

Quarterly Report (Un-Audited)

For the Period ended September 30, 2021

KSB Pumps Company Limited



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Company Information

Board of Directors

Dr. Sven Baumgarten
Imran Ghani
Dieter Antonius Pott
Sajid Mahmood Awan
Ayesha Aziz
Hasan Aziz Bilgrami
Shezada Mazhar
Jamal Nasim

Chairman
Managing Director

Company Secretary

Faisal Aman Khan

Management

Imran Ghani
Mohammad Imran Malik
Faisal Aman Khan

Chief Executive Officer
Sales & Strategic Marketing
Corporate Affairs & IR
Administration
Operations
Finance & Control

Syed Tariq Ali
Faryal Zafar

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 Limited
United Bank Limited
Meezan Bank Limited
Bank Al - Habib Limited

Audit Committee

Jamal Nasim
Dieter Antonius Pott
Shezada Mazhar
Sajid Mahmood Awan

Chairman
Member
Member
Member

Secretary Audit Committee

Saeed Hussain

HR & R Committee

Shezada Mazhar
Hasan Aziz Bilgrami

Chairman
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

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

Sales Offices

Lahore

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

Multan

Golden Heights, Nusrat Road, Multan.
Ph: (061) 111 572 786
Fax: (061) 4541784
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

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 021-35390481/2	saqib@idea.com.pk
3	Wali Muhammad & Co.	Quetta	Zonkiram Road Near Millennium Mall	Balochistan	Wali Muhammad	0300-8387668 081-2829635	gulistanmachinery@yahoo.com
4	Pak Atlantis Pumps	Peshawar	3rd Floor, Mall Tower, 35-The Mall, Peshawar Cantt.	KPK	Atif Javed	0345-5555939 091-5285679	pakatlantis@gmail.com
5	B&I Engineering	Lahore	House # 22, Q Block, Main Boulevard, Gulberg II, Near Home Economics College	Punjab	Imran Yousaf Arbab Bilal	0300-4056939 042-32801273	imran@biengr.com
6	Modern Technology & Traders	Karachi	4th Floor, Building # 11-C/2 Lane-11 Bukhari Commercial DHA Phase-6	Sindh	Abdul Qayyum	0333-7299905 021-35156121-4 0311-1000953	qayoomshaikh3@gmail.com

DIRECTORS' REVIEW

I am pleased to present the financial statements of KSB Pumps Company Limited for the period ended September 30, 2021.

Pakistan economy is on recovery path. GDP growth forecast for year 2022 is 4% (Source: ADB). Despite price pressures and supply chain disruptions, overall sentiment is positive, owing to ongoing vaccination drive, government's measures to control recurring waves of COVID, and accommodative monetary policy, which boosts the investors' confidence. Outlook for Agriculture and Industry sectors is favourable thus having additional positive impact on Services sector. Exports are performing well, however, on the other hand, backed by local demand and international price trends, import bill has increased leading to Pak rupee depreciation. Inflation is rising mainly driven by oil prices combined with food inflation. Increase in power tariff is another challenge. Political unrest, geo-political tensions and the situation in neighbouring country could have further slowdown impacts.

KSB Pakistan's operations remained stable during the period ended September 30, 2021. The Company has earned revenue of PKR 3.0 billion, with earnings before interest & tax (EBIT) of 93 million, while earnings before tax for the period ended September 30, 2021 remained PKR 23 million.

The company has been able to secure healthy orders from all key markets in both public and private sectors, and the trend is expected to continue in the remaining period of the year. Given the orders in hand and expected revenue numbers, we are confident to achieve positive results for the year 2021.

KSB Pakistan has won 18th Environment Excellence Award in recognition of our contribution towards sustainable development of environment friendly policies.

I appreciate the efforts of our committed team and hope that year 2021 to be a successful year for KSB Pakistan.



