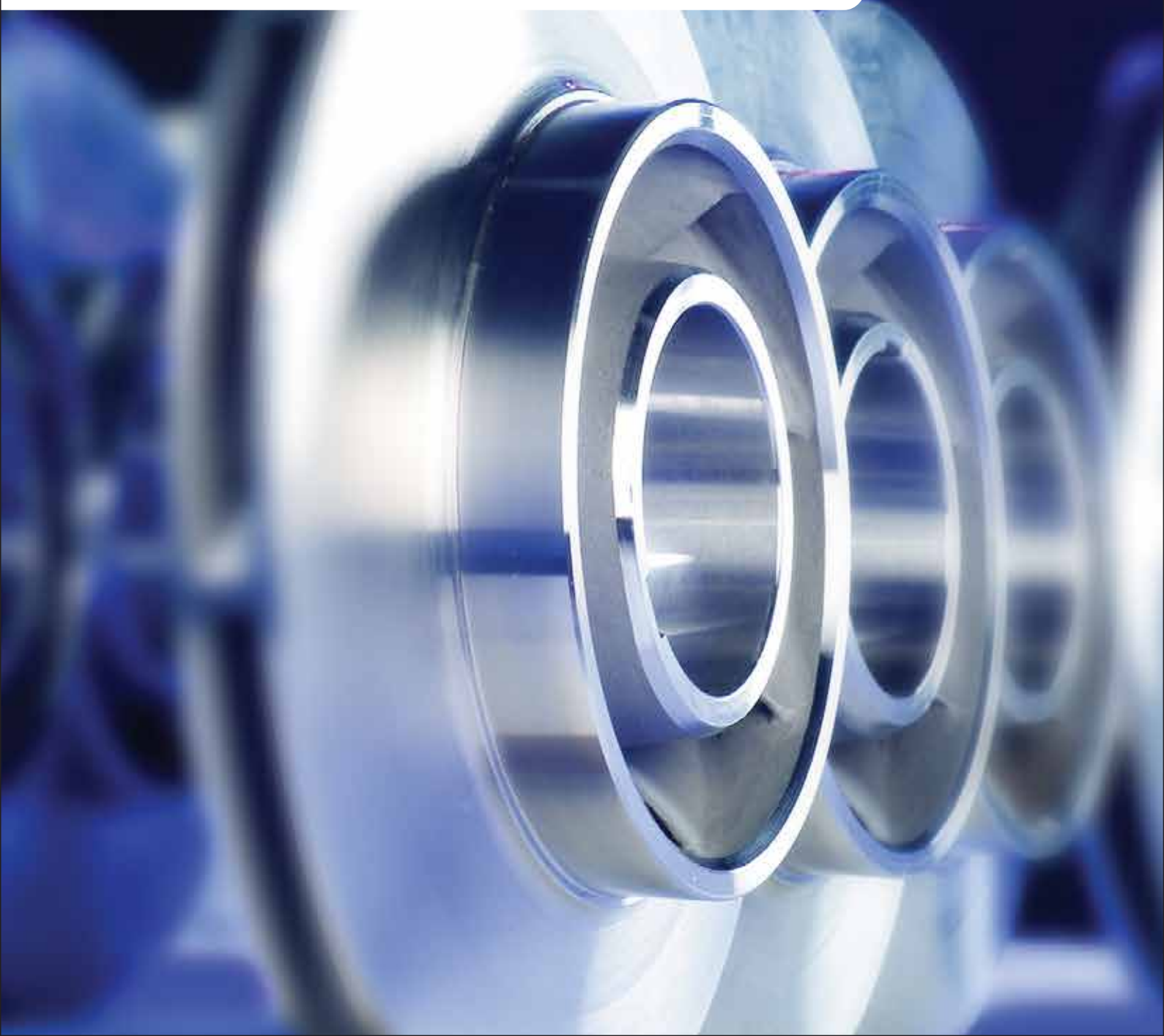


# Annual Report 2017

## KSB Pumps Company Limited





**KSB Pumps Company Limited**

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# 1

## CORPORATE OBJECTIVES

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5	Strategic Objectives
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8	Quality, Environment, Occupational Health & Safety Policy

# Vision

KSB provides the best solutions worldwide.



## Mission Statement

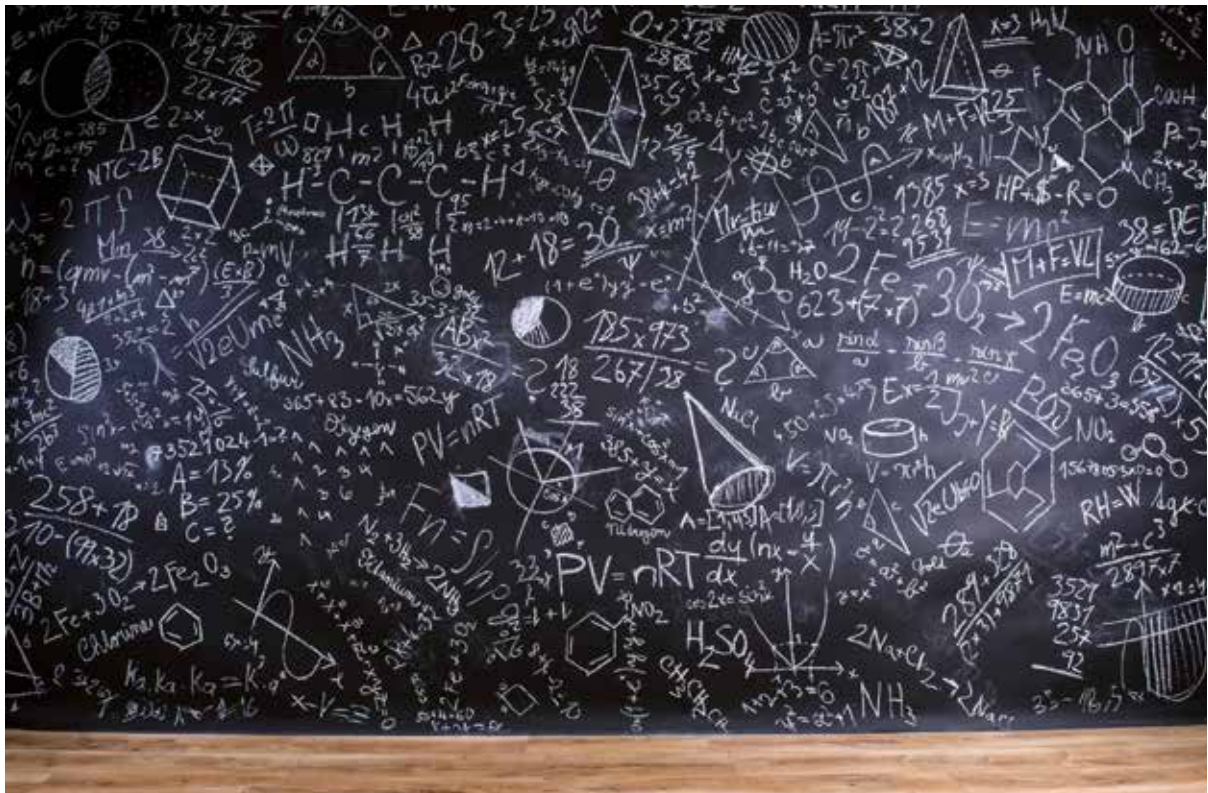
We manufacture and market a wide range of standard and engineered pumps and castings of world class quality. Our efforts are directed to have delighted customers in the water, sewage, oil, energy, industry and construction sectors. In line with the Group's strategy, we are committed to develop into a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



## Strategic Objectives

Defend high market share in a growing but competitive sectors.

Continuously expand product & service offerings in order to strengthen the position as the complete solution provider in the market.



# Values

## Trust

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

## Honesty

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

## Responsibility

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

## Professionalism

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

## Appreciation

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



# Quality Principles

## Achieving maximum customer satisfaction

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

## Promoting quality consciousness

We ensure that all our employees are highly qualified by providing them with ongoing training and comprehensive information. Each of our managers is an example in putting quality - mindedness into practice.

## Every employee meets the customer's wishes

The principle of customer - supplier relations also applies internally. The next in line during the work process is a customer; he/she receives impeccable work results.

## Avoiding mistakes instead of remedying them

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

## Improving quality

The steady improvement of work processes, methods of work and the work environment ensures that every employee is successful and satisfied. At the same time, this helps to secure our leading position in the market.

## Involving suppliers

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





# Principles for Environment, Occupational Health and Safety

## Informing about relevance to the environment

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

## Promoting awareness of environmental issues, occupational health and safety

To protect the environment and our employees we undertake measures that go beyond what is required by law. Our employees are trained and informed by us.

