820	8,954,151
Interest cost		7,632,287	9,801,896
Expected return on plan assets		(8,359,767)	(8,952,649)
		<u>7,483,340</u>	<u>9,803,398</u>
Ex-gratia			
Current service cost		1,171,087	1,026,471
Interest cost		3,004,844	3,340,025
		<u>4,175,931</u>	<u>4,366,496</u>
Accumulated compensated absences			
Current service cost		342,613	397,486
Interest cost		1,004,162	1,851,435
Loss arising on present value of defined benefit obligation		1,012,711	(3,672,179)
		<u>2,359,486</u>	<u>(1,423,258)</u>

28.2.1 In addition to above, salaries, wages, amenities and staff welfare include Rs 11.50 million (2020: Rs 10.94 million) in respect of provident fund contribution by the Company.

	Note	2021 Rupees	2020 Rupees
29 Distribution and marketing expenses			
Salaries, wages, amenities and staff welfare	29.1	149,574,966	136,077,788
Staff training		-	462,259
Insurance		534,512	505,100
Travelling, conveyance and representations		11,469,059	10,030,762
Rent, rates and taxes		3,758,436	4,510,988
Publicity charges		4,351,988	3,050,764
Electricity, gas and water		3,100,134	2,006,140
Postage and telephone		3,585,577	3,651,372
Printing and stationery		970,475	649,341
Repairs and maintenance		4,023,923	1,204,838
Legal and professional charges		-	2,010,000
SAP user license fee and other IT services		17,972,961	15,333,933
Contract services		4,122,047	3,330,455
Forwarding expenses		42,198,833	39,070,823
Commission expenses		49,363,601	36,307,433
Loss allowance	29.3	13,583,437	18,882,532
Depreciation on property, plant and equipment	17.3	1,901,610	4,317,078
Amortization of intangible assets	18.1	4,003,415	4,003,415
Royalty and trademark	29.2	15,944,041	14,259,910
Other expenses		5,055,625	3,603,977
		<u>335,514,640</u>	<u>303,268,908</u>

29.1 Salaries, wages, amenities and staff welfare

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

	2021 Rupees	2020 Rupees
Gratuity fund		
Current service cost	4,524,329	5,322,769
Interest cost	4,205,546	5,826,709
Expected return on plan assets	(4,606,402)	(5,321,877)
	<u>4,123,473</u>	<u>5,827,601</u>
Accumulated compensated absences		
Current service cost	203,716	236,284
Interest cost	597,069	1,100,580
Loss arising on present value of defined benefit obligation	602,153	(2,182,916)
	<u>1,402,938</u>	<u>(846,052)</u>

29.1.1 In addition to above, salaries, wages, amenities and staff welfare include Rs 5.82 million (2020: Rs 5.84 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	2021 Rupees	2020 Rupees
Addition / (Reversal) of loss allowance on debtors- net of provision		17,312,129	(26,481,070)
Loss allowance on contract asset		-	43,503,602
(Reversal) / Addition of loss allowance on advance, deposits, prepayments and other receivables		(3,728,692)	1,860,000
		<u>13,583,437</u>	<u>18,882,532</u>

30 Administration expenses

Salaries, wages, amenities and staff welfare	30.1	147,081,728	127,620,427
Staff training		131,764	-
Insurance		727,424	714,846
Travelling, conveyance and representations		9,823,241	10,059,434
Rent, rates and taxes		3,446,265	7,013,237
Electricity, gas and water		4,648,653	3,076,466
Postage and telephone		3,289,646	3,440,644
Printing and stationery		1,849,682	1,772,835
Repairs and maintenance		3,890,310	4,479,575
Contract services		7,491,235	8,295,250
Professional services	30.2	11,704,519	6,156,372
SAP user licence fee & other IT services		12,149,722	10,365,739
Depreciation on property, plant and equipment	17.3	9,199,259	8,674,741
Amortization of Intangible assets	18.1	90,323	67,743
Other expenses		11,505,314	13,994,814
		<u>227,029,085</u>	<u>205,732,123</u>

30.1 Salaries, wages, amenities and staff welfare

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

	2021 Rupees	2020 Rupees
Gratuity fund		
Current service cost	4,021,626	4,294,547
Interest cost	3,738,264	4,701,139
Expected return on plan assets	(4,094,580)	(4,293,827)
	3,665,310	4,701,859
Accumulated compensated absences		
Current service cost	379,652	190,640
Interest cost	1,112,720	887,977
Loss arising on present value of defined benefit obligation	1,122,193	(1,761,233)
	2,614,565	(682,616)

30.1.1 In addition to above, salaries, wages, amenities and staff welfare include Rs 5.17 million (2020: Rs 6.14 million) in respect of provident fund contribution by the Company.

30.2 Audit and taxation services

The professional services include the following amounts relating to audit and taxation services:

	2021 Rupees	2020 Rupees
Statutory audit	926,888	842,625
Review of half yearly financial statements	282,480	256,800
Audit of funds, consolidation forms and sundry services	1,050,000	1,025,000
Taxation services	1,020,000	1,015,893
Out of pocket expenses	470,632	475,000
	3,750,000	3,615,318

31 Other operating expenses

Workers' profits participation fund	1,690,903	1,244,030
Workers' welfare fund	-	-
Donations	-	-
Exchange loss	-	10,527,181
	1,690,903	11,771,211

32 Other operating income

	Note	2021 Rupees	2020 Rupees
Income from financial assets:			
Profit on bank accounts		3,473,266	7,006,354
Exchange gain		17,061,010	-
		20,534,276	7,006,354
Income from non-financial assets:			
Commission		14,086,373	7,419,142
Rental income on investment property		2,834,684	4,832,151
Sale of scrap		11,758,846	7,035,562
Profit on sale of property, plant and equipment		3,074,960	5,667,690
Recognition of deferred government grant	10	12,349,783	4,845,510
Reversal of provision for workers' welfare fund		-	14,225,194
Reversal of provision for doubtful debts		7,416,066	-
Reversal of provision for obsolete and slow moving stock - net of provision		-	7,775,488
Provisions no longer considered necessary and unclaimed balances written back		28,147,644	23,613,607
Sundry income		10,092,668	2,428,819
		89,761,024	77,843,163
		110,295,300	84,849,517
33 Finance cost			
Mark-up on short term finances - secured	33.1	70,610,274	93,960,841
Mark-up on long term loan - secured	33.2	15,033,004	23,642,530
Mark-up on long term loan - secured	33.3	14,661,441	8,460,727
Bank and other charges		8,385,642	8,812,100
Interest payable on funds utilized by the Company		6,313	81,061
		108,696,674	134,957,259

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% (2020:7.70%) on SBP loan received for salaries and wages.