Imran Ghani
MD / Chief Executive Officer

21st October, 2021
Lahore, Pakistan

Condensed Interim Statement of Financial Position As at September 30, 2021 (Un-audited)

	Note	September 30, 2021 (Rupees in thousands)	December 31, 2020
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 15,000,000 (2020: 15,000,000) ordinary shares of Rs 10 each		150,000	150,000
Issued, subscribed and paid up capital		132,000	132,000
General Reserves		1,828,100	1,805,600
Reserves		(12,265)	29,512
		1,947,835	1,967,112
NON CURRENT LIABILITIES			
Long term finances - secured	4	55,674	250,231
Deferred Grant		180	4,369
Employees' retirement and other benefits		78,695	72,223
Deferred liabilities		17,578	17,962
		152,127	344,785
Current portion of long term finances - secured		260,909	221,947
Current portion of deferred grant		8,678	12,201
Short term finances - secured		1,144,503	670,300
Trade and other payables	5	1,808,288	1,393,226
Contract Liability		7,183	2,880
Unclaimed dividend		10,111	10,083
Due to provident fund		5,050	4,309
Provisions for other liabilities and charges		32,653	66,443
		3,277,375	2,381,389
CONTINGENCIES AND COMMITMENTS	6	5,377,337	4,693,286

The annexed notes 1 to 16 form an integral part of this condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

	Note	September 30, 2021 (Rupees in thousands)	December 31, 2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	967,600	1,050,902
Investment property	8	-	-
Intangible assets		7,573	14,083
Capital work-in-progress		38,697	23,692
Long-term loans and deposits		69,567	70,909
		1,083,437	1,159,586
CURRENT ASSETS			
Stores, spares and loose tools		117,139	115,804
Stock-in-trade		1,086,358	676,523
Trade debts	9	1,343,672	1,396,912
Contract Asset		796,397	691,337
Advances, deposits, prepayments and other receivables		726,552	587,017
Cash and bank balances		223,782	66,107
		4,293,900	3,533,700
		<u>5,377,337</u>	<u>4,693,286</u>



Chief Executive



Chief Financial Officer



Director

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the period ended September 30, 2021 (Un-audited)

	Note	Three months ended		Nine months ended	
		September 2021 (Rupees in thousands)	September 2020 (Rupees in thousands)	September 30,2021 (Rupees in thousands)	September 30,2020 (Rupees in thousands)
Sales	12	889,575	940,968	3,039,947	2,490,169
Cost of sales	13	(822,334)	(737,140)	(2,635,936)	(2,009,863)
Gross profit		67,241	203,828	404,011	480,306
Distribution and marketing expenses		(63,864)	(80,691)	(222,568)	(237,230)
Administrative expenses	14	(45,558)	(58,475)	(155,396)	(176,987)
Other operating expenses		8,905	-	(2,906)	-
Other operating income		23,995	9,195	69,997	46,201
Profit / (Loss) from operations		(9,281)	73,857	93,138	112,290
Finance cost		(20,638)	(27,478)	(69,912)	(106,570)
Profit / (Loss) before taxation		(29,919)	46,379	23,226	5,720
Taxation		(9,538)	(10,253)	(35,903)	(25,572)
Profit / (Loss) for the period		(39,457)	36,126	(12,677)	(19,852)
Other comprehensive income/ (loss):					
Items not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of defined benefit plans - net of tax		-	-	-	-
Total comprehensive income/ (loss) for the year		(39,457)	36,126	(12,677)	(19,852)
Earnings / (Loss) per share - basic & diluted Rupees		(2.99)	2.74	(0.96)	(1.50)

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



Chief Executive



Chief Financial Officer



Director

Condensed Interim Statement of Changes in Equity

For the period ended September 30, 2021 (Un-audited)

	Share Capital	General Reserves	Unappropriated Profit	Total
	(Rupees in thousands)			
Balance as at January 1, 2020	132,000	1,729,600	96,298	1,957,898
Final dividend for the year ended December 31, 2019 Rs 1.5 per share	-	-	(19,800)	(19,800)
Transfer to general reserve	-	76,000	(76,000)	-
Total comprehensive income/ (loss) for the period	-	-	(19,852)	(19,852)
Balance as at September 30, 2020	132,000	1,805,600	(19,354)	1,918,246
Total comprehensive income/ (loss) for the period	-	-	48,866	48,866
Balance as at December 31, 2020	132,000	1,805,600	29,512	1,967,112
Final dividend for the year ended December 31, 2020 Rs 0.5 per share	-	-	(6,600)	(6,600)
Transfer to general reserve	-	22,500	(22,500)	-
Total comprehensive income / (loss) for the period	-	-	(12,677)	(12,677)
Balance as at September 30, 2021	132,000	1,828,100	(12,265)	1,947,835