## Strengthening our employees' sense of responsibility

Our employees help to shape our operational processes. This enables them to recognize early on any situations that could have an impact on the environment or on safety and to make sure people are informed about these situations.

## Recognizing and avoiding risks

We constantly and systematically review the impact of our production on people and the environment. By recognizing risks, we can take any preventive action that may be necessary. In the case of new production processes and products, we consider the environmental impact in the development stage. This impact is kept to a minimum, as far as technically and economically feasible. In the process, we take account of both occupational health and safety.

## Compliance with regulations

Using the procedures defined in the Integrated Management System, we monitor our activities to ensure compliance both with national legislation and with our own EHS rules.

## Commitment of outside companies

We ensure that outside companies working on our sites are also committed to compliance with national legislation and our own rules for protection of the environment, occupational health and safety.



# 2

## 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 18001 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 more than 300 proficient people and operates through its Sales offices in Lahore, Karachi, Rawalpindi, Hassanabdal 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 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 32 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 58 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



**Tonjes Cerovsky**

Chairman Board of Directors

Mr. Tonjes Cerovsky has been working for KSB since 37 years. During this time he held different managerial positions in KSB's overseas companies. He has a degree in mechanical engineering from the University of Cologne in Germany and a Masters degree in Business Administration (MBA) from the Business School of the University of Birmingham, UK. He is Senior Vice President Sales - Region Middle East & Africa for KSB and Managing Director KSB Middle East FZE Dubai. He is the Chairman of the Board of Directors of KSB Pakistan.



**Mohammad Masud Akhtar**

Managing Director

Mr. Akhtar is the Chief Executive Officer of KSB Pakistan. He is an Electrical Engineer by profession and has a Masters degree in Manufacturing Systems Engineering from Pennsylvania USA. He has an extensive and diversified experience in Sales, Marketing, Operations and Manufacturing areas. He is certified director from PICG, Pakistan. He is Member of Board of Governors of National Management Foundation (LUMS), LEAD Pakistan & GPCCI and Vice President of Foundry Association of Pakistan. He is President of German Pakistan Chamber of Commerce & Industry Punjab Region (GPCCI).



**Sajid Mahmood Awan**

Director

Mr. Awan is the Director Finance and Company Secretary of KSB Pakistan. He is also responsible for the financial activities for Middle East, Africa and East Europe region. He has more than 24 years of professional experience in multinational environments in Pakistan, Middle East & Africa. He is a fellow member of ICMAP and ICSP, and certified director from PICG, Pakistan.



**Dr. Matthias Beth**

Director

Dr.-Ing. Matthias Beth studied at the University of Darmstadt General Mechanical Engineering and worked then for 5 years as a scientific consultant at the Institute of Production Technology and Forming Machines. Dr. Beth has more than 24 years' experience in KSB and worked in various capacities. From 2010 to 2015 he was as SVP in charge of the Corporate Function Operation of the KSB group. At the moment he is Vice President Production Technology and Systems. Outside of KSB he is a member of the Institute of Production Research Darmstadt and a member of an advisory board of the VDI Düsseldorf.



Board of Directors



**Rahat Kaunain Hassan**  
Director

Ms. Hassan is a Director, Chairperson of HR & R committee and Member of the Audit Committee of KSB Pakistan. She received her LL.M. degree from King's College, London. She is recipient of the prestigious Britannia Chevening and Women of Achievement Award 2010 and the Wonder Women Award 2013. She was also nominated for Sitara-e-Imtiaz. Ms Hassan has been Chairperson of the Competition Commission of Pakistan and Executive Director of SECP. She is certified Director from PICG, Pakistan.



**Hasan Aziz Bilgrami**  
Director

Mr. Bilgrami is a Director and Member of the Audit Committee of KSB Pakistan. He is the President and CEO of BankIslami Pakistan Limited. His other engagements include Director Shakarganj Foods Limited.



**Syed Hyder Ali**  
Director

Syed Hyder Ali, Chief Executive & Managing Director, Packages Ltd. Lahore, Pakistan, graduated from University of Michigan, USA with a Bachelor of Science degree in Chemical Engineering in 1979. He completed his Master of Science in 1981, specializing in paper chemistry. In 1997, He also attended the program for Management Development at the Harvard Business School, Boston, USA.

Mr. Ali has wide & varied professional working experience spanning over many years. He serves on the Board of a number of companies. He is the Honorary Consul General of Sweden in Lahore since 1998. He is also serving on the Board of several philanthropic, educational, charitable & business support organizations & also board member of Ali Institute of Education, International Chamber of Commerce & Lahore University of Management Sciences (LUMS).



**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, has more than 36 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 has also held the position of Executive Director, Equity Participation Fund. He holds a Masters degree, in Business Administration, from Asian Institute of Management, Manila - Philippines.

## Mr. Tonjes Cerovsky

### Chairman Board of Directors



## Chairman's Review

We are pleased to inform that KSB Pakistan under guidance of the Board has achieved remarkable business results for year 2017 with a turnover exceeding PKR 5 billion and a profit before tax of PKR 539 million, being ever highest so far. The Board steers the company to achieve its overall objectives in line with global strategy of its parent company, KSB SE & Co. KGaA. KSB Pakistan provides wide range of high quality pumps with excellent service facility, castings, automotive parts and clean drinking water filtration units, thus contributing towards economic and infrastructure development of the country.

The Board of Directors is comprised of highly qualified professionals equipped with rich experience in their relevant fields. The Board has diversity and necessary mix of skill and experience in different relevant fields of business, finance, legal, administration and management.

All Board Members are aware of their fiduciary duties and provide strategic direction and guidance to the Management in accordance with relevant rules and standards. All Board Members, except one director who is exempt, have already acquired certification as required under Directors' Training Program.

KSB Pakistan has already complied with the requirement of having female director on the Board of Directors. Board Members are always encouraged to actively take part in discussion. Further, feedback from independent directors is always given due consideration while taking decisions. The board and its committees have met regularly during the year and due deliberations were carried out before exercising guidance or giving consent on all matters placed before them.

Annual Board Performance Evaluation Mechanism is in place according to which the performance of all board members remained highly satisfactory.

I am thankful to all fellow Board Members and other stakeholders for their continued support and trust.



Tonjes Cerovsky  
Chairman

Lahore: March 8, 2018

## Management Committee



Mohammad Masud Akhtar  
Chief Executive Officer /  
Managing Director



Sajid Mahmood Awan  
Director Finance &  
Company Secretary



Syed Tariq Ali  
Director Operations



Muhammad Imran Malik  
Director Sales &  
Strategic Marketing



Mamoon Riaz  
Director Projects



Omer Saljouk  
GM Customer Services



Matraf Rasul  
GM Materials



Muhammad Omer Siddiqui  
Head of Product  
Management & TSS



Shahzad Umer  
Head QHSE



Saeed Hussain  
Head of Internal Audit



Shahzad Saleem  
Head of Human  
Resource



## 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: ksbmul@ksb.com.pk

### Peshawar

3rd Floor, Mall Tower, 35 The Mall, Peshawar Cell: 0300-5895289 Ph: 091-5285679 Fax: 091-5278919  
Email: franchise.kpk@ksb.com.pk

### Rawalpindi

309, A3 Peshawar Road, Westridge 1,  
Opp. Valley Clinic, Rawalpindi.  
Ph: (051) 111 572 786. Fax: (051) 5472612  
Email: ksbrwp@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: ksbkhi@ksb.com.pk

### KSB Partners

Sr.	Name	Address	City	Contact Person	Landline nos.	Email Address
1	Dominar Engineers	65-A Ferozpur Road, Link Samanabad Road, near LOS,	Lahore	Hammad Malik	042-37500078	hammad.malik@de.com.pk
2	Industrial Development & Engineering Associates	20-C Mezzanine Floor, Indus Center, 14th Com st. PH-II, DHA,	Karachi	Saqui Khawaja	021-35390481/2	saquib@idea.com.pk
3	Wali Muhammad & Co.	Zonkiram Road near millennium Mall,	Quetta	Wali Muhammad	081-2829635	gulistanmachinery@yahoo.com
4	Pak Atlantis Pumps (Pvt.) Ltd.	3rd floor, Mall Tower, 35- The Mall, Peshawar Cantt	Peshawar	Arbab Bilal Ahmad	091-5278919	pakatlantis@gmail.com
5	Pak Atlantis Pumps (Pvt.) Ltd.	309, A3 Peshawar Road, Westridge 1, Opp. Valley Clinic,	Rawalpindi	Arbab Bilal Ahmad	051-5491413	pakatlantis@gmail.com
6	Modern Technology & Traders	4th Floor, Building# 11-C/2, Lane-11 Bukhari Commercial, DHA Pahse-6	Karachi	Haji Iqbal Sheikh	021-35156121	Qayoomshaikh3@gmail.com