34 Taxation

		2021 Rupees	2020 Rupees
Current tax			
- Current year		54,248,347	52,335,911
- Prior year		-	-
		54,248,347	52,335,911
Deferred tax		(49,814,177)	(45,081,577)
		4,434,170	7,254,334
34.1 Tax expense on items recognized in other comprehensive (income) / loss			
Remeasurements of defined benefit liability / (asset)		371,428	(5,159,425)
		371,428	(5,159,425)
34.2 Relationship between tax expense and accounting profit		2021 %	2020 %
Applicable tax rate		29.00%	29.00%
Tax effect under presumptive tax regime and others		-131.43%	-169.80%
Effect of deferred tax not recognized on Minimum Tax not recognized		146.16%	187.56%
Effect of previously unrecognized deferred tax asset		-17.87%	-38.00%
Effect of deferred not previously recognized (Provision for doubtful debt)		-14.70%	0.00%
Permanent differences and others		-0.19%	19.48%
Effect of change in tax rates		-1.26%	3.77%
Impact on OCI		4.12%	-1.32%
Average effective tax rate charged to statement of profit or loss		13.83%	30.69%

35 Earnings per share**35.1 Basic earnings per share**

		Note	2021 Rupees	2020 Rupees
Profit for the year	Rupees		27,290,471	16,382,242
Weighted average number of ordinary shares	Numbers	5.2	13,200,000	13,200,000
Earnings per share	Rupees		2.07	1.24

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, 2021 which would have any effect on the earnings per share if the option to convert is exercised.

36	Cash generated from operations	Note	2021 Rupees	2020 Rupees
	Profit before taxation		31,724,641	23,636,576
	Adjustment for:			
	Depreciation of property, plant and equipment	17.3	147,975,760	150,422,284
	Amortization of intangible assets	18	8,549,339	8,926,766
	Loss allowance	29	13,583,437	18,882,532
	Reversal of loss allowance upon recovery of debts	32	(7,416,066)	-
	Profit on sale of property, plant and equipment	32	(3,074,960)	(5,667,690)
	Recognition of deferred government grant	32	(12,349,783)	(4,845,510)
	Reversal of provision for workers' welfare fund	32	-	(14,225,194)
	Reversal of provision for obsolete and slow moving stock	32	-	(7,775,488)
	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)	(23,613,607)
	Exchange gain	32	(17,061,010)	-
	Exchange loss	31	-	10,527,181
	Finance cost	33	108,696,674	134,957,259
	Provision for employees' retirement and other benefits	9	25,825,043	21,747,429
	Working capital changes	36.1	(543,456,391)	75,972,449
			<u>(268,150,960)</u>	<u>388,944,987</u>
	36.1 Working capital changes			
	(Increase)/decrease in current assets:			
	Stores, spares and loose tools		(3,829,820)	(41,891,125)
	Stock-in-trade		(774,986,352)	125,266,966
	Trade debts		(165,057,776)	(66,081,618)
	Contract asset		128,690,344	79,167,797
	Advances, deposits, prepayments and other receivables		(221,891,028)	(45,790,096)
			<u>(1,037,074,632)</u>	<u>50,671,924</u>
	Increase/(decrease) in current liabilities:			
	Trade and other payables		470,517,711	36,735,165
	Contract liabilities		18,735,074	(5,606,446)
	Due to provident fund		801,048	(81,179)
	Provisions for other liabilities and charges		3,564,408	(5,747,015)
			<u>493,618,241</u>	<u>25,300,525</u>
			<u>(543,456,391)</u>	<u>75,972,449</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 17.5. 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	2021 Rupees	2020 Rupees
Relationship with the Company	Nature of Transactions			
Holding Company	Sale of products		125,420,236	167,430,157
	Purchase of products		392,230,152	276,217,825
	Commission income		4,618,374	7,063,635
	Royalty and Trademark		15,944,041	14,259,910
	SAP user fee		71,891,843	61,335,733
	Dividend Paid		3,886,488	11,659,462
	Associated Companies	Sale of products		451,603,295
Purchase of products			74,390,654	190,509,589
Commission income			9,467,998	355,505
Commission expense			42,385,828	22,887,553
Staff retirement benefits	Expense charged in respect of			
	Ex-gratia scheme	9.1	4,175,931	4,366,496
	Gratuity fund	9.2	15,272,123	20,332,858
	Accumulated compensated absences	9.3	6,376,989	(2,951,925)
	Provident fund		22,481,728	22,924,020

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+Armatary s.r.o., Koncern	Czech Republic	Common Control	Nil

Name of Company	Country of incorporation	Basis of Association	Aggregate percentage of shareholding
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	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
Short term employee benefits						
Managerial remuneration	49,708,112	29,400,792	-	4,762,720	119,402,110	91,556,378
Bonus / sales incentive	12,633,587	7,500,000	1,740,000	-	29,666,886	26,303,921
Leave fare assistance	2,450,066	2,450,066	-	-	9,950,176	7,629,698
House rent	-	4,339,399	-	2,143,224	53,400,396	41,051,815
Utilities	-	1,392,669	-	476,272	11,940,211	9,122,626
Medical and other expenses	-	1,514,283	-	213,333	11,990,546	11,451,168
	64,791,765	46,597,209	1,740,000	7,595,549	236,350,325	187,115,606
Post employment benefits						
Contribution to gratuity and provident fund	6,170,245	5,390,145	-	952,544	19,739,805	18,288,420
	70,962,010	51,987,354	1,740,000	8,548,093	256,090,130	205,404,026
Number of persons	2*	1	-	1	56	46

*** 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 former Chief Executive and the Director during the year amounting to Rs 9.24 million (2020: Rs 8.44 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 4 directors (2020: 4 directors) was Rs 0.71 million (2020: Rs 0.65 million).

43 Financial risk management

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 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.

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.

	2021	2020
Advances deposits and other receivables - AED	-	-
Trade debts - AED	-	-
Trade and other payables - AED	(29,579)	(20,054)
Net exposure - AED	<u>(29,579)</u>	<u>(20,054)</u>
Advances deposits and other receivables - AUD	-	-
Trade debts - AUD	65,930	32,520
Trade and other payables - AUD	-	(1,772)
Net exposure - AUD	<u>65,930</u>	<u>30,748</u>
Advances deposits and other receivables - USD	31,840	34,668
Trade debts - USD	993,565	940,326
Trade and other payables - USD	(1,045,040)	(793,429)
Net exposure - USD	<u>(19,635)</u>	<u>181,565</u>

	2021	2020
Advances deposits and other receivables - CNY	-	-
Trade debts - CNY	-	-
Trade and other payables - CNY	(112,349)	(6,306)
Net exposure - CNY	<u>(112,349)</u>	<u>(6,306)</u>
Advances deposits and other receivables - EURO	6,281	2,272
Trade debts - EURO	196,649	172,006
Trade and other payables - EURO	(735,264)	(646,374)
Net exposure - EURO	<u>(532,334)</u>	<u>(472,096)</u>
Advances deposits and other receivables - GBP	-	-
Trade debts - GBP	-	-
Trade and other payables - GBP	-	-
Net exposure - GBP	<u>-</u>	<u>-</u>

The following significant exchange rates were applied during the year:

	2021 Rupees	2020 Rupees
Rupees per AED		
Average rate	45.68	42.83
Reporting date rate	47.84	43.51

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 0.07 million (2020: Rs 0.04) 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.

	2021 Rupees	2020 Rupees
Rupees per AUD		
Average rate	125.62	115.88
Reporting date rate	127.95	123.29

If the functional currency, at reporting date, had fluctuated by 5% against the AUD with all other variables held constant, the impact on profit before taxation for the year would have been Rs 0.42 million (2020: Rs 0.19) 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.

	2021 Rupees	2020 Rupees
Rupees per USD		
Average rate	168.12	157.34
Reporting date rate	176.40	159.83

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 0.17 million (2020: Rs 1.45 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.

	2021 Rupees	2020 Rupees
Rupees per CNY		
Average rate	23.46	23.46
Reporting date rate	27.77	24.51

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 0.16 million (2020: Rs 0.01 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.

