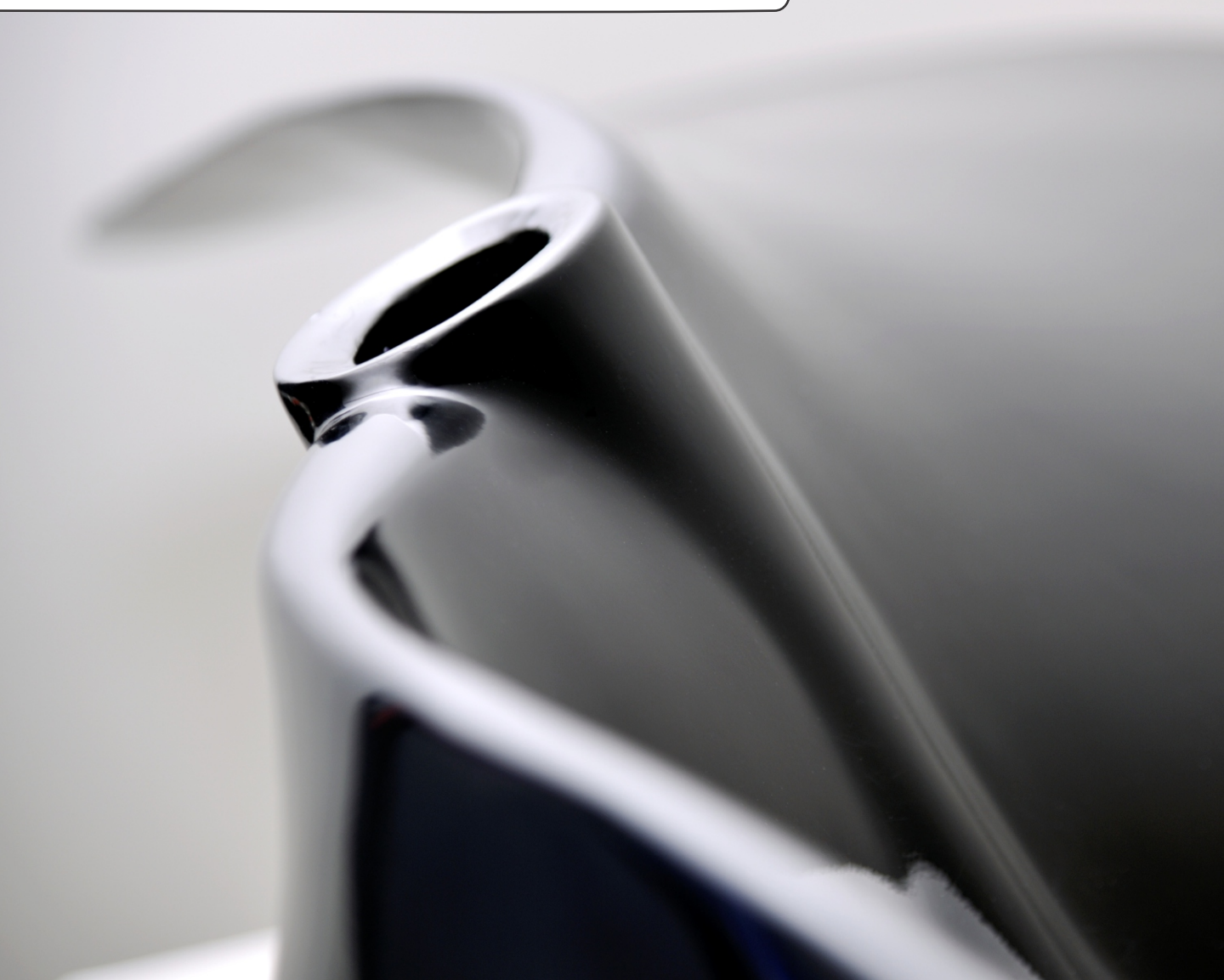


**Quarterly Report (Un-Audited)
For the Period ended March 31, 2023
KSB Pumps Company Limited**



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Company Information

Board of Directors

Dr. Sven Baumgarten	Chairman
Imran Ghani	Chief Executive Officer / MD
Asif Malik	
Dieter Antonius Pott	
Ayesha Aziz	
Hasan Aziz Bilgrami	
Shezada Mazhar	
Jamal Nasim	

Company Secretary

Faisal Aman Khan

Management

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

Auditors

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

Tariq Abdul Ghani Maqbool & Co.	Chartered Accountants
------------------------------------	-----------------------