# Company Information

## Board of Directors

Tonjes Cerovsky	Chairman
Mohammad Masud Akhtar	Managing Director
Sajid Mahmood Awan	
Dr. Matthias Beth	
Rahat Kaunain Hassan	
Hasan Aziz Bilgrami	
Syed Hyder Ali	
Jamal Nasim	(Nominee NIT)

## Company Secretary

Sajid Mahmood Awan

## Management

Mohammad Masud Akhtar	Chief Executive Officer
Sajid Mahmood Awan	Finance, Administration & Corporate Affairs
Syed Tariq Ali	Operations
Muhammad Imran Malik	Sales & Strategic Marketing
Mamoon Riaz	Projects

## Auditors

A.F. Ferguson & Co.	Chartered Accountants
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## Legal Advisors

Mandviwala & Zafar

## Bankers

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

## Audit Committee

Jamal Nasim	Chairman
Hasan Aziz Bilgrami	Member
Dr. Matthias Beth	Member
Syed Hyder Ali	Member
Ms. Rahat Kaunain Hassan	Member

## Secretary Audit Committee

Saeed Hussain

## HR & R Committee

Rahat Kaunain Hassan	Chairperson
Syed Hyder Ali	Member
Mohammad Masud Akhtar	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

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B, SMCHS  
Shahra-e-Faisal, Karachi-74000  
Tel: (021) 111-111-500  
Fax: (021) 34326053

# Notice of Annual General Meeting

Notice is hereby given that the 61st Annual General Meeting of the members of KSB Pumps Company Limited, will be held on Thursday, the 19th April, 2018, at 4.00 p.m. at Hotel Hospitality Inn, 25-26 Egerton Road, Lahore, to transact the following business:

## Ordinary Business

1. To confirm the minutes of the Annual General Meeting held on April 25, 2017.
2. To consider and adopt the audited accounts of the Company for the year ended December 31, 2017 and report of Auditors and Directors thereon.
3. To approve and declare dividend of 120.2 % for the financial year ended December 31, 2017 as recommended by the Directors.
4. To appoint auditors for the year 2018 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.

## Special Business

5. To consider and if thought fit to pass the following resolution as Special Resolution with or without modification to amend the Memorandum of Association of the Company to change the name of Holding Company appearing in clause III(2),

### Resolved that:

“Alternation of the name of the holding company from KSB Aktiengesellschaft to KSB SE & Co. KGaA appearing in the Memorandum of Association clause III(2) be and is hereby approved.

6. To consider and if thought fit to pass the following resolution as Special Resolution with or without modification to amend the Articles of Association of the Company to change the

name of Holding Company wherever appearing in the Article No. 98, 153 & 159(1) and interpretation clause No. 2 regarding KSB Aktiengesellschaft be replaced.

### RESOLVED:

“that the name of the Holding Company from KSB Aktiengesellschaft to KSB SE & Co. KGaA wherever appearing in the Articles of Association Clause 98, 153 & 159(1) be and is hereby approved to alter the name of Holding Company and interpretation clause No. 2 regarding KSB Aktiengesellschaft be replaced with the following

KSB SE & Co. KGaA means & includes KSB SE & Co. KGaA a partnership limited by shares and registered under the laws of Germany having its principal place of business at Johann-Klein-Strasse 9, 67227. Frankenthal, Germany or any of its holding, associate, affiliate or subsidiary company or companies aforesaid.”

### FURTHER RESOLVED THAT:

“Mr. Sajid Mahmood Awan, Company Secretary, be and is hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions”.

BY ORDER OF THE BOARD



SAJID MAHMOOD AWAN  
Company Secretary  
Lahore : March 27, 2018



60th AGM, held on April 25, 2017

## Notes

1. A member entitled to attend and vote at this meeting is entitled to appoint another member as proxy. Proxies in order to be effective must be received not later than 48 hours before the time appointed for the meeting. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid. Every proxy shall have the right to attend, speak and vote in place of the member appointing him/her at the meeting.
2. The Share Transfer Books of the Company will remain closed from 12th April, 2018 to 19th April, 2018 (both days inclusive). Transfers received in order at Company's Registrar, M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74000, by the close of business on 11th April, 2018 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. Submission of copies of CNIC (Mandatory)

Pursuant to the directive of the Securities & Exchange Commission of Pakistan, CNIC numbers of shareholders are mandatorily required to be mentioned on Dividend Warrants. Shareholders are, therefore, requested to submit a copy of their CNIC (if not already provided) to the Company Share Registrar, M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, SMCHS, Main Shahrah-e-Faisal, Karachi-74000.

### 5. Withholding Tax on dividends

The Government of Pakistan through Finance Act, 2017 has made certain amendments in Section 150 of 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 | 20.0% |

To enable the Company to make tax deduction on the amount of cash dividend @15% instead of 20 % 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



Participants of 60<sup>th</sup> AGM

on their cash dividend will be deducted @20 % 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. Central Depository Company of Pakistan 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. Notices for unclaimed dividend / physical shares have been dispatched to the shareholders.

## 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 alongwith a copy of CNIC to the Share Registrar of the Company, CDC House, 99-B, Block 'B', S.M.C.H.S, Main Sharah-e-Faisal, Karachi-74400, in case of physical shares.

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

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

## 8. Audited Financial Statement through e-mail:

SECP through its notification SRO 787(1) /2014 dated September 8, 2014 has allowed the circulations of Audited Financial Statement along with Notice of Annual General Meeting to the Members through e-mail. Therefore, all 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](http://www.ksb.com.pk). Audited financial statements & reports are being placed on the aforesaid website.

## 9. Consent for Video Conference Facility

In accordance with section 132(2) of the Companies Act, 2017, members can avail video conference facility for this Annual General Meeting provided the Company receives consent from the members holding in aggregate 10% or more shareholding, residing at geographical location, at least 07 days prior to date of the meeting.

Subject to fulfillment of the above conditions, members shall be informed of the venue, 5 days before the date of the General meeting along with complete information necessary to access the facility.

In this regard please send a duly signed request as per following format at the registered address of the Company 07 days before holding of annual general meeting.

I/We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being a members KSB  
Pumps Company Limited holder of  
\_\_\_\_\_ Ordinary Share(s) as per Registered Folio  
No./CDC Sub Account No. \_\_\_\_\_ hereby  
opt for video conference facility at  
\_\_\_\_\_.

\_\_\_\_\_  
Signature of Shareholder



# STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT 2017 IN REGARD TO SPECIAL BUSINESS

## Item No.5 & 6 of the Agenda

The Holding Company M/S KSB Aktiengesellschaft (KSB AG) has change its legal form under a new name KSB SE & Co.KGaA, a partnership limited by shares. To give effect to this change approval of Shareholders is being sought to amend the Memorandum & Articles of Association of the Company.

None of the Directors of the Company have direct or indirect interest in the above said special business.