	2021 Rupees	2020 Rupees
Rupees per EURO		
Average rate	198.22	185.06
Reporting date rate	199.80	196.64

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 5.32 million (2020: Rs 4.64 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.

	2021 Rupees	2020 Rupees
Rupees per GBP		
Average rate	228.11	210.88
Reporting date rate	237.77	218.45

If the functional currency, at reporting date, had fluctuated by 5% against the GBP with all other variables held constant, the impact on profit before taxation for the year would have been Rs 0 million (2020: Rs 0 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.

At the statement of financial position date, the interest rate profile of the Company's interest bearing financial instruments was:

	2021 Rupees	2020 Rupees
Fixed rate instruments		
Term deposit receipt	20,000,000	20,000,000
Floating rate Instruments		
Financial assets		
Bank balances - savings	200,841,969	37,140,764
Financial liabilities		
Short term finances - secured	1,575,741,307	670,300,329
Long term finances - secured	-	250,231,042
Current portion of long term finances- secured	255,746,149	221,946,967

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 15.76 million (2020: Rs 6.70 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:

	2021 Rupees	2020 Rupees
Long term loans and deposits	13,306,372	70,909,142
Trade debts	1,700,062,560	1,495,563,167
Contract assets	607,191,746	735,882,090
Loans, advances, deposits, prepayments and other receivables	118,434,883	130,515,955
Balances with banks	258,946,846	65,659,824
	<u>2,697,942,407</u>	<u>2,498,530,178</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:

	2021			2020		
	Expected loss rate %	Gross carrying amount Rupees	Loss Allowance Rupees	Expected loss rate %	Gross carrying amount Rupees	Loss Allowance Rupees
Impaired and not overdue	6.11%	53,141,223	3,249,547	6.05%	28,323,994	1,714,546
0 - 30 days	6.11%	304,856,781	18,641,769	6.05%	46,426,888	2,810,374
31 - 90 days	6.11%	35,837,960	2,191,465	6.05%	16,192,225	980,169
91 - 180 days	6.11%	15,322,541	936,962	6.05%	49,250,333	2,981,287
181 - 360 days	6.11%	31,968,413	1,954,845	6.05%	35,078,488	2,123,418
over 360 days	16.28%	404,611,428	65,874,175	15.52%	435,986,430	67,664,013
		<u>845,738,346</u>	<u>92,848,763</u>		<u>611,258,358</u>	<u>78,273,807</u>

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

	2021			2020		
	Expected loss rate %	Gross carrying amount Rupees	Loss Allowance Rupees	Expected loss rate %	Gross carrying amount Rupees	Loss Allowance Rupees
Impaired and not overdue	0.07%	172,540,499	127,466	0.00%	304,618,407	232,251.00
0 - 30 days	0.08%	88,827,901	71,228	0.48%	65,712,623	106,484
31 - 90 days	0.10%	114,117,681	116,046	0.40%	134,522,422	268,165
91 - 180 days	0.16%	39,405,480	62,493	0.45%	73,921,667	220,769
181 - 360 days	0.21%	35,670,250	75,728	0.39%	30,240,593	125,552
over 360 days	10.61%	183,671,086	19,807,642	17.91%	109,627,383	19,423,953
		<u>634,232,897</u>	<u>20,260,603</u>		<u>718,643,095</u>	<u>20,377,174</u>

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

	2021 Gross carrying amount Rupees	2020 Gross carrying amount Rupees
Impaired and not overdue	156,454,953	69,629,943
0 - 30 days	27,673,209	60,086,790
31 - 90 days	7,522,255	14,591,737
91 - 180 days	13,266,921	13,108,578
181 - 360 days	10,047,288	4,754,349
over 360 days	5,126,692	3,490,317
	220,091,318	165,661,714

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

	2021 Rupees	2020 Rupees
The age of loans, advances, deposits, prepayments and other receivables		
- Not past due	-	-
- Past due 0 - 180 days	14,832,448	29,104,912
- Past due 181 - 365 days	29,301,715	29,705,205
- Over 365 days	74,300,720	71,705,838
	118,434,883	130,515,955
The age of impairment loss against loans, advances, deposits, prepayments and other receivables		
- Not past due	-	-
- Past due 0 - 180 days	-	-
- Past due 181 - 365 days	-	-
- Over 365 days	17,975,045	22,695,199
	17,975,045	22,695,199
The age of loans, advances, deposits, prepayments and other receivables from related parties		
- Not past due	-	-
- Past due 0 - 180 days	4,747,731	5,798,144
- Past due 181 - 365 days	1,933,927	-
- Over 365 days	190,066	204,199
	6,871,724	6,002,343

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	2021 Rupees	2020 Rupees
	Short term	Long term			
National Bank of Pakistan	A1+	AAA	VIS	4,471,762	3,513,957
MCB Bank Limited	A1+	AAA	PACRA	26,016,836	16,397,936
United Bank Limited	A1+	AAA	VIS	576,783	1,429,020
Deutsche Bank A.G.	A2	BBB+	Fitch	769,811	162,590
Habib Bank Limited	A1+	AAA	VIS	206,525,327	20,375,262
BankIslami Limited	A1	A+	PACRA	20,586,327	23,781,059
				258,946,846	65,659,824

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, 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>

The following are the contractual maturities of financial liabilities as at December 31, 2020

	Carrying amount	Less than one year	One to five years	More than five years
	Rupees	Rupees	Rupees	Rupees
Trade and other payables	1,393,225,998	1,393,225,998	-	-
Unclaimed dividends	10,083,405	10,083,405	-	-
Short term finances - secured	670,300,329	670,300,329	-	-
Long term finances - secured	472,178,009	221,946,967	250,231,042	-
	<u>2,545,787,741</u>	<u>2,295,556,699</u>	<u>250,231,042</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	
	2021 Rupees	2020 Rupees
Assets as per statement of financial position		
Long term loans and deposits	13,306,372	70,909,142
Trade debts	1,586,953,194	1,396,912,186
Loans, advances, deposits, prepayments and other receivables	852,615,878	587,017,447
Cash and bank balances	259,527,224	66,106,530
	<u>2,712,402,668</u>	<u>2,120,945,305</u>

	Financial liabilities at amortized cost	
	2021 Rupees	2020 Rupees
Liabilities as per statement of financial position		
Trade and other payables	1,871,991,802	1,393,225,998
Unclaimed dividends	10,110,541	10,083,405
Short term finances - secured	1,575,741,307	670,300,329
Long term finances-secured	255,746,149	472,178,009
	3,713,589,799	2,545,787,741

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, 2021 of Rs 0.85 (2020: Rs 0.50) per share, amounting to Rs 11.22 million (2020: Rs 6.60 million) at their meeting held on March 16, 2022 for approval of members at the Annual General Meeting to be held on April 27, 2022. The board has also proposed transfer of Rs 15.00 million (2020: Rs 22.50 million) to general reserve from unappropriated profit. These financial statements do not reflect this dividend payable and other appropriations.

44.2 Subsequent to the year ended December 31, 2021, the Company has finalized the final settlement of the former Chief Executive Officer and the impact of which has been recorded in these financial statements as it is an adjusting event in line with the requirements of IAS 10 'Events after reporting date'.

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.