Legal Advisors

Mandviwala & Zafar

Bankers

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

Audit Committee

Ayesha Aziz	Chairman
Dieter Antonius Pott	Member
Shezada Mazhar	Member

HR & R Committee

Asif Malik	Chairman
Imran Ghani	Member
Hasan Aziz Bilgrami	Member

Registered Office

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

Works

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

Share Registrar

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

Sales Offices

Lahore

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

Rawalpindi

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

Multan

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

Karachi

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

KSB Exclusive Partneres

Sr.	Channel	City	Location	Province	Service Partners	Contact No.	Email
1	Dominar Engineers	Lahore	65-A Ferozpur Road Link Samanabad Road, near LOS	Punjab	Hammad Malik/ Syed Mehdi	0302-8744449/8 042-37500078	hammad.malik@dc.com.pk
2	B&I Engineering	Lahore	House # 6-E Skindar Mali Road Gulberg II, Lahore	Punjab	Imran Yousaf	0300-4056939 042-32801273	imran@biengr.com
3	Industrial Development & Engineering Associates	Karachi	20-C Mezzanine Floor, Indus Centre 14th Com st PH-II DHA	Sindh	Saqib Khawaja	0300-8203077 021-35390481/2	saqib@idea.com.pk
4	Modern Technology & Traders	Karachi	4th Floor, Building # 11-C/2 Lane-11 Bukhari Commercial DHA Phase-6	Sindh	Abdul Qayyum	0333-7299905 021-35156121-4 0311-1000953	qayoomshaikh3@gmail.com
5	Wali Muhammad & Co.	Quetta	Zonkiram Road Near Millennium Mall	Balochistan	Wali Muhammad	0300-8387668 081-2829635	gulistanmachinery@yahoo.com

KSB SupremeServ - AUTHORIZED SERVICE PARTNER

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

DIRECTORS' REVIEW

I am pleased to present KSB Pumps Company Limited's financial statements for the first quarter ending on March 31, 2023.

The past year has been full of challenges for the Pakistan economy, with higher inflation, recession, and monetary tightening causing businesses to struggle throughout. Unfortunately, the year 2023 seems to be no different, with the State Bank of Pakistan raising its policy rate to 21%, making business financing increasingly difficult. Moreover, the monthly inflation index stood at 35.40% at the end of March 2023.

The Asian Development Bank (ADB) predicted a growth rate of 3.5% for the fiscal 2022-23 year due to devastating floods, policy tightening, and critical efforts to tackle sizable fiscal and external imbalances, as well as double-digit inflation. However, according to the latest reports from the World Bank, Pakistan's GDP growth is expected to be further reduced to 2.0% in the fiscal year 2022-23. Meanwhile, the International Monetary Fund (IMF) has also revised its GDP growth rate projections for Pakistan from 3.5% to 2.0% for the financial year 2023.

Despite the tough economic and political environments, KSB Pakistan has secured a turnover of PKR 1,334 Million in the first quarter of 2023, showing an increase of 11.7% from the same period in 2022. The Earnings Before Interest and Tax (EBIT) has also increased by 31.2% in 2023 compared to 2022, with the EBIT in 2023 being PKR 74 Million as opposed to PKR 57 Million in 2022. However, due to higher financing costs, the profit before tax for the first quarter remained at PKR 1 Million compared to PKR 11 Million in the same period of 2022.

To cope with higher inflation and energy costs, KSB has taken several initiatives. In 2022, the company installed a 1 MW solar plant at its production facility, and there are further plans to install a 500 KW solar plant at factory and a 100 KW plant at the Head Office Lahore.

Looking ahead, KSB expects promising business prospects in Water and General Industry markets with a strong outlook, including intercompany business. The company's export sales remained at PKR 667 Million in the first quarter of year 2023, indicating a positive growth prospect for intercompany business.

The Board would like to acknowledge the dedication and hard work of the entire KSB team, which has resulted in positive operating results in the first quarter. The Board wishes the team all the best for the rest of the year 2023.

On behalf of the Board



Imran Ghani
MD/Chief Executive Officer

26th April, 2023
Lahore, Pakistan

Condensed Interim Statement of Financial Position (Un-audited) As at March 31, 2023

EQUITY AND LIABILITIES	Note	March 31, 2023	December 31, 2022
SHARE CAPITAL AND RESERVES			
(Rupees in thousand)			
Authorised capital 15,000,000 (2022: 15,000,000) ordinary shares of Rs 10 each		150,000	150,000
Issued, subscribed and paid up capital 13,200,000 (2022: 13,200,000) ordinary shares of Rs 10 each		132,000	132,000
Revenue reserves	5	1,865,664	1,879,662
		1,997,664	2,011,662
NON CURRENT LIABILITIES			
Employees' retirement and other benefits		79,014	85,214
long term finances - secured		-	-
Deferred grant		-	-
Trade and other payables		2,226,183	1,961,983
Contract Liability		4,989	3,704
Short term finances - secured		1,359,730	1,592,954
Provisions for other liabilities and charges		71,126	72,786
Unclaimed dividend		10,644	10,644
Due to provident fund		1,860	4,388
		3,674,532	3,646,459
CONTINGENCIES AND COMMITMENTS			
	7	5,751,210	5,743,335

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.