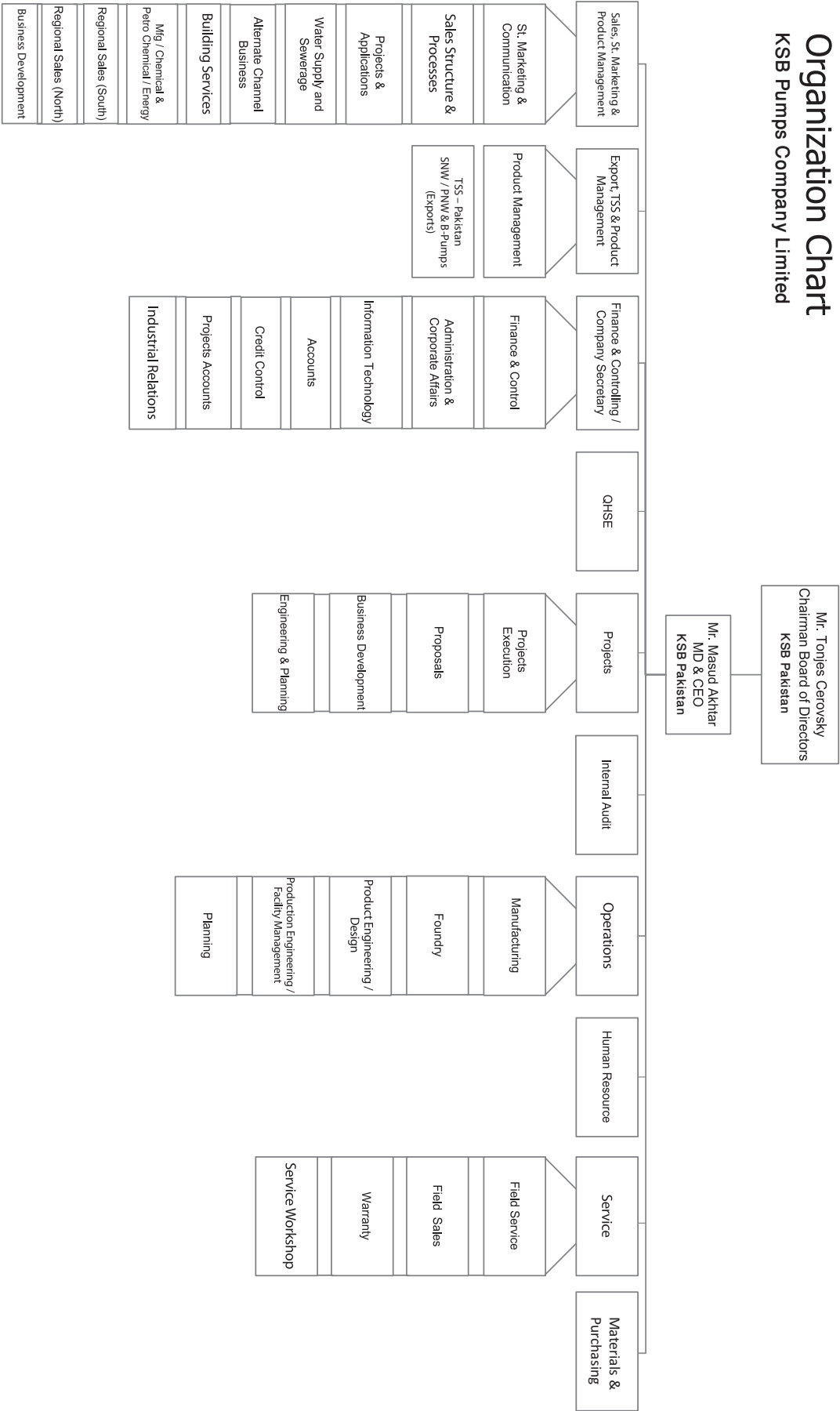






Organization Chart

KSB Pumps Company Limited



## Mohammad Masud Akhtar

Chief Executive Officer & MD KSB Pakistan



# 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, 2017 together with Auditor's report thereon.

## THE ECONOMY

### Global Economy

Global economic activity continues to strengthen in year 2017 with consistent future outlook. Overall GDP forecast for years 2018 & 2019 has been revised upwards to 3.9 percent as compared to estimated GDP of 3.7 percent for year 2017. Advanced economies, especially Germany, Japan and US have shown noteworthy growth. Tax policy changes in US would accelerate near term activity. Major economies in developing & emerging markets, like China and Brazil, have also shown growth trends in later part of the year. Increase in investment, particularly in developed economies, and manufacturing activity in Asia remained among important factors contributing towards high aggregate growth. Extension of agreement for oil production cut by OPEC+ would support recovery in oil exporting countries, including Saudi Arabia, however, is likely to give rise to inflation. Besides, world economy is clouded by risks like inward-looking policies and geo political conflicts, especially in Middle East and East Asia. Multi-faceted strategy on global front may prove beneficial to safeguard current global growth momentum.

### Pakistan's Economy

Pakistan economy is set to achieve a healthy growth rate of above 5% in FY2018. Major sectors, Agriculture and Industry, have performed above target. Although large scale manufacturing tends to have a slower trend in specific sectors e.g. delay in sugarcane crushing, overall industrial activity is likely to remain strong. Infrastructure and CPEC related activity would give rise to growth in construction and allied sectors. Based on past trends, Government spending is expected to increase in the first half, in the wake of upcoming elections in the current year, which would give further boost to the business activity. Consequent to efforts made by the Government, energy supply has improved and various energy projects are underway to further build capacity and cater to the growing demand. Law & order and security situation generally remained under control. Exports and foreign remittances have increased after downward trends in previous years. Rupee devaluation has favourable impact on exports on one hand, however, on the other hand current account deficit remains under significant pressure due to high level of imports. Inflation has remained under control so far, however, year on year figure is expected to increase due to rising oil prices. Foreseeing the state of economy, the central bank has also raised the policy rate. On external front, although deferred for few months, Pakistan is facing risk of being placed on global grey list, which would hamper country's rating and access to business and financial markets. Political uncertainty is among other major threats to economic performance. Immediate actions should be taken to cope with the new challenges and effective policies to be formulated and implemented leading to continued economic growth.

## THE COMPANY

### Financial Results

Year 2017 has been another successful year for KSB Pakistan in terms of overall business growth. Key indicators as compared to last year 2016 are as follows:

**Rupees in '000'**

	<b>2017</b>	<b>2016</b>
Sales	5,115,215	4,950,602
Gross Profit	1,145,066	1,047,762
Profit before Tax	539,324	509,489
Profit/(Loss) for the year	396,068	377,696
Earnings per share (EPS)	30.01	28.61

The turnover of the company has achieved milestone of PKR 5 billion. Gross profit has increased by 9% over last year. Profit before tax has increased by 6% and profit after tax by 5% as compared to the previous year. Earnings per share has also increased to PKR 30.01.

### Sales

Year 2017 has marked aggregate growth in all key areas, however, bigger segments, Water / Waste Water and Industry, remained top performers. Significant business has been materialized from public sector where JICA – Lahore Project has proven to be a key contributor to our business growth. As a part of our ongoing diversification and expansion program, the newly launched products in fire sector & API pumps are continuously snowballing the market share. In addition to it, KSB Pakistan has been able to secure further high-tech business of water treatment through reverse osmosis (RO/UF) plants in the Industrial Sector.





## Projects

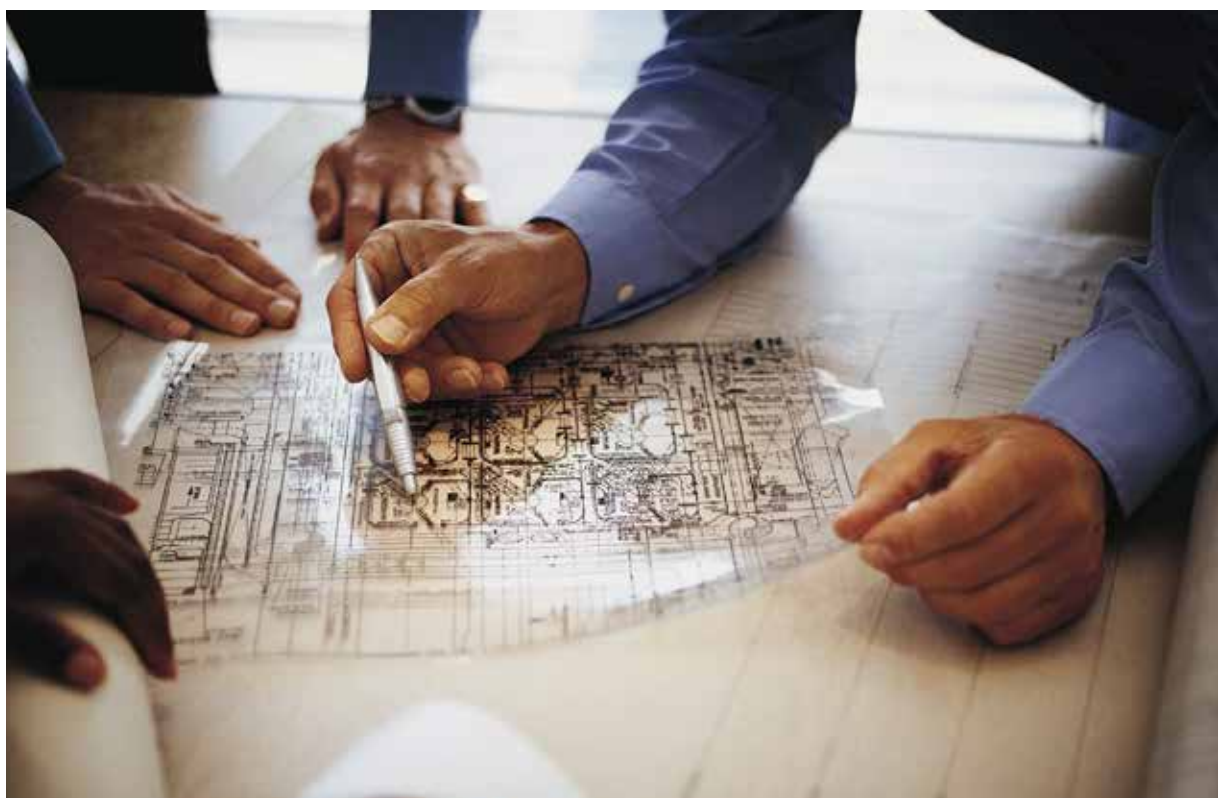
KSB Pakistan Projects has recorded a healthy business progress, especially in water segment. Multiple key water filtration orders have been secured from established departments like WASA and Public Health Engineering. Shahshams project in Multan, after a prolonged break due to non-availability of funds by the government, has been restarted and is in execution phase.