	2021 Rupees	2020 Rupees
Short term finances - secured	1,575,741,307	670,300,329
Long term loan - secured	-	250,231,042
Current maturity of long term finances - secured	255,746,149	221,946,967
Accrued finance cost	29,316,153	18,154,767
Total Debt	1,860,803,609	1,160,633,105
Share capital	132,000,000	132,000,000
Reserves	1,854,568,579	1,835,112,034
Total Equity	1,986,568,579	1,967,112,034
Total equity and liability	3,847,372,188	3,127,745,139
Gearing ratio	48%	37%
46 Number of employees	2021	2020
Number of employees at year end	311	310
Average number of employees during the year	302	294

47 Date of authorization for issue

These financial statements were authorized for issue on March 16, 2022 by the Board of Directors of the Company.

48 Corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017. However, no significant reclassifications have been made.



Chairman



Chief Executive



Chief Financial Officer

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 27th April 2022, at 3:30 p.m. at Hotel Four Points Sheraton 25 - 26 Egerton Road, Lahore, to transact and at any

Signed this _____ day _____ of 2022.

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 بیکریٹری
کے ایس بی بی ایس کمپنی لمیٹڈ

16/2 سر آغا خان روڈ، لاہور۔ 54000

میں مسی اسماء _____ ساکن _____

ضلع _____ بحیثیت ممبر کے ایس بی بی ایس کمپنی لمیٹڈ، حاصل _____ شیئرز برطانیق شیئرز رجسٹرڈ فیو نمبر _____

اور ایسی ڈی سی پارٹیشن آئی ڈی نمبر _____ اور سب اکاؤنٹ نمبر _____

مسی اسماء _____ ساکن _____

کو بطور مقرر (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے سالانہ اجلاس عام جو تاریخ 27 اپریل 2022ء بروز بدھ منعقد ہو رہا ہے۔ میں اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

تاریخ _____

دستخط _____

نام _____

ایڈریس _____

شناختی کارڈ نمبر _____

پانچ روپے کی
ریونیوسٹیٹیمپ پر
دستخط

نوٹ:

- 1 ہر لحاظ سے مصلحت دیکھ کر یہ فارم میٹنگ 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 اسٹوڈینٹس آف پراکسی جمع کرواتا ہے تو اس صورت میں تمام اسٹوڈینٹس آف پراکسی کا حکم قرار دیے 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 میٹنگ کے وقت دکھانا ہوگا۔
 - (iii) کارپوریٹ ادارے کی صورت میں یورڈ آف ڈائریکٹرز کی قرارداد اور آف انٹرنی بھد دستخط کے نمونے (اگر پہلے جمع نہ کروایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کروانی ہوگی۔

اظہار شکر

بورڈ آف ڈائریکٹرز اپنے تمام اسٹیک ہولڈرز، قابل قدر صارفین، حصص یافتگان، بینکاروں، سپلائرز، فرنیچر پارٹنرز اور ڈیلرز کا کہنی کی سال بھر قابل قدر حمایت فراہم کرنے کا شکریہ ادا کرتے ہیں۔ بورڈ اپنی ہیڈ کوارٹرز میں سرز 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 2022 کے لئے نیک خواہشات کا اظہار کرتا ہے۔

منجانب بورڈ



شیراودہ منظر
ڈائریکٹر



عمران فقی
چیف ایگزیکٹو آفیسر ایم ڈی
لاہور 16 مارچ 2022ء

- 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 گورننگ کسٹرن 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۔
- گزشتہ چھ سالوں کا کلیدی اور مالی اعداد و شمار رپورٹ کے ہمراہ منسلک ہے۔
- فنڈز سے متعلقہ غیر نظر ثانی شدہ حسابات پوئی مجموعی سود سمیت سرمایہ کاری کی قدر حسب ذیل ہے:

1-	پراویڈنٹ فنڈ 31 دسمبر 2020 : 209.236	ملین روپے
2-	گرینجیوٹی فنڈ 31 دسمبر 2020 : 164.364	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۔

نمونہ حصص داری

31 دسمبر 2021ء کو کمپنی کے نمونہ 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۔

نمبر شمار	نام ڈائریکٹر	حاضری کی تعداد
1	جناب جمال نسیم - چیئر مین آزاد ڈائریکٹر	4
2	Mr. Dieter Antonius Pott - رکن نان ایگزیکٹو ڈائریکٹر	3
3	جناب شہزادہ مظہر - رکن آزاد ڈائریکٹر	4
4	جناب ساجد ایم اعوان - رکن نان ایگزیکٹو ڈائریکٹر	3

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:

نمبر شمار	نام ڈائریکٹر	حاضری کی تعداد
1	جناب شہزادہ مظہر - چیئر مین آزاد ڈائریکٹر	1
2	جناب حسن عزیز بلگرامی - رکن نان ایگزیکٹو ڈائریکٹر	1
3	جناب ساجد محمود اعوان - رکن چیف ایگزیکٹو آفیسر	1

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 مینیجنگ ڈائریکٹر یا کل وقتی کام کرنے والے ڈائریکٹر کے علاوہ ہر ایک ڈائریکٹر کی اجلاس فیس بورڈ آف ڈائریکٹرز کی طرف سے متعین کی جائے گی۔
- 3- مشاہرہ ویلویو ایڈیشن کی حوصلہ افزائی کے لئے کافی ہوگا۔
- 4- مشاہرہ کمیٹی 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 ہاؤس اور دیگر اخراجات کے حقدار ہوں گے۔

ہولڈنگ کمپنی

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

مجلس نظام

موجودہ مجلس نظام آٹھ افراد پر مشتمل ہے جس میں سے سات نان ایگزیکٹو ہیں۔

بورڈ کے چیئرمین، سی ای او اور نان ایگزیکٹو ڈائریکٹر 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 محمد مسعود اختر	2
3	جناب عمران غنی	2
4	جناب ساجد محمود اعوان	3
5	Mr. Dieter Antonius Pott	3
6	محترمہ عائشہ عزیز	3
07	جناب حسن عزیز بلگرامی	3
08	جناب جمال نسیم	4
09	جناب شہزادہ مظہر	4
10	جناب آصف ملک	1

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:

پر آرڈر لینا شروع کر دے گا۔

ہم اپنی توجہ پرائیویٹ سیکٹر، صنعت اور نئے شعبوں پر بڑھائیں گے۔ ہمیں حال ہی میں سینٹ پلانٹ کے اسپتیر پارٹس کا پہلا آرڈر ملا ہے۔ یہ ایک نیا شعبہ ہے جسے ہم ایک سال سے زائد عرصہ سے تیار کرنے کی کوشش کر رہے ہیں۔ توقع ہے کہ سال 2022 چیلنجنگ لیکن پرجوش سال ہوگا اور ہمیں آرڈر اسٹیک کے ساتھ ساتھ منافع کے اہداف حاصل ہونے کا یقین ہے۔

تصرفات

روپے '000'	سالانہ نتائج
31,724	قبل از ٹیکس سالانہ منافع
(4,434)	ٹیکس کی فراہمی
27,290	بعد از ٹیکس منافع
(1,234)	دیگر مجموعی سالانہ آمدن / (تقصان)۔ ٹیکس کے بغیر
412	غیر تصرفاتی منافع جو آگے آیا
26,468	تصرفات کی دستیابی
	تصرف
15,000	عام ریزرو کے لئے منتقل
11,220	تجویز کردہ منافع منقسمہ بشرح 0.50 روپے فی شیئر
248	غیر موزوں منافع جو آگے گیا