Chairman


Chief Executive Officer


Chief Financial Officer

ASSETS	Note	March 31, 2023	December 31, 2022
NON-CURRENT ASSETS			
(Rupees in thousand)			
Property, plant and equipment	8	946,509	986,418
Intangible assets		225	275
Capital work in progress		13,893	9,280
Long term loans and deposits		1,771	1,736
Deferred taxation		68,246	65,986
		1,030,644	1,063,695
CURRENT ASSETS			
Stores, spares and loose tools		113,805	128,659
Stock in trade		1,269,326	1,194,265
Trade debts		1,515,468	1,672,888
Contract Asset		568,012	622,696
Advances, deposits, prepayments and other receivables		554,422	449,687
Income tax recoverable		406,477	405,949
Cash and bank balances		293,056	205,496
		4,720,566	4,679,640
		<u>5,751,210</u>	<u>5,743,335</u>


Chairman


Chief Executive Officer


Chief Financial Officer

Condensed Interim Statement Of Profit Or Loss And Other Comprehensive Income (Un-Audited) for the 1st Quarter ended March 31, 2023

	Note	March 31, 2023	March 31, 2022
(Rupees in thousand)			
Sales		1,333,846	1,194,352
Cost of sales		(1,102,769)	(1,003,036)
Gross profit		231,077	191,316
Distribution and marketing expenses		(102,038)	(101,496)
Administration expenses		(74,744)	(47,580)
Other operating expenses		(1,063)	-
Profit / (Loss) from operations		53,232	42,240
Other operating income		20,970	14,302
Finance cost		(73,079)	(45,789)
Profit / (Loss) before taxation		1,123	10,753
Taxation		(15,121)	(6,871)
Profit / (Loss) for the period		(13,998)	3,882
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 for the year		(13,998)	3,882
Earnings / (Loss) per share - basic & diluted Rupees		(1.06)	0.29

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.


Chairman


Chief Executive Officer


Chief Financial Officer

Condensed Interim Statement of Changes In Equity (Un-Audited) for the 1st Quarter ended March 31, 2023

	Share Capital	General Reserves	Unappropriated Profit	Total
	(Rupees in thousand)			
Balance as at January 1, 2022	132,000	1,828,100	26,469	1,986,569
Total comprehensive income/(loss) for the period	-	-	3,882	3,882
Balance as at March 31, 2022	132,000	1,828,100	30,351	1,990,451
Transfer to general reserve	-	15,000	(15,000)	-
Total comprehensive income/(loss) for the period	-	-	32,431	32,431
Final dividend for the year ended December 31, 2021 Rs 0.85 per share	-	-	(11,220)	(11,220)
Balance as at December 31, 2022	132,000	1,843,100	36,562	2,011,662
Total comprehensive income / (Loss) for the period	-	-	(13,998)	(13,998)
Balance as at March 31, 2023	132,000	1,843,100	22,564	1,997,664

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.


Chairman


Chief Executive Officer


Chief Financial Officer

Condensed Interim Cash Flow Statement (Un-Audited) for the 1st Quarter ended March 31, 2023

	Note	January to March	
		2023	2022
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated/ (used) from operations	9	430,781	(80,560)
Finance costs paid		(75,258)	(36,416)
Taxes paid		(17,909)	(18,222)
Employees' retirement and other benefits paid		(15,405)	(13,557)
Net (increase) / decrease in long term loans and deposits		(35)	(185)
Net cash (used in) operating activities		322,174	(148,940)
Cash flows from investing activities			
Fixed capital expenditure		(6,020)	(15,638)
Proceeds from sale of property, plant and equipment		4,630	7,462
Net cash used in investing activities		(1,390)	(8,176)
Cash flows from Financing activities			
Long term loan-secured		-	(64,852)
Dividend paid		-	(69)
Net cash used in financing activities		-	(64,921)
Net (decrease)/increase in cash and cash equivalents		320,784	(222,037)
Cash and cash equivalents at the beginning of the period		(1,387,458)	(1,316,214)
Cash and cash equivalents at the end of the period	10	(1,066,674)	(1,538,251)

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.