KSB Pakistan led consortium continues to execute work on Dhabeji, a project near Karachi, awarded by Karachi Water and Sewerage Board (KW&SB) for construction of a pump station of 100 MGD capacity. The project would be one among major contributors to the revenue in year 2018.

Successful and timely completion of projects has supported to achieve a revenue of more than PKR 1 billion for third consecutive year. Continuous cost optimization efforts have resulted in healthy profitability.

## Production

Production in year 2017 remained above target. Our technical team has successfully developed and produced new ETN pumps in accordance with plan from Product Management. A new Pattern store has been built with vertical racking to ensure safety and proper placement of patterns. Keeping in view increasing product demand, a new CNC turning lathe has been inducted in Machine shop to add to its capacity. Moreover, in





this connection, KSB Pakistan has plans to develop new paint shop, core shop and extend the Machine shop, which will be executed in near future. With aim to reduce lead time, plant modernising activities have been planned to develop in-house facility of design, development, manufacturing, testing, and validation of patterns & new products through digital manufacturing.

KSB Pakistan continues focusing on employees' skill development as well as on process improvement to bring enhanced efficiency, economy and quality in operations.

### Foundry

Year 2017, being a special year for KSB Pakistan Foundry, has witnessed the biggest ever investment to modernize and expand our foundry operations with future prospects and growing market demand in view. The new Foundry Plant based on German High Pressure Moulding line & Sand Plant is state-of-the-art facility, fully automated, environment friendly, and poka yoke both in Quality and safety. Melting capacity has also been significantly enhanced with induction of new dual track Induction furnace. The work is in completion phase and new Foundry will be operational within 1st quarter of year 2018. This huge investment will bring about fruition in shape of further enhanced product quality, efficiency, productivity, and production capacity to ensure business growth in automotive sector, in connection with upcoming opportunities from Suzuki, Honda, Toyota, Millat Tractors, and Nissan, and potential business from Hino, FAW, Hyundai, Kia, and Volkswagen.





### Quality, Environment, Occupational Health and Safety

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

KSB Pumps Company Limited is the first foundry based engineering company in Pakistan certified for the Integrated Management System (ISO 9001, ISO 14001 & OHSAS 18001). We strive to make our plants safer and our operations more energy efficient and cost effective to ultimately satisfy our valued customers with world class products and excellent service.

As a result of our contribution towards environment friendly policies, KSB Pakistan has won yet another Annual Environment Excellence Award, for seventh consecutive year This award is initiated by National Forum for Environment & Health and is designed to recognize and promote organizations practicing strict compliance to national and international standards of Health, Safety and environment sustainability and development.



KSB Pumps Pakistan received the 14th Annual Environment Excellence Award 2017 from NFEH



### Service

KSB Pakistan Service has posted substantial business growth over previous year. Orders poured in from both public and private sectors. This higher growth has been achieved with optimum resources thus reaching the assigned target of improved productivity and cost control. Service facility handled 205 jobs with enhanced efficiency as compared to previous year. Also, few maintenance and service agreements have been signed with our valued clients.

### Human Resource

We recognize the value delivered by our people. KSB Pakistan, with the aim to sustain its competitive edge, consistently strives to recruit and retain high quality talent and build a successful team. Employee wellness, talent development and engagement are key areas of focus which has been illustrated by active initiatives that ensured top employee performance & satisfaction, and investment in more than 450 (domestic & international) training days in year 2017. Employee Engagement Initiatives continued to involve colleagues at all levels and locations, promoting cross-functional & cross-departmental teamwork through fun-filled activities like Cricket, Table Tennis, Birthday celebrations, Orange Party, Independence Day celebrations and many others.

To align our cultural initiatives and as a commitment to our customers, the company has strengthened HR function at factory to further enable our operations to deliver excellent quality products & services. All business departments are facilitated to use Strategy into Action (SIA) framework for aligning departmental contributions with Company's overall objectives and ensure that the deliverables are cascaded clearly and accurately down the line.

Retention of talent is one of our key priorities which is why we benchmark and up-grade our Compensation & Benefits structure by partnering with Mercer to remain competitive and maintain our position as Employer of Choice. Our capable team is charged up to keep KSB ahead of the competition and continue to add value for all stakeholders.

### 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 balance sheet 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.





The Deputy General Manager Syed Afzaal Ali handing over Scholarship Awards to students of different schools from Hassanabdal

### Corporate Social Responsibility - KSB CARE

The Corporate Social Responsibility is an integral part of KSB's Corporate Policy. In the last ten years, KSB Care has done various projects imparting benefits to hundreds of students. This demonstrates our commitment towards the community at large. By investing in education of our future generations, KSB is playing a role to help the country build a better tomorrow.

KSB's Corporate Social Responsibility (CSR) program works under the banner of KSB Care. KSB has supported the educational institutions in the rural areas around its production facility at Hassan'abdal. During the year 2017, the Company has extended support to educational institutions by providing assistance for rehabilitation of infrastructure, construction of class rooms, provision of furniture & fixtures, and drinking water for schools.

KSB is also contributing by offering internship, apprenticeship, training opportunities, educational visits, and study projects to students.

Under the scholarship program, KSB awards merit based scholarships to promising students of various schools and colleges situated in the vicinity of its works at Hassan'abdal. During year 2017, scholarships were awarded to 291 high achievers of 22 schools and colleges.

In previous years, KSB Care has also provided assistance to numerous hospitals and medical organizations such as Shaukat Khanum Hospital, LRBT, Indus Hospital, and SIUT etc.