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



Chief Executive



Chief Financial Officer



Director

Condensed Interim Statement of Cash Flow

For the period ended September 30, 2021 (Un-audited)

	Note	January to September	
		2021 (Rupees in thousands)	2020
Cash Flows From Operating Activities			
Cash generated from operations	10	14,552	157,223
Finance costs paid		(65,701)	(121,353)
Taxes paid		(42,435)	(57,634)
Employees' retirement and other benefits paid		(13,037)	(13,960)
Net decrease/ (increase) in long term loans and deposits		1,342	(311)
Net cash used in operating activities		(105,279)	(36,035)
Cash Flows From Investing Activities			
Fixed capital expenditure		(49,536)	(14,847)
Proceeds from sale of property, plant and equipment		7,466	16,599
Net cash (used in) / generated from investing activities		(42,070)	1,752
Cash flows from financing activities			
Long term loan-secured		(162,606)	237,569
Dividend paid		(6,572)	(19,639)
Net cash (used in) / generated from financing activities		(169,178)	217,930
Net (decrease) / increase in cash and cash equivalents		(316,527)	183,647
Cash and cash equivalents at the beginning of the period		(604,194)	(903,853)
Cash and cash equivalents at the end of the period	11	(920,721)	(720,206)

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



Chief Executive



Chief Financial Officer



Director

Notes to the Condensed Interim Financial Statements For the Period Ended September 30, 2021 (Un-audited)

1. Legal status and nature of business

KSB Pumps Company Limited (a KSB group company) '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 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 regional offices located in Lahore, Rawalpindi, Karachi and Multan.

2. Basis of preparation

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

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

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

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

The condensed interim financial statements do not include all the information required for annual financial statements including financial risk management information and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2020.

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended December 31, 2020.

Furthermore, the basis of significant estimates are same as those that were applied to the financial statements for the year ended December 31, 2020.

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 published standards effective in current period

Certain standards, amendments and interpretations to approved accounting standards are effective for the annual period beginning on or after January 01, 2021 but are considered not to be relevant.

2.2.2 Standards, amendments and interpretations to existing standards not yet effective and not applicable/ relevant to the Company

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these 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 1177 (I) / 2021 dated September 13, 2021 granted exemption from applying Expected credit loss based impairment model to financial assets due from the Government till June 30, 2022. The management of the Company believes that the application of this standard will not have any material impact on the financial statement of the Company.

3 Taxation

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

4 Long term finances - secured

		September 30,2021 Unaudited (Rupees in thousands)	December 31,2020 Audited
BankIslami	4.1	156,250	218,750
Allied Bank Limited	4.2	160,333	253,428
Less: Current portion shown under current liabilities		(260,909)	(221,947)
		55,674	250,231

4.1 During the prior years, the long term finance was obtained in the form of Diminishing Musharika from BankIslami 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. Effective rate of interest ranged from 7.38% to 8.05% during the period ended Sep 30, 2021 (Sep 30, 2020: 8.41% to 13.60%). The amount is secured by way of exclusive charge over specific plant and machinery amounting to Rs 500 million. As at Sep 30, 2021 the Company has repaid an amount of Rs 343.75 million (December 31, 2020: 281.25 million).

4.2 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 up to 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 8.0% per annum during the period ended September 30, 2021 (September 30, 2020: 7.7%).

5 Trade and other payables

Trade creditors include amount due to holding company of Rs:246.524 million (December 2020: Rs 153.02 million) and associated undertakings of Rs:32.381 million (December 2020: Rs 68.85 million). Further, it includes accrued liabilities which include due to holding amounting of Rs 30.845 million (December 31, 2020: Rs 27.35 million) and associated undertaking of Rs 23.845 million(December 31, 2020: Rs 11.67 million).