Chairman


Chief Executive Officer


Chief Financial Officer

Notes To And Forming Part Of The Condensed Interim Financial Information For The For the 1st Quarter ended March 31, 2023

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 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 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 Standards (IAS) 34 issued by the International Accounting Standards 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 from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These Condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December, 2022.

3. Significant accounting policies

'The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 31 December 2022.

4. Significant accounting judgments, estimates and assumptions

'The preparation of these condensed interim financial statements in conformity with the approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Company for the year ended 31 December 2022.

	Note	March 31, 2023	December 31, 2022
(Rupees in thousand)			
5 Reserves			
General reserve		1,843,100	1,843,100
Unappropriated profit		22,564	36,562
		<u>1,865,664</u>	<u>1,879,662</u>

6. Trade and other payables

Trade creditors include amount due from holding Company of Rs 633.195 million (2022: Rs 412.66 million) and associated undertakings of Rs 170.95 million (2022: Rs 105.13 million).

Accrued liabilities include amount due from holding Company of Rs 49.19 million (2022: Rs 42.84 million) and associated undertakings of Rs 39.41 million (2022: Rs 42.43 million).

7. Contingencies and commitments

7.1 Contingencies

'The company has obtained bank guarantees of Rs. 617.01 million (December 2022: Rs 508.87 million) against the performance of various contracts.

7.2 Commitments in respect of

'Letters of credit other than for capital expenditure approximately Rs. 483.70 million (December 2022: Rs. 241.52 million).

	Note	March 31, 2023	December 31, 2022
(Rupees in thousand)			
8 Property, plant and equipment			
Opening net book value		986,417	934,585
Additions during the period	- note 8.1	1,408	238,785
Deletions during the period		(1,115)	(36,877)
		<u>986,710</u>	<u>1,136,493</u>
Depreciation charged during the period		(40,201)	(150,076)
Closing net book value		<u>946,509</u>	<u>986,417</u>
8.1 Additions during the period			
Building		-	18,420
Plant and machinery		-	26,786
Other equipments		-	109,723
Furniture and fixtures		100	3,025
Office machine & appliances		1,308	13,589
Vehicles		-	67,242
		<u>1,408</u>	<u>238,785</u>

Note	March 31, 2023	March 31, 2022
	(Rupees in thousand)	
9. Cash generated from operations		
Profit before taxation	1,123	10,753
Adjustment of non-cash items:		
Depreciation on property, plant and equipment	40,201	36,027
Depreciation on Intangible assets	50	1,463
Profit on sale of property, plant and equipment	(3,515)	(673)
Employees' retirement and other benefits	9,204	7,403
Loss allowance	(8,540)	5,400
Recognition of deferred government grant	-	(2,320)
Stock-in-trade written off	-	1,500
Finance cost	73,079	45,789
Exchange (gain)/loss	1,063	(7,352)
Profit before working capital changes	112,665	97,990
Effect of cash flow due to working capital changes		
(Increase)/decrease in current assets:		
Stores, spares and spares	14,854	(31,853)
Stock-in-trade	(75,061)	(97,418)
Trade debts	392,628	38,791
Contract asset	62,812	(46,355)
Advances, deposits, prepayments and other receivables	(104,735)	(37,022)
Increase/(decrease) in current liabilities:		
Trade and other payables	30,521	18,898
Contract liability	1,285	(17,918)
Due to provident fund	(2,528)	378
Provisions for other liabilities and charges	(1,660)	(6,051)
	318,116	(178,550)
	430,781	(80,560)
10. Cash and cash equivalents		
Cash and bank balances	293,056	176,212
Short term running finances - secured	(1,359,730)	(1,714,463)
	(1,066,674)	(1,538,251)

	Note	March 31, 2023	March 31, 2022
11. Transactions with related party			
(Rupees in thousand)			
Purchase of goods and services		190,043	111,467
Sale of goods and services		666,983	214,199
Commission income		557	332
Commission expense		-	19,820
Royalty & Trademark		6,671	11,616
Expense charged in respect of retirement and other benefits		9,203	8,194
Key management personnel & executives compensation		87,342	81,763

	Note	March 31, 2023	December 31, 2022
Period-end balances			
(Rupees in thousand)			
Receivable from related parties		400,827	624,624
Payable to related parties		892,749	603,067

12. Date of authorization for issue

This condensed interim financial information was authorized for issue on April 26, 2023 by the Board of Directors of the company.