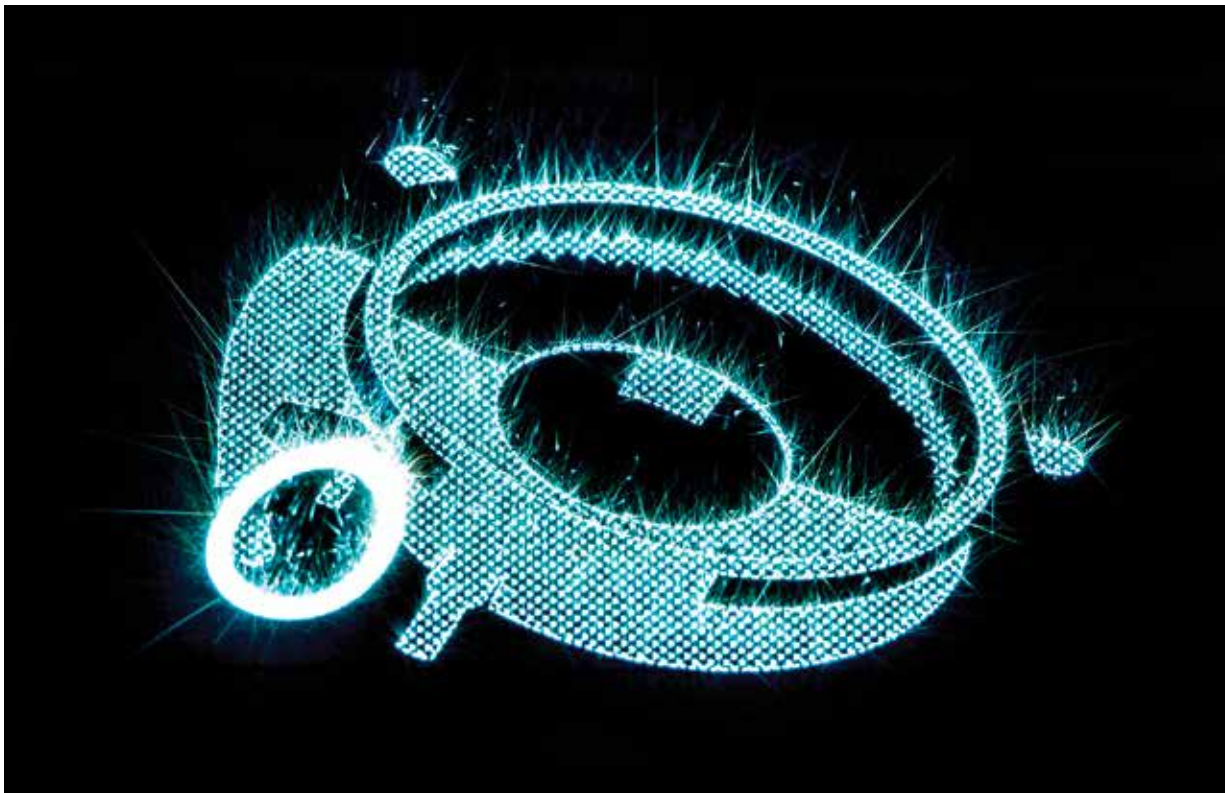
## FUTURE OUTLOOK

### Sales

Going forward, healthy opportunities are in pipeline for Pumps & Valves business in standard as well as high-end engineered market for all key segments, namely Industry, Energy, Building Service and Water & Waste Water. Year 2018, being election year, is anticipated to bring about further prospects, especially in water & waste water infrastructure projects. Strong growth in newly established business line of Reverse Osmosis/Sewerage Treatment Plants is foreseen in coming years, especially in Industrial Sector. We have active communication & marketing programs aimed to timely and effectively cater to the business needs of our valued customers and tap into new business avenues.

### Projects

Business outlook for the year 2018 remains optimistic, especially for water segment, based on focus of all Provincial Governments to establish grass root level water supply schemes. Punjab Government has initiated a plan to provide clean drinking water, by the name of Aab-e-Sehat, through PHED department as well as Saaf Pani Companies by installing water filtration plants at village level. In the same way, Sindh Government has put its focus on bulk water supply to Karachi city whereby pumping projects would be announced in year 2018. Since KSB Pakistan has emerged as a strong player in filtration business, it is likely to secure healthy order intake from these opportunities.



Existing projects are moving at satisfactory pace towards completion, with optimized resources as a result of improved operational and strategic agility.

KSB Projects continues its endeavour for necessary enlistments and pre-qualifications with future business prospects and expansion strategy.

### Service

KSB Pakistan Service has a healthy orders in hand and promising business opportunities in pipeline which boost our confidence to ensure further growth in year 2018. We are committed to strive for more business from high-end market and service projects. In future, we intend to look for possibilities of Mechanical Seal refurbishment and motor repair / rewinding activities thus completely capturing the slogan “One Window Operation”.



## APPROPRIATION

### RESULT FOR THE YEAR

Rupees  
'000'

Profit for the year before providing for taxation	539,323
Provision for taxation	(143,255)
Profit after taxation	396,068
Other comprehensive income/(loss) for the year - Net of Tax	(5,717)
Un-appropriated profit brought forward	417
Available for appropriation	390,768
Appropriated as under	
- Transfer to general reserve	232,000
- Proposed dividend @ Rs. 12.02 per share	158,664
	390,664
Un appropriated profit carried forward	104





## 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, 2018.

## 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, 2017 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. The Holding Company M/s. KSB Aktiengesellschaft (KSB AG) has changed its legal form under a new name KSB SE & Co. KGaA, a partnership limited by shares.

## BOARD OF DIRECTORS

The Board of Directors presently comprises of eight individuals out of which six are non-executive. The Chairman of the Board is other than the CEO and non-executive Director.





## 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 A t t e n d e d
01.	Mr. Tonjes Cerovsky	4
02.	Mr. M. Masud Akhtar	4
03.	Mr. Sajid Mahmood Awan	4
04.	Dr. Matthias Beth	4
05.	Ms. Rahat Kaunain Hassan	3
06.	Mr. Hasan Aziz Bilgrami	3
07.	Mr. Jamal Nasim	3
08.	Syed Hyder Ali	2

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 of five 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 A t t e n d e d
1.	Mr. Jamal Nasim	- Chairman	Non-Executive Director	3
2.	Mr. Hasan Aziz Bilgrami	- Member	Non-Executive Director	2
3.	Dr. Matthias Beth	- Member	Non-Executive Director	4
4.	Syed Hyder Ali	- Member	Non-Executive Director	2
5.	Ms. Rahat Kaunain Hassan	- Member	Non-Executive Director -Independent Director	2

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 of 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.	Ms. Rahat Kaunain Hassan	-	Chairperson	1
2.	Syed Hyder Ali	-	Member	-
3.	Mr. Mohammad Masud Akhtar	-	Member	1

#### 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 Ordinance, 1984. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- The International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the Best Practices of Corporate Governance, as detailed in the Listing Regulations.
- There has been no departure from the best practices of transfer pricing.

- The key operating and financial data for the last six years is annexed.
- The value of investments including accrued interest based on respective audited accounts of funds are as follows:
 

1. Provident Fund	31.12.2016	:	Rs. 101.00 Million.
2. Gratuity Fund	31.12.2016	:	Rs. 74.50 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, 2017 is annexed with the report.

#### **PERFORMANCE REVIEW OF CHIEF EXECUTIVE OFFICER**

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

#### **ACKNOWLEDGEMENT**

The Board of Directors would like to thank all of their stakeholders, valued customers, shareholders, bankers, suppliers and dealers of the Company for providing their valuable support throughout the year. The Board also recognize the excellent support and guidance provided by our parent Company, M/s. KSB SE & Co. KGaA.

The Board wishes to place on record its appreciation for the hard work and dedication of the management, officers and staff of the Company.

On behalf of the Board



Mohammad Masud Akhtar  
Chief Executive



Sajid Mahmood Awan  
Chief Financial Officer

March 8, 2018  
Lahore.

# 3

## STAKEHOLDERS' INFORMATION

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49	Key Financial Data for 6 Years
50	Key Performance Indicators



## **Eta:** maximum efficiency at minimum cost

Our Eta pump family sets the global yardstick for extra efficiency – because at the heart of every Eta there's a top-class hydraulic system. And dozens of sizes, materials and drives in almost any combination mean that every customer gets exactly the right model. Variety is our standard. So discover how to save energy every minute you pump.