6 Contingencies and commitments

6.1 Contingencies

"There is no significant change in contingencies since the date of preceding published annual financial statements, except for the following

(i) The Company has obtained bank guarantees of Rs. 924.14 million (December 2020: Rs 829.28 million) against the performance of various contracts.

(ii) A supplier of the Company filed a suit for recovery on March 16, 2021 in the Honorable Civil Court Chistian against the Company amounting to Rs. 38.9 million as claim for additional work performed at one of the project of the Company. The management and legal counsel of the Company believes that there are meritorious grounds to defend the demand, consequently, no provision has been recorded in these interim financial statements.

6.2 Commitments

The Company has commitment in respect of letter of credits other than for capital expenditure approximately Rs. 241.14 million (December 2020: Rs. 116.73 million).

7 Property, plant and equipment	Note	September 30,2021 Unaudited	December 31,2020 Audited
(Rupees in thousands)			
Opening book value		1,050,902	1,162,474
Add: Additions during the period	7.1	34,530	53,017
		1,085,432	1,215,491
Less: Disposals during the period (at book value)		(6,463)	(14,167)
Depreciation charged during the period		(111,369)	(150,422)
		(117,832)	(164,589)
		(967,600)	(1,050,902)

7.1 Additions

Buildings on freehold land
Plant and machinery
Tools, jigs and attachments
Patterns
Other equipment
Furniture and fixtures
Office machines and appliances
Vehicles

September 30,2021 Unaudited (Rupees in thousands)	December 31,2020 Audited
-	
12,364	9,873
4 21	-
-	22,545
12,403	3,036
175	-
6,612	11,370
2,555	6,193
<u>34,530</u>	<u>53,017</u>

8 Investment property

This refers to the fully depreciated investment property. The fair value of investment property amounts to Rs 64.79 million (2019: Rs 50.48 million) as per valuation carried out by independent valuer as at December 31, 2020.

9 Trade debts

Trade debts
Less: Provision for doubtful debts

September 30,2021 Unaudited (Rupees in thousands)	December 31,2020 Audited
1,434,292	1,495,563
(90,620)	(98,651)
<u>1,343,672</u>	<u>1,396,912</u>

10 Cash generated from operations

Profit before taxation
Adjustment of non-cash items:
Depreciation on property, plant and equipment
Depreciation on investment property
Amortization on intangible assets
Profit on sale of property, plant and equipment
Amortization of deferred government grant
Employees' retirement and other benefits
Provision for doubtful debts and receivables
Provision for slow moving stock
Finance cost
Provisions no longer considered necessary and unclaimed balances written back
Exchange loss / (gain)

Nine months ended	
September 30,2021 Unaudited	September 30,2020 Unaudited
(Rupees in thousand)	
23,226	5,720
111,369	113,056
-	-
6,511	5,439
(1,003)	(4,287)
(7,712)	
19,509	23,683
(3,598)	21,606
4,500	4,500
69,912	106,570
(28,148)	-
(669)	(1,532)
<u>193,897</u>	<u>274,755</u>

Profit before working capital changes

**Effect on cash flow due to working capital changes
(Increase) / decrease in current assets:**

Stores, spares and loose tools	
Stock-in-trade	
Trade debts	
Contract asset	
Advances, deposits, prepayments and other receivables	

**September
30,2021** **September
30,2020**
(Un -Audited)
(Rupees in thousand)

(1,335)	(18,112)
(414,335)	(27,325)
77,217	(5,997)
(108,098)	90,549
(134,782)	(42,092)
(581,333)	(2,977)

Increase / (decrease) in current liabilities:

Trade and other payables	
Contract liability	
Due to provident fund	
Provisions for other liabilities and charges	

430,734	(44,957)
4,303	1,546
741	1,046
(33,790)	(72,190)
401,988	(114,555)
14,552	157,223

11 Cash and cash equivalents

Cash and cash equivalents comprise the following items:

Cash and bank balances	
Short term finances	

**September
30,2021** **September
30,2020**
(Un -Audited)
(Rupees in thousand)

223,782	81,141
(1,144,503)	(801,347)
(920,721)	(720,206)

12 Sales

Local sales	
Export Sales	
Less: Sales tax	

Three months ended		Nine months ended	
September 30,2021	September 30,2020	September 30,2021	September 30,2020
(Un-Audited) (Rupees in thousands)			
886,552	896,194	3,028,050	2,255,520
129,416	174,278	431,848	566,534
1,015,968	1,070,472	3,459,898	2,822,054
(126,393)	(129,504)	(419,951)	(202,381)
889,575	940,968	3,039,947	2,490,169

13 Cost of goods sold

Raw material consumed	
Salaries, wages, amenities and staff welfare	
Staff training	
Electricity and power	
Stores and spares consumed	
Insurance	
Travelling and conveyance	

Three months ended		Nine months ended	
September 30,2021	September 30,2020	September 30,2021	September 30,2020
(Un-Audited) (Rupees in thousands)			
451,279	458,474	1,555,025	1,130,585
83,290	66,245	237,693	206,601
150	3	150	144
56,052	41,500	142,063	97,911
77,078	53,473	232,253	128,815
1,725	2,097	5,146	5,089
7,583	5,849	19,604	19,876

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30,2021</u>	<u>September 30,2020</u>	<u>September 30,2021</u>	<u>September 30,2020</u>
	(Un-Audited)			
	(Rupees in thousands)			
Postage and telephone	2,164	2,205	6,279	6,415
Printing and stationery	564	184	1,355	673
Rent, rates and taxes	1,865	877	4,081	2,751
Repairs and maintenance	7,710	4,477	21,793	8,548
Legal and professional charges	2,097	2,604	4,564	6,634
SAP user license fee and other IT services	10,510	6,641	29,99	25,181
Packing expenses	10,221	9,725	26,119	24,808
Outside services	91,926	65,959	312,603	248,737
Depreciation on property, plant and equipment	34,166	37,629	102,888	102,960
Provision for obsolete stores and stocks	1,500	1,500	4,500	4,500
Warranties	4,199	4,719	14,015	11,651
Other expenses	2,903	1,262	6,772	4,458
	<u>848,111</u>	<u>761,791</u>	<u>2,730,338</u>	<u>2,036,337</u>
Opening work-in-process	315,411	266,996	241,578	277,210
Less: Closing work-in-process	333,343	297,870	333,343	297,870
(Increase)/ decrease in work in process	(17,932)	(30,874)	(91,765)	20,660
Cost of goods manufactured	<u>830,179</u>	<u>730,917</u>	<u>2,638,573</u>	<u>2,015,677</u>
Opening stock of finished goods	51,503	68,789	56,711	56,752
Less: Closing stock of finished goods	59,348	62,566	9,348	62,566
Increase in finished goods	(7,845)	6,223	(2,637)	(5,814)
	<u>822,334</u>	<u>737,140</u>	<u>2,635,936</u>	<u>2,009,863</u>

14 Administrative expenses

Included in administrative expenses is the group service cost amounting to Nil (Sep 2020: Rs. 22.820 million).

15 Transaction with related parties

		<u>Three months ended</u>		<u>Nine months ended</u>	
		<u>September 30,2021</u>	<u>September 30,2020</u>	<u>September 30,2021</u>	<u>September 30,2020</u>
		(Un-Audited)			
		(Rupees in thousands)			
Relationship with the Company	Nature of transaction				
i. Associated Undertaking	Purchase of goods and services	84,318	68,312	312,477	294,093
	Sale of goods and services	129,417	174,488	431,848	564,296
	Commission income	4,837	1,185	10,327	1,664
	Commission expens	2,394	15,947	28,753	28,277
	Royalty and trademark	4,174	5,155	12,079	14,367
	SAP user license fee	18,088	11,937	51,626	43,286
	Group service cost	0	10,897	-	31,955

		September 30,2021	September 30,2020	September 30,2021 (Un-Audited) (Rupees in thousands)	September 30,2020
ii. Post retirement benefit plans	Expense charged	12,870	13,516	36,414	40,923
iii. Key management personnel	Compensation	14,778	15,001	44,333	45,004
Period end Balances				September 30,2021 Unaudited	December 31,2020 Audited
				(Rupees in thousands)	
	Receivable from related parties			266,457	171,664
	Payable to related parties			333,595	262,014

16 Date of authorization for issue

These condensed interim financial statements were authorized for issue on October 21st, 2021 by the Board of Directors of the Company.