محاسب

موجودہ محاسب، اے ایف فرگوسن ایڈکمپنی، 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 2022 کو ختم ہونے والے سال کے لئے کمیٹی 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۔ ہر سطح پر تمام ملازمین کے لئے ضابطہ اخلاق کی تعمیل لازمی ہے۔ ضابطہ اخلاق کمیٹی کی ویب سائٹ پر بھی رکھ دیا گیا ہے۔

مادی تہدیلیاں

31 دسمبر 2021 کے بعد کوئی مادی تہدیلیاں نہیں ہوئی ہیں اور کمیٹی کسی بھی وعدہ میں داخل نہیں ہوئی، جو بیلیٹس شیٹ کی تاریخ تک اس کی مالی پوزیشن کو متاثر کرے گا۔

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 کیونٹی کی بھلائی میں موثر شراکت داری کرتے ہوئے پائیدار نمو میں یقین رکھتی ہے۔ جرمنی میں ہماری پیرنٹ 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 ریڈیکو 1122 کے نئے قائم شدہ دفتر کو دفتری فرنیچر اور پینے کے ٹھنڈے پانی کی دستیابی کو یقینی بنانے کے لئے اپرنٹس شپ ڈائریکٹوریٹ کو واٹر ڈسپنسر فراہم کیا گیا۔ مزید برآں، ہم طالب علموں کو انٹرنیشنل، اپرنٹس شپس، ٹریننگ کے مواقع، مطالعاتی دوروں اور مطالعاتی منصوبوں کی پیشکش کرتے ہیں۔

مستقبل کا نقطہ نظر

فروخت اور منصوبے

بیس اور والوز کے کاروبار کے امکانات، تمام اہم شعبوں کے لئے معیاری اور اعلیٰ انجینئر ڈمارکیٹ دونوں میں بڑی امید ہیں۔ اگرچہ پہلی ششماہی معمول کے کاروباری اعداد سے زیادہ رہنے کی توقع ہے۔ انتخابات سے قبل ترقیاتی اقدامات کو مد نظر رکھتے ہوئے، سال کی دوسری ششماہی میں گورنمنٹ شیعہ کی سرگرمیاں بڑھنے کا امکان ہے، اور ہم امید 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 2022 میں برقرار رہیں گی۔

ہم شوگر اور اسٹیل کے شعبوں میں بھی ترقی کی توقع رکھتے ہیں کیونکہ کچھ توسیع کی منصوبہ بندی کی گئی ہے، اور KSB پاکستان کی مصنوعات کا پورٹ فولیو اور بنیادی ڈھانچہ اس شعبے میں ہماری مہارت کو مد نظر رکھتے ہوئے ہمارے گاہکوں کو بہترین خدمات فراہم کرنے کے لیے تیار ہے۔ آٹو سیکٹر کی مضبوط ترقی کے جذبات کو دیکھتے ہوئے آٹو پارٹس کے کاروبار میں بھی اضافہ متوقع ہے۔ اس سال آٹو سیکٹر میں نئی مصنوعات کی رونمائی سے ہمارے کاروباری نقطہ نظر کو تقویت ملے گی۔ برآمدی کاروبار کے بھی کچھ مضبوط امکانات ہیں، اور ہم خطے میں بیس کے لیے اپنی خام کاسٹنگ کی برآمد کی مزید توقع کرتے ہیں اور سال 2022 کے اندر کچھ اہم آرڈرز متوقع ہیں۔

مستقبل میں پائیدار ترقی کے ساتھ KSB پاکستان کے مارکیٹ شیئر میں توسیع کلیدی فوکل پوائنٹ رہے گی اور کلیدی اقدامات کے لیے موثر کارپوریٹ کیونٹیکیشن پر انحصار کرے گا۔

KSB سپریم سرود

KSB سپریم سرود کا مقصد موجودہ سال میں حجم کی نمو حاصل کرنا ہے جس میں ریورس انجینئرنگ سمیت انڈسٹری کے شعبے میں کاروبار کے مواقع کو ہدف بنایا جا رہا ہے۔

ہم ریورس انجینئرنگ کے پرزہ جات اور سرودس جابز کے لیے سمندری اور صنعت میں نئے مواقع تلاش کر رہے ہیں۔ ہم GENCO اور کھاد کی صنعت سے یکساں آرڈر کی توقع کرتے ہیں۔ KSB پاکستان MEA خطے میں ریورس انجینئرنگ کا مرکز ہونے کے ناطے خطے کے دیگر ممالک سے بڑے پیمانے

خطرے سے پیدا ہونے والے کے مقابلے میں دیگر) آیا کہ یہ تبدیلیاں انفرادی مالی آئد 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 آئد 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۔ مختصر شرح پر 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 پورڈ 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 سکیلر 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 کاروباری متحرک نوعیت کی وجہ سے، کمپنی کا فنانس ڈیپارٹمنٹ تفویض کریڈٹ لائسنز کے تحت مالی دستیابی کو برقرار رکھ کر فنڈز کی فراہمی میں چلک پذیری کو برقرار رکھتا ہے۔

مینجمنٹ متوقع نقد بہاؤ کی بنیاد پر کمپنی کے کیش اور نقدی کے مساوی کی پوزیشن کوئی 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 انضمامی تقاضوں کے خلاف بیلنس شیٹ لیکویڈیٹی تناسب کی نگرانی، اور قرض فنانس منسویوں 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۔

ہم لوگ، جذبہ اور کارکردگی کے اپنے نصب العین پر رہتے ہیں۔ ملازمین کی فلاح و بہبود اور صحت کی دیکھ بھال کے بڑھتے ہوئے اخراجات پر زیادہ توجہ کے ساتھ، زندگی اور صحت کی بیمہ پالیسیوں کو اگلے درجے پر پورا اٹا کر دیا گیا ہے۔ کارکردگی کی جانچ کے عمل کو اپ ڈیٹ کیا گیا ہے اور زیادہ ممکنہ امیدواروں کو واضح ترقیاتی منصوبوں کے ساتھ میپ کیا جا رہا ہے۔

بدلتے ادوار میں چیلنجز کا مقابلہ کرنے کے لیے اپنی افرادی قوت کو تیار کرنے کے ہمارے عزم کے مطابق، KSB پاکستان کے ملازمین نے 1512 گھنٹے کی تربیت مکمل کی۔ سال "سچو شٹل لیڈرشپ" II پر ایک وسیع دوروزہ ورکشاپ کے ساتھ مکمل ہوا جس کا مقصد ٹیم کی ضروریات کو پورا کرنے کے لیے ہر منفرصہ صورتحال یا کام کے لیے انتظامی انداز کو ڈھالنا ہے۔ 59 سینئر اور منڈل مینیجرز نے کامیابی سے تربیت مکمل کی۔

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 کارسک)، 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 فنانس 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 کارسک شامل ہے۔

فارن ایکسچینج رسک ایک خطرہ ہے کہ مالی آلہ کی مناسب قدر یا مستقبل کے نقدی کے بہاؤ میں غیر ملکی زر مبادلہ 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 زر مبادلہ 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

صحت، حفاظت اور ماحول کی پائیداری کے قومی اور بین الاقوامی معیارات کی تعمیل کے اعتراف میں، ہم ایک اور قومی سالانہ ایوارڈ برائے انوائزمنٹ ایکسیلنس حاصل کرنے میں کامیاب ہوئے، جو لگاتار 15 واں ایوارڈ ہے۔

KSB سپریم سروس

کوویڈ-19 کی وجہ سے سال 2020 سے ہونے کے بعد سال 2021 ایک اچھا سال رہا ہے۔ صنعت کے لیے کاروباری سرگرمی سست رہی، تاہم، KSB سپریم سروس ریورس انجینئرنگ پر مبنی چند اچھی سروس پروڈیکٹس حاصل کرنے میں کامیاب رہا اور سال 2021 کے انڈر فاسٹ ٹریک پر بڑے آرڈر کو مکمل کرنے میں کامیاب رہا۔ اسپتیر پائرس کے کاروبار میں سست روی کا سامنا کرنا پڑا لیکن لاگت پر قابو پانے کے موثر اقدامات کے ذریعے منافع کو برقرار رکھا گیا۔ سروس ورکشاپ پر بڑے اور ہائی ٹیک پیمپوں کا قبضہ تھا۔ ورکشاپ میں موصول اور اور ہالڈ ہونے والے سب سے بڑے پیمپوں میں سے ایک GENCO کا ایک Mather اور Plats تھا جو سائٹ پر کھٹنگ کے تحت ہے۔

ریورس انجینئرنگ سیکمنٹ نے بہت اچھی کارکردگی کا مظاہرہ کیا۔ ہم نے ریورس انجینئر ڈپارٹمنٹ کے لیے ایک معروف فریڈلائزر پلانٹ کے ساتھ MOU پر دستخط کیے ہیں۔ KSB سپریم سروس ٹیم کے پاس ریورس انجینئرنگ کی مہارت کی وجہ سے نان KSB پیمپس کے لیے ہمارے تمام بڑے سروس/اور ہالڈنگ آرڈرز ممکن ہوئے۔

انسانی وسائل

سال 2021 کی خصوصیت دہائی مرض کے خلاف ہمارے بڑے عزم و عمل اور سخت بحالی کے مرحلے میں ملازمین کو تیار کرنے، ان کی رہنمائی اور مدد کرنے کے لیے اپنی پروڈکشن کی حکمت عملیوں کو دوبارہ ترتیب دینے سے تھی۔ ہم نے عالمی اور مقامی دہائی امراض کی مسلسل لہروں اور اس کے نتیجے میں ہونے والے اثرات کی نئی حقیقت کو مد نظر رکھتے ہوئے ایک مستقل تبدیلی کی۔

یہ ایس او پیز کی نئی سے بیرونی اور ایک دوسرے کی حفاظت اور بہبود پر زیادہ زور دینے سے ممکن ہوا۔ شکر ہے، جیسے ہی ویکسین دستیاب ہوئیں، ہمارے عملے نے ذمہ داری دکھائی، ہم اپنی افرادی قوت کو ویکسین لگوانے میں کامیاب ہوئے، جیسا کہ اور جب ویکسین ان کے متعلقہ عمر کے گروپوں کے لیے دستیاب ہوئی تھی۔ ہم نے ویکسینیشن مہم کا اہتمام کیا، جہاں ملازمین اور ان کے اہل خانہ بغیر کسی پریشانی کے ان سہولیات سے فائدہ اٹھانے کے قابل تھے۔ ان غیر یقینی اوقات میں، ہماری سرشار افرادی قوت نے انہم کاروباری اہداف بھی مکمل کیے، سروس کے کام کیے، اور صارفین کے ساتھ مسلسل رابطے میں رہے۔

"وژن 2025"

ہم سال 2025 تک اپنی آمدنی کو دوگنا کرنے چاہتے ہیں۔

ہم ماضی کی حکمت عملیوں سے مستقبل کی جنگ نہیں جیت سکتے۔ اس کا احساس کرتے ہوئے، ایک نئی تنظیم کا قیام عمل میں لایا گیا ہے جس میں واضح طور پر نقطہ نظر کسٹمر پر مرکوز رکھا گیا ہے۔ فرنٹ انڈر کا ہیک کی ضروریات فراہم کرے گا جس کی مدد سے بیک انڈر آرگنائزیشن کی مدد کی جائے گی جو فرنٹ انڈر کی فروخت کردہ پروڈکٹ پورٹ فولیو تیار کرے گی۔ باقی مشترکہ سروس تنظیم فرنٹ انڈر اور بیک انڈر دونوں 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 صلاحیت 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۔

باقاعدہ مارکیٹنگ اور صارفین کی توجہ حاصل کرنے کی مہمات کے ساتھ ساتھ ہماری مضبوط پراڈکٹ تنوع اور توسیعی پروگرام نہ صرف مختلف شعبوں میں مارکیٹ شیئر بڑھانے کے لئے بلکہ نئے کاروباری افق کو بھی تلاش کرنے کے لئے ہماری مدد کر رہے ہیں۔

منصوبے

KSB پاکستان کے پروڈیکٹس اینڈ ایکلیکیشن ڈیپارٹمنٹ کی پچھلے سالوں میں تنظیم نو کی گئی 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۔ KSB پاکستان نے پنجاب آب پاک اتھارٹی میں فیصل آباد اور ملتان اضلاع کے لیے چند بڑے منصوبے حاصل کیے ہیں۔ مزید برآں، دیگر جزل کنٹریکٹرز نے ہمارے مسابقتی اور معیاری فلٹریشن پلانٹس پر اعتماد ظاہر کیا، جس سے راولپنڈی، لاہور اور ساہیوال اضلاع میں ہمارے فلٹریشن پروڈکٹ فٹ پرنٹس میں اضافہ ہوا۔

فلٹریشن، ٹیوب ویلز اور ڈسپوزل سٹیشنز کے لیے O&M جابز و اسالاہور کے ذریعے بنیادی طور پر لاہور کے اضلاع کے لیے معاہدوں کے مطابق انجام دی گئیں۔ کمپنی نے کراچی واٹر اینڈ سیوریج بورڈ کی جانب سے 100 ایم جی ڈی صلاحیت کے پمپ اسٹیشن کی تعمیر کے لیے ہمارے میگا پروجیکٹ کا دوسرا مرحلہ کامیابی سے مکمل کر لیا ہے۔ موثر اور لاگت بچانے والے انداز میں زبردست منصوبوں کی بندش ہماری توجہ کا بنیادی شعبہ ہے۔

پیداوار

KSB پاکستان آپریشنز مینوفیکچرنگ کے تمام شعبوں میں لیبن منصوبوں پر مسلسل کام کر رہا ہے جس کے لیے پراسیس میں مواد (فضلہ) کو کم کرنے، سنگل لائن فلو، کوالٹی کو بہتر بنانے اور بند لوپ آپریشنز کے لیے کوالٹی 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 ہے۔

ہمارا درمیانی مدت کا منصوبہ عالمی بہترین طریقوں کے مطابق پیداوار کی درستگی اور اصلاح میں بہتری پر زور دیتا ہے۔ مسابقتی ماحول میں درپوش چیلنجز اور ہمارے قابل قدر صارفین کی توقعات کو پورا کرنے کے لیے، KSB پاکستان کے آپریشنز پورس انجینئرنگ کے شعبے میں نئی ترقیاتی سرگرمیوں کے لیے تیار ہیں۔ اس مقصد کے لیے، ایک نئی سال کپسٹی فرنیس کی خریداری پائپ لائن میں ہے۔ یہ شمولیت ہمیں نہ صرف کم لیڈ ٹائم کے ساتھ پرزے فراہم کرنے کے قابل بنائے گی بلکہ گھمانے کے معاملے میں لاگت کی بچت کو یقینی بنائے گی۔ نئے فیلٹنگ ایریا کی شمولیت سے سنگل بہاؤ کے عمل کو بہتر بنانے میں بھی مدد ملے گی اور اس سے ترسیل میں کارکردگی اور مستقبل کی کاروباری طلب کو پورا کرنے کی صلاحیت میں اضافہ ہوگا۔

معیار، ماحولیات، پیشہ ورانہ صحت اور تحفظ

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

KSB سٹیس کمپنی لیڈنگ ایگریگٹڈ 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 جرمی میں ہماری ہیئرٹ کمپنی کے بیرونی جائزہ کے علاوہ ہماری مصنوعات، عوامل اور خدمات کے باقاعدگی سے بیرونی جائزے لئے جاتے ہیں۔

KSB پاکستان پلانٹ ہمارے پرنسپل سے مصدقہ "KSB کی ساختہ MbK" ہے۔ تصدیق کا مطلب یہ ہے کہ پاکستان میں تیار کی جانے والی مصنوعات معیار اور کوالٹی میں پورا اترتی ہیں گویا کہ جرمی میں بنائی گئی ہیں۔

اب تک صحت مند ہے، جس کے مثبت اثرات معاشی نمو کو محفوظ رکھنے یا کم از کم مزید بگاڑ سے بچنے کے لیے ہیں۔ آئندہ اچھا سال کے تناظر میں، عوامی شعبے کی سرگرمیاں دوبارہ شروع ہونے، اور سال کی دوسری ششماہی میں تیز ہونے کی توقع ہے، پھر بھی، جاری مالی استحکام کے اقدامات سست روی کے اثرات مرتب کریں گے۔ نمو کے منفی خطرات زیادہ رہے ہیں۔ جغرافیائی سیاسی تناؤ، خاص طور پر مشرقی یورپ کی صورت حال، تیل کی قیمتوں میں مزید اضافہ کرے گی اور پہلے سے ہی زیادہ افراط زر میں اضافہ کرے گی۔ ملک میں سلامتی اور امن و امان کی صورتحال قابو میں رہی، تاہم سیاسی عدم استحکام پبلک سیکٹور کی کارکردگی بالخصوص اور مجموعی طور پر معاشی سرگرمیاں متاثر کر سکتا ہے۔ COVID-19 دیرینہ کے دوبارہ پیدا ہونے کا خطرہ موجود ہے تاہم ملک بھر میں ویکسینیشن جہم اور حکومت کی طرف سے اٹھائے گئے سمارٹ لاک ڈاؤن اقدامات کی بنیاد پر، مجموعی سرگرمی کم متاثر ہونے کی توقع ہے۔ پائیدار اقتصادی ترقی کو یقینی بنانے کے لیے رکاوٹوں کو دور کرنے اور ساختی اصلاحات کو آسان بنانے کے لیے مزید مضبوط اور پر عزم کوششوں کی ضرورت ہے۔

کمپنی

مالیاتی نتائج

پاکستان کی کارکردگی سال 2021 میں ریونیو کے نمبرز میں نمایاں اضافے کے ساتھ مثبت رہی۔ منافع بنیادی طور پر سہولتی میں رکاوٹ 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 2021 روپے، 000، میں	سال 2020 روپے، 000، میں	
4,334,459	3,606,605	فروخت
594,360	594,517	مجموعی منافع
140,421	158,594	سود اور ٹیکس سے پہلے منافع
31,725	23,636	ٹیکس سے پہلے منافع
27,290	16,382	سالانہ منافع / (نقصان)
2.07	1.24	فی شیئر آمدنی (EPS)

فروخت

سال 2021 پمپس اور والوز کے کاروبار کے لیے صحت مند سال تھا، پہلی ششماہی میں سست اقتصادی سرگرمی کے باوجود، کسٹمر آرڈر کی مقدار میں نمایاں اضافہ دیکھا گیا۔ جنرل انڈسٹری، پیٹرو / کیمیکل، بلڈنگ سروسز اور انٹرکمپنی ایکسپورٹ کاروبار سال 2020 کے دوران نمودار کرنے والے اہم شعبے تھے۔ آٹوموٹیو سیکٹر سے فائوڈری کے کاروبار نے بھی اضافہ کے رجحانات ظاہر کئے، اور اس مدت کے لیے ایک صحت مند آمدنی ریکارڈ کی گئی۔ پبلک سیکٹر میں سست ترقیاتی سرگرمی کے نتیجے میں وائر میں کاروبار کا احتمال پسند رجحان رہا، جو کہ مارکیٹ کے اہم شعبوں میں سے ایک ہے۔ ان چیلنجوں کے باوجود، کمپنی PICIP، WASAs، متفرق میونسپل کارپوریشنز اور پنجاب کے مختلف اضلاع کے پرائیوٹ بلڈنگ ڈیپارٹمنٹس سے چند اچھے پراجیکٹس حاصل کرنے میں کامیاب رہی۔ متبادل چینل نیٹ ورک (KSB ایکسکلو سو پارٹنر اور مجاز ڈسٹری بیوٹر) KSB کے گاہکوں کے لیے معیاری پمپس کے لیے آسانی سے دستیاب اسٹاک کے ساتھ پائیدار مختلف کاروبار کا بنیادی محرک رہا۔

حصص داران کے لئے مجلس نغماء کی رپورٹ

KSB پيس كميٽي لميٽڊ كے نغماء 31 ڊسمبر 2021 كو ختم هونے والے سال كی سالانہ رپورٹ معہ نظر ثانی شدہ مالیاتی كھاتوں اور اس پر محاسب كی رپورٹ پیش كرتے ہوئے خوشی محسوس كرتے ہیں۔

اقتصادیات

عالمی معیشت

COVID كی بار بار آنے والی لہروں اور نئی عائد كردہ پابندیوں سے متاثر ہونے کے بعد، عالمی اقتصادی نقطہ نظر گزشتہ توقعات سے كم رہے گا۔ عالمی سپلائی چین میں ركاوٹوں، ایندھن اور توانائی كی بڑھتی ہوئی قیمتوں، كی كی سب سے بڑی وجہ خوراك کے مہنگا ہونے کے ساتھ، مجموعی نقطہ نظر سال 2022 میں 4.4 فیصد پر معتدل اور سال 2023 میں مزید 3.8 فیصد تک گر جائے گا۔ سال 2022 میں افراط زر كی پیشین گوئی بھی زیادہ رہی؛ اس تعداد میں كی كی توقع ہے كیونكہ سپلائی چین میں ركاوٹیں آخر كار كم ہو جائیں گی اور طلب اور رسد میں عدم توازن درمیانی مدت میں كم ہو جائے گا۔ اگر چہ نئے كوویڈ ویرینٹس كی قسم كم خطرناك ہے، تاہم، زیادہ منتقلی نے مجموعی نقل و حرکت كو متاثر كیا ہے۔ بالآخر، كیسز كی تعداد میں كی اور نئے كوویڈ ویرینٹس كے اموات كے تناسب كے نتیجے میں كام كے حالات میں نرمی، مزدوروں كی سپلائی میں بہتری، طلب كے دباؤ میں كی اور سپلائی میں فرق پیدا ہوگا اس طرح معاشی بحالی كی رفتار تیز ہوگی۔ اگر چہ ترقی یافتہ معیشتوں میں ویکسینیشن كا عمل تیز ہے، تاہم، اب بھی بہت سی ابھرتی ہوئی ماركیٹوں اور ترقی پذیر معیشتوں میں بہت سست ہے، جو نقل و حرکت میں بہتری كی راہ میں ركاوٹ بھی ہے۔ عالمی ترقی كے خطرات كم ہو رہے ہیں۔ درمیانی مدت میں كم ہونے سے پہلے افراط زر كا دباؤ جاری رہا۔ دیگر خطرات جیسے كہ COVID كی مزید اقسام كا پھیلنا، موسمیاتی تبدیلیاں، كمزور معیشتوں پر دباؤ اور جغرافیائی سیاسی صورتحال، خاص طور پر مشرقی یورپ میں حالیہ اضافہ، اتحادی پابندیاں اور ایندھن كی قیمتوں پر اثرات، مجموعی اقتصادی كار كروگی كے لیے شدید خطرہ ہیں۔ بین الاقوامی سطح پر كثیرالجہتی تعاون وقت كی اہم ضرورت ہے۔ مزید ویکسین كی بہتر دستیابی، كم ٹیرف اور تجارتی ركاوٹیں درمیانی مدت میں گہری ساختی اصلاحات كے ساتھ مل كر بحالی كے عمل كو مضبوط بنائے گی۔ موسمیاتی تبدیلیوں پر موثر پالیسیاں قدرتی آفات كے اثرات كو كم كرنے میں مدد كریں گی۔

پاكستان كی معیشت

بیرونی دباؤ، بڑھتے ہوئے كرنٹ اكاؤنٹ خسارہ اور بلند افراط زر كے باوجود پاكستانی معیشت بحالی كی راہ پر گامزن ہے۔ مالی سال 2022 كے لیے جی ڈی پی كی شرح نمو 4 فیصد ہے۔ افراط زر میں تیزی سے اضافہ كار كھان پایا جا رہا ہے، جونی الحال 12 فیصد كے قریب ہے۔ سال 2022 كے لیے آؤٹ لك 9-11 فیصد كے درمیان رہا، درمیانی مدت میں بتدریج سست روى سے پہلے بڑھنے كار كھان رہا۔ مہنگائی كے بڑھتے ہوئے دباؤ سے نمٹنے كے لیے اسٹیٹ بینك نے بتدریج پالیسی ریٹ بڑھا كر 9.75% كر دیا ہے، حالانكہ حالیہ مانیٹری پالیسی میں كوئی تبدیلی نہیں كی گئی ہے۔ آئی ایم ایف بورڈ نے حالیہ پالیسی ایڈجسٹمنٹ نوٹ كرتے ہوئے پاكستان كے لیے چھٹی قسط كی منظوری دے دی ہے، تاہم معاشی استحكام كو بحال كرنے اور پھر اسے برقرار ركھنے كے لیے اضافی كوششوں پر زور دیا ہے۔ كرنسی كی قدر میں كی، ایندھن كی قیمتوں اور توانائی كے ٹیرف میں اضافہ، حالیہ ایڈجسٹمنٹ اور مجموعی بیرونی دباؤ كے نتیجے میں، مجموعی طور پر بحالی كی رفتار میں منفی كردار ادا كرنے والے عوامل ہیں۔ قیمتوں میں اضافے كے اثرات كے نتیجے میں بڑے پیمانے پر مینوفیکچرنگ میں كی آئی۔ تاہم، زراعت كے لیے آؤٹ لك مثبت رہا ہے۔ پاكستان میں كوویڈ 19 ویرینٹ پر كا بو پانے كے اقدامات كے ساتھ ساتھ ویکسینیشن كی شرح

چیئر مین کی جائزہ رپورٹ

میں 31 دسمبر 2021 کو ختم ہونے والے سال کی اپنی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

زیر جائزہ سال COVID کی تیسری اور چوتھی لہروں، سپلائی چین میں رکاوٹوں اور افراط زر کے دباؤ سے متاثر رہا ہے۔ چیلنجوں کے باوجود، پاکستان کی معیشت معتدل رفتار سے ترقی کر رہی ہے اور مجموعی طور پر مستقبل کا نقطہ نظر اُمید ہے، جس کے پیش نظر جغرافیائی سیاسی محاذ پر موجود خطرات کو روکا جاسکتا ہے۔ KSB پاکستان، بیرونی محاذ پر چیلنجوں کے باوجود، سال 2021 میں صحت مند آرڈر انٹیک نمبرز حاصل کرنے میں کامیاب رہی ہے۔ کمپنی کے مجموعی نتائج 4.3 بلین روپے کے کاروبار کے ساتھ مثبت رہے۔ ٹیکس سے پہلے کا منافع 32 بلین روپے، اگرچہ قیمت کے دباؤ سے متاثر ہوا، پھر بھی پچھلے سال اعداد سے معمولی زیادہ رہا۔

KSB پاکستان مقامی اور عالمی منڈیوں میں پانی، جنرل انڈسٹری، پیٹرولیم، ہلڈنگ سروس، اور توانائی کے شعبوں میں پریمیم مصنوعات کی وسیع رینج پیش کرتی ہے۔ کمپنی کے پروڈکٹ پورٹ فولیو میں الٹرا فلٹریشن (UF) اور ریورس اوسموسس (RO) پائپس کے ذریعے پمپ، پمپ کاسٹنگ، آٹومٹیو پائپس اور پینے کے صاف پانی کے حل شامل ہیں۔ ہماری عالمی معیار کی فروخت کے بعد سروس کی سہولت KSB سپریم سروس MEA خٹلے کے لیے ریورس انجینئرنگ سب کے طور پر کام کرتے ہوئے مقامی آپریٹرز کو بھی سپورٹ کرتی ہے۔

کمپنی کا جامع بورڈ آف ڈائریکٹرز اہل افراد پر مشتمل ہوتا ہے جو اپنے متعلقہ شعبوں میں بھرپور تجربہ اور مہارت رکھتے ہیں۔ بورڈ میں خواتین کی نمائندگی کے تقاضے کی تعمیل کی گئی ہے۔ بورڈ کے ممبران اپنے مخلصانہ فرائض سے بخوبی واقف ہیں اور کمپنی کو اس کے مقاصد کے حصول کے لیے اس کی بیزنس کمپنی KSB SE & Co. KGaA کے مجموعی ڈٹن اور عالمی حکمت عملی کے مطابق آگے بڑھاتے ہیں۔ زیادہ تر ممبران نے SECP کے تجویز کردہ ڈائریکٹرز ٹریننگ پروگرام کے تحت سرٹیفیکیشن حاصل کی ہوئی ہیں۔ زیر جائزہ سال کے دوران بورڈ اور اس کی کمیٹیوں کے باقاعدہ اجلاس منعقد ہوئے۔ بورڈ کے سامنے پیش کی گئی معلومات اور اہم معاملات کا جائزہ لیا گیا، بورڈ کے اراکین کی طرف سے مناسب غور و خوض اور فعال شرکت کے بعد ضروری منظوریوں اور رضامندیوں دی گئیں۔ فیصلے لینے کے دوران آزاد ڈائریکٹرز کی رائے قابل قدر رہی 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: 16 مارچ 2022ء



KSB Pumps Company Limited



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