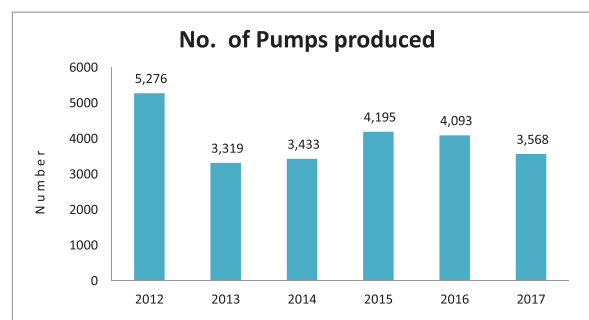
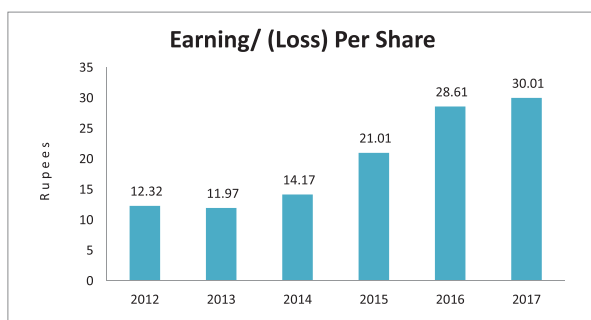
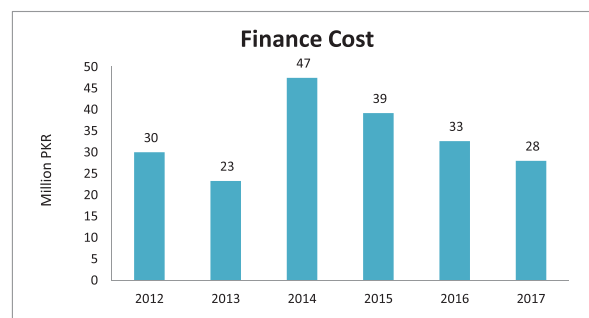
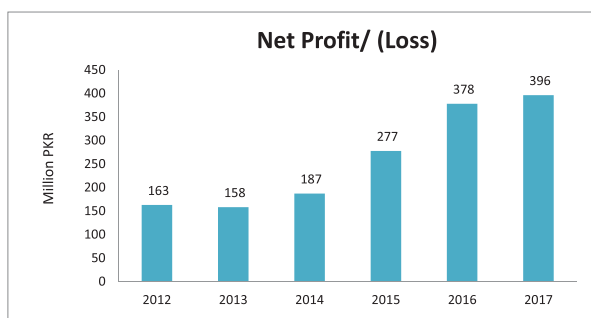
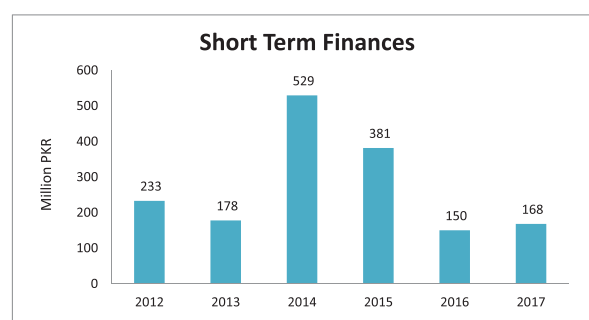
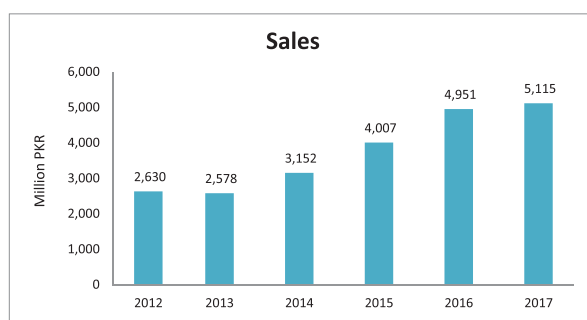
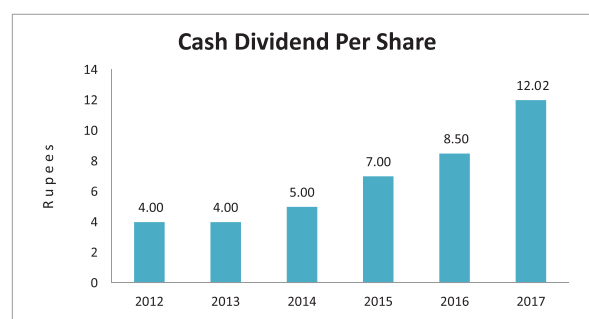
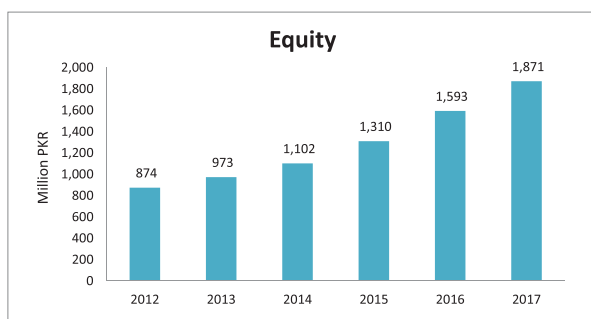
► **Our technology. Your success.**

Pumps • Valves • Service





## Highlights 6 Years



# Vertical Analysis

	2017 Rs. in '000'	%age	2016 Rs. in '000'	%age
<b>Balance Sheet</b>				
Net worth / shareholders equity	1,871,369	39.10%	1,593,217	43.83%
Non current liabilities	413,515	8.64%	137,703	3.79%
Short term running finances/bank borrowings	269,215	5.62%	150,059	4.13%
Creditors, accrued and other liabilities	2,232,091	46.64%	1,753,672	48.25%
<b>Total liabilities and equity</b>	<b>4,786,190</b>	<b>100.00%</b>	<b>3,634,651</b>	<b>100.00%</b>
Fixed Assets	1,245,786	26.03%	486,675	13.39%
Long Term Loans and Deposits	13,044	0.27%	16,508	0.45%
Deferred Taxation	-	0.00%	-	0.00%
Current Assets	3,527,360	73.70%	3,131,467	86.16%
<b>Total Assets</b>	<b>4,786,190</b>	<b>100.00%</b>	<b>3,634,651</b>	<b>100.00%</b>
<b>Profit and Loss Account</b>				
Sales	5,115,215	100.00%	4,950,602	100.00%
Cost of sales	(3,970,150)	-77.61%	(3,902,841)	-78.84%
Gross Profit / (Loss)	1,145,066	22.39%	1,047,762	21.16%
Distribution and marketing costs	(334,702)	-6.54%	(310,023)	-6.26%
Administrative expenses	(244,767)	-4.79%	(225,841)	-4.56%
Other operating expenses	(59,219)	-1.16%	(38,852)	-0.78%
Other operating income	60,854	1.19%	69,061	1.40%
<b>Operating Profit / (Loss)</b>	<b>567,231</b>	<b>11.09%</b>	<b>542,106</b>	<b>10.95%</b>
Finance Cost	(27,908)	-0.55%	(32,617)	-0.66%
<b>Profit / (Loss) before tax</b>	<b>539,324</b>	<b>10.54%</b>	<b>509,489</b>	<b>10.29%</b>
Taxation	(143,255)	-2.80%	(131,793)	-2.66%
<b>Profit / (Loss) for the year</b>	<b>396,068</b>	<b>7.74%</b>	<b>377,696</b>	<b>7.63%</b>

Vertical Analysis

2015 Rs. in '000'	%age	2014 Rs. in '000'	%age	2013 Rs. in '000'	%age	2012 Rs. in '000'	%age
1,310,250	38.75%	1,101,515	37.89%	973,149	41.86%	874,364	38.58%
83,728	2.48%	79,193	2.72%	43,860	1.89%	24,825	1.10%
381,372	11.28%	529,272	18.20%	177,841	7.65%	233,370	10.30%
1,605,920	47.49%	1,197,407	41.18%	1,129,858	48.60%	1,133,858	50.03%
3,381,271	100.00%	2,907,387	100.00%	2,324,707	100.00%	2,266,417	100.00%
417,795	12.36%	364,296	12.53%	306,942	13.20%	311,014	13.72%
15,188	0.45%	12,463	0.43%	15,645	0.67%	10,552	0.47%
-	0.00%	-	0.00%	14,734	0.63%	23,022	1.02%
2,948,287	87.19%	2,530,628	87.04%	1,987,387	85.49%	1,921,828	84.80%
3,381,271	100.00%	2,907,387	100.00%	2,324,707	100.00%	2,266,417	100.00%
4,007,244	100.00%	3,152,062	100.00%	2,577,686	100.00%	2,630,402	100.00%
(3,099,652)	-77.35%	(2,454,451)	-77.87%	(1,982,697)	-76.92%	(2,087,813)	-79.37%
907,592	22.65%	697,611	22.13%	594,990	23.08%	542,589	20.63%
(328,342)	-8.19%	(243,578)	-7.73%	(223,911)	-8.69%	(222,183)	-8.45%
(188,149)	-4.70%	(184,984)	-5.87%	(168,678)	-6.54%	(133,479)	-5.07%
(36,911)	-0.92%	(29,673)	-0.94%	(33,886)	-1.31%	(22,952)	-0.87%
53,644	1.34%	60,158	1.91%	55,721	2.16%	68,089	2.59%
407,834	10.18%	299,535	9.50%	224,236	8.70%	232,063	8.82%
(39,156)	-0.98%	(47,435)	-1.50%	(23,274)	-0.90%	(30,405)	-1.16%
368,678	9.20%	252,099	8.00%	200,962	7.80%	201,658	7.67%
(91,312)	-2.28%	(65,110)	-2.07%	(42,951)	-1.67%	(39,094)	-1.49%
277,366	6.92%	186,989	5.93%	158,011	6.13%	162,564	6.18%

# Horizontal Analysis

	2017	2016	Change	2016	2015	Change	2014
	Rs. in '000	Rs. in '000	%	Rs. in '000	Rs. in '000	%	Rs. in '000
<b>Balance Sheet</b>							
Net worth / shareholders equity	1,871,369	1,593,217	17.46%	1,593,217	1,310,250	21.60%	1,310,250
Non current liabilities	413,515	137,703	200.30%	137,703	83,728	64.46%	83,728
Short term running finances/bank borrowings	269,215	150,059	79.41%	150,059	381,372	-60.65%	381,372
Creditors, accrued and other liabilities	2,232,091	1,753,672	27.28%	1,753,672	1,605,920	9.20%	1,605,920
<b>Total liabilities and equity</b>	<b>4,786,190</b>	<b>3,634,651</b>	<b>31.68%</b>	<b>3,634,651</b>	<b>3,381,271</b>	<b>7.49%</b>	<b>3,381,271</b>
Fixed Assets	1,245,786	486,675	155.98%	486,675	417,795	16.49%	417,795
Long Term Loans and Deposits	13,044	16,508	-20.98%	16,508	15,188	8.69%	15,188
Deferred Taxation	-	-	0%	-	-	0%	-
Current Assets	3,527,360	3,131,467	12.64%	3,131,467	2,948,287	6.21%	2,948,287
<b>Total Assets</b>	<b>4,786,190</b>	<b>3,634,651</b>	<b>31.68%</b>	<b>3,634,651</b>	<b>3,381,271</b>	<b>7.49%</b>	<b>3,381,271</b>
<b>Profit and Loss Account</b>							
<b>Sales</b>	<b>5,115,215</b>	<b>4,950,602</b>	<b>3.33%</b>	<b>4,950,602</b>	<b>4,007,244</b>	<b>23.54%</b>	<b>4,007,244</b>
Cost of sales	(3,970,150)	(3,902,841)	1.72%	(3,902,841)	(3,099,652)	25.91%	(3,099,652)
<b>Gross Profit / (Loss)</b>	<b>1,145,066</b>	<b>1,047,762</b>	<b>9.29%</b>	<b>1,047,762</b>	<b>907,592</b>	<b>15.44%</b>	<b>907,592</b>
Distribution and marketing costs	(334,702)	(310,023)	7.96%	(310,023)	(328,342)	-5.58%	(328,342)
Administrative expenses	(244,767)	(225,841)	8.38%	(225,841)	(188,149)	20.03%	(188,149)
Other operating expenses	(59,219)	(38,852)	52.42%	(38,852)	(36,911)	5.26%	(36,911)
Other operating income	60,854	69,061	-11.88%	69,061	53,644	28.74%	53,644
<b>Operating Profit / (Loss)</b>	<b>567,231</b>	<b>542,106</b>	<b>4.63%</b>	<b>542,106</b>	<b>407,834</b>	<b>32.92%</b>	<b>407,834</b>
Finance Cost	(27,908)	(32,617)	-14.44%	(32,617)	(39,156)	-16.70%	(39,156)
Profit / (Loss) before tax	539,324	509,489	5.86%	509,489	368,678	38.19%	368,678
Taxation	(143,255)	(131,793)	8.70%	(131,793)	(91,312)	44.33%	(91,312)
<b>Profit / (Loss) for the year</b>	<b>396,068</b>	<b>377,696</b>	<b>4.86%</b>	<b>377,696</b>	<b>277,366</b>	<b>36.17%</b>	<b>277,366</b>

Horizontal Analysis

Change	2014	2013	Change	2013	2012	Change	2012	2011	Change	
Rs. in '000	%	Rs. in '000	Rs. in '000	%	Rs. in '000	Rs. in '000	%	Rs. in '000	Rs. in '000	%
1,101,515	18.95%	1,101,515	973,149	13.19%	973,149	874,364	11.30%	874,364	705,463	23.94%
79,193	5.73%	79,193	43,860	80.56%	43,860	24,825	76.67%	24,825	33,163	-25.14%
529,272	-27.94%	529,272	177,841	197.61%	177,841	233,370	-23.79%	233,370	57,791	303.82%
1,197,407	34.12%	1,197,407	1,129,858	5.98%	1,129,858	1,133,858	-0.35%	1,133,858	1,200,382	-5.54%
2,907,387	16.30%	2,907,387	2,324,707	25.06%	2,324,707	2,266,417	2.57%	2,266,417	1,996,799	13.50%
364,296	14.69%	364,296	306,942	18.69%	306,942	311,014	-1.31%	311,014	316,471	-1.72%
12,463	21.87%	12,463	15,645	-20.34%	15,645	10,552	48.26%	10,552	12,946	-18.49%
-	0%	-	14,734	-100.00%	14,734	23,022	-36.00%	23,022	35,465	-35.08%
2,530,628	16.50%	2,530,628	1,987,387	27.33%	1,987,387	1,921,828	3.41%	1,921,828	1,631,917	17.77%
2,907,387	16.30%	2,907,387	2,324,707	25.06%	2,324,707	2,266,417	2.57%	2,266,417	1,996,799	13.50%
3,152,062	27.13%	3,152,062	2,577,686	22.28%	2,577,686	2,630,402	-2.00%	2,630,402	1,944,764	35.26%
(2,454,451)	26.29%	(2,454,451)	(1,982,697)	23.79%	(1,982,697)	(2,087,813)	-5.03%	(2,087,813)	(1,628,144)	28.23%
697,611	30.10%	697,611	594,990	17.25%	594,990	542,589	9.66%	542,589	316,621	71.37%
(243,578)	34.80%	(243,578)	(223,911)	8.78%	(223,911)	(222,183)	0.78%	(222,183)	(180,096)	23.37%
(184,984)	1.71%	(184,984)	(168,678)	9.67%	(168,678)	(133,479)	26.37%	(133,479)	(119,023)	12.15%
(29,673)	24.39%	(29,673)	(33,886)	-12.43%	(33,886)	(22,952)	47.63%	(22,952)	(199,706)	-88.51%
60,158	-10.83%	60,158	55,721	7.96%	55,721	68,089	-18.16%	68,089	42,319	60.89%
299,535	36.16%	299,535	224,236	33.58%	224,236	232,063	3.37%	232,063	(139,886)	265.89%
(47,435)	-17.45%	(47,435)	(23,274)	103.81%	(23,274)	(30,405)	-23.45%	(30,405)	(16,235)	87.28%
252,099	46.24%	252,099	200,962	25.45%	200,962	201,658	0.35%	201,658	(156,121)	229.17%
(65,110)	40.24%	(65,110)	(42,951)	51.59%	(42,951)	(39,094)	9.87%	(39,094)	50,000	178.19%
186,989	48.33%	186,989	158,011	18.34%	158,011	162,564	2.80%	162,564	(106,121)	253.19%



# Statement of Value Addition

## Value Addition

Net sales  
Other income

## Value Distribution

Cost of sales (excluding employees' cost & Depreciation/Amortization)

Marketing, admin. & other expenses (excluding employees' cost, Depreciation, & Extraordinary Expenses)

Extraordinary Expenses (SAP, ERP System)

Employees cost

- Salaries, wages, amenities and staff welfare  
- Workers' profit participation fund

Government

- Taxes & Duties  
- Workers' welfare fund

Shareholders

- Dividend  
- Bonus shares

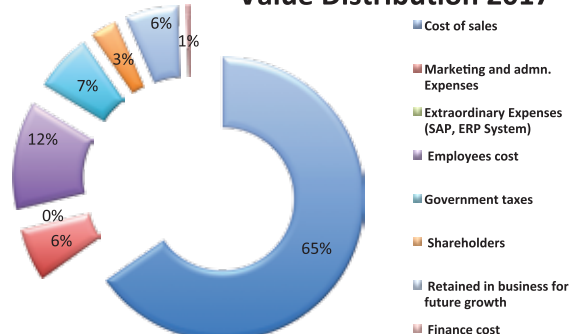
Retained in business for future growth

- Depreciation & Amortization  
- Retained profit

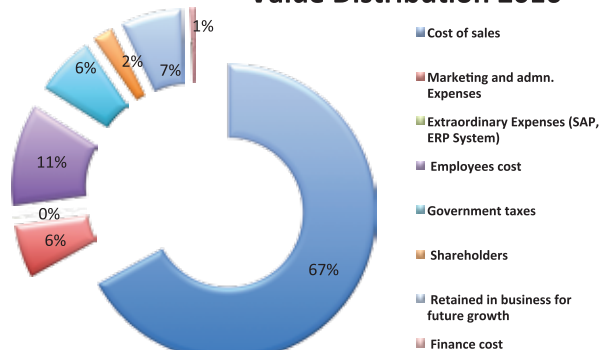
Finance cost

	2017 Rs. in '000'	%age	2016 Rs. in '000'	%age
Net sales	5,115,215	98.82	4,950,602	98.62
Other income	60,854	1.18	69,061	1.38
	<u>5,176,070</u>	<u>100.00</u>	<u>5,019,664</u>	<u>100.00</u>
Cost of sales (excluding employees' cost & Depreciation/Amortization)	3,380,667	65.31	3,365,334	67.04
Marketing, admin. & other expenses (excluding employees' cost, Depreciation, & Extraordinary Expenses)	308,725	5.96	290,433	5.79
Extraordinary Expenses (SAP, ERP System)	-	0.00	3,560	0.07
Employees cost	609,939	11.78	533,065	10.62
- Salaries, wages, amenities and staff welfare	32,080	0.62	24,288	0.48
- Workers' profit participation fund