Chief Executive



Chief Financial Officer



Director

مجلس نطماء كا جائزه

میں 30 ستمبر 2021 کو ختم ہونے والی مدت کے لئے KSB مپیس کمپنی لمیٹڈ کے مالیاتی کھاتے پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

پاکستانی معیشت بحالی کی راہ پر گامزن ہے۔ سال 2022 کے لیے جی ڈی پی کی شرح نمو 4 فیصد (ماخذ: ADB) ہے۔ قیمتوں کے دباؤ اور سپلائی چین میں رکاوٹوں کے باوجود، ویکسینیشن کی جاری مہم، COVID کی بار بار آنے والی لہروں پر قابو پانے کے تکنیکی اقدامات اور مناسب مالیاتی پالیسی کی وجہ سے مجموعی جذبات مثبت ہیں، جس نے سرمایہ کاروں کے اکتاد کو فروغ دیا ہے۔ زراعت اور صنعت کے شعبوں کے لیے نقطہ نظر سازگار ہے اس طرح سروسز سیکٹر پر اضافی مثبت اثرات مرتب ہو رہے ہیں۔ برآمدات اچھی کارکردگی کا مظاہرہ کر رہی ہیں تاہم دوسری جانب مقامی طلب اور بین الاقوامی قیمتوں کے رجحانات کی وجہ سے درآمدی بل میں اضافہ ہوا ہے جس سے پاکستانی روپیہ کی قدر میں کمی ہوئی ہے۔ بنیادی طور پر تیل کی قیمتوں کے ساتھ ساتھ خوراک کی افراط زر کے باعث مہنگائی بڑھ رہی ہے۔ بجلی کے نرخوں میں اضافہ ایک اور چیلنج ہے۔ سیاسی بد امنی، جغرافیائی سیاسی کشیدگی اور پڑوسی ملک کی صورت حال مزید سست روی کے اثرات دکھاسکتی ہے۔

30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران KSB پاکستان کے آپریشنز مستحکم رہے۔ کمپنی نے سود اور ٹیکس (EBIT) سے قبل 93 ملین روپے کی آمدنی کے ساتھ 3.0 بلین روپے کی کل آمدنی کمائی، جبکہ 30 ستمبر 2021 کو ختم ہونے والی مدت کے لئے ٹیکس سے قبل آمدنی 23 ملین روپے رہی ہے۔

کمپنی نے پبلک اور پرائیویٹ سیکٹرز دونوں میں تمام گلیڈی مارکیٹوں سے صحت مند آرڈرز حاصل کئے ہیں، اور یہ رجحانات سال کے باقی عرصہ میں جاری رہنے کی توقع ہے۔ زبردست آرڈرز اور متوقع آمدنی کے اعداد و شمار کو دیکھتے ہوئے، ہم سال 2021 کے لئے مثبت نتائج حاصل کرنے کے لئے پُر اعتماد ہیں۔

KSB پاکستان کو ماحول دوست پالیسیوں کی مستحکم ڈولپمنٹ میں ہماری شراکت کو تسلیم کرتے ہوئے 18 ویں انوائزمنٹ ایکٹیلنس ایوارڈ سے نوازا گیا ہے۔

بورڈ کی جانب سے ہم KSB پاکستان کی پوری ٹیم کے عزم اور کاوشوں کو سراہتے ہیں اور سال 2021 کا مہیا ہونے کے لئے نیک خواہشات کا اظہار کرتے ہیں۔

منجانب بورڈ

Mumtaz Ali

عمران مٹھی

مینجنگ ڈائریکٹر / چیف ایگزیکٹو آفیسر

21 اکتوبر 2021ء

لاہور، پاکستان

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