Chairman


Chief Executive Officer


Chief Financial Officer

حصص داران کے لیے مجلسِ نظاماء کی رپورٹ

مجھے 31 مارچ 2023 کو ختم ہونے والی پہلی سہ ماہی کے لیے KSB پیپس کمپنی لمیٹڈ کے مالی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔ گزشتہ سال پاکستانی معیشت کے لیے مشکلات سے بھرپور رہا ہے، جس میں افراط زر، کساد بازاری اور مالیاتی سختی کے باعث تمام کاروبار میں جدوجہد کا سامنا کرنا پڑا۔ بد قسمتی سے، 2023 کا سال بھی کچھ مختلف نہیں لگتا، اسٹیٹ بینک آف پاکستان نے اپنی پالیسی ریٹ کو 21 فیصد تک بڑھادیا، جس سے کاروباری فنانسنگ مشکل سے مشکل تر ہوگئی۔ مزید یہ کہ ماہانہ افراط زر کا انڈیکس مارچ 2023 کے آخر میں 35.40 فیصد رہا۔

ایشیائی ترقیاتی بینک (ADB) نے تباہ کن سیلاب، پالیسی میں سختی، اور بڑے مالیاتی اور بیرونی عدم توازن سے نمٹنے کے لیے اہم کوششوں کے ساتھ ساتھ دوہرے ہندسے کی افراط زر کی وجہ سے مالی سال 2022-23 کے لیے شرح نمو 3.5 فیصد رہنے کی پیش گوئی کی ہے۔ تاہم عالمی بینک کی حالیہ رپورٹس کے مطابق پاکستان کی جی ڈی پی کی شرح نمو مالی سال 2022-23 میں مزید کم ہو کر 2.0 فیصد رہنے کی توقع ہے۔ دریں اثنا، بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) نے بھی مالی سال 2023 کے لیے پاکستان کے لیے اپنے جی ڈی پی کی شرح نمو کے تخمینوں کو 3.5 فیصد سے کم کر کے 2.0 فیصد کر دیا ہے۔

سخت معاشی اور سیاسی ماحول کے باوجود، KSB پاکستان نے 2023 کی پہلی سہ ماہی میں 1,334 ملین روپے کا ٹرن اوور حاصل کیا ہے، جو 2022 کی اسی مدت کے مقابلے میں 11.7 فیصد زیادہ ہے۔ سود اور ٹیکس سے پہلے کی آمدنی (EBIT) میں بھی 2022 کے مقابلے میں 2023 میں 31.2 فیصد اضافہ ہوا، EBIT 2022 میں 57 ملین روپے کے مقابلے میں 2023 میں 74 ملین روپے رہا۔ تاہم، زیادہ مالیاتی لاگت کی وجہ سے، پہلی سہ ماہی کے مقابلے میں ٹیکس سے پہلے کا منافع 2022 کی اسی مدت میں 11 ملین روپے کے مقابلے میں 1 ملین روپے رہا ہے۔

افراط زر اور توانائی کے زیادہ اخراجات سے نمٹنے کے لیے KSB نے کئی اقدامات کیے ہیں۔ 2022 میں، کمپنی نے اپنی پیداواری سہولت پر 1 میگا واٹ کا سولر پلانٹ نصب کیا، اور فیٹری میں 500 کلو واٹ کا سولر پلانٹ اور ہیڈ آفس لاہور میں 100 کلو واٹ کا ایک پلانٹ نصب کرنے کا مزید منصوبہ ہے۔

آگے بڑھتے ہوئے، KSB واٹر اور جنرل انڈسٹری کی مارکیٹوں، بشمول انٹرکمپنی کاروبار میں ایک مضبوط نقطہ نظر کے ساتھ امید افزاء کاروباری امکانات کی توقع کرتا ہے۔ سال 2023 کی پہلی سہ ماہی میں کمپنی کی برآمدی فروخت 667 ملین روپے رہی، جو کہ انٹرکمپنی کاروبار کے لیے مثبت نمو کے امکانات کی نشاندہی کرتی ہے۔

بورڈ پہلی سہ ماہی میں مثبت کاروباری نتائج حاصل کرنے کے لیے KSB کی پوری ٹیم کی لگن اور محنت کو سراہتا ہے اور سال 2023 میں ان کے لیے نیک خواہشات کا اظہار کرتا ہے۔

منجانب بورڈ

Imran Ghani

عمران غنی

ایم ڈی / چیف ایگزیکٹو آفیسر

26 اپریل 2023

لاہور، پاکستان

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To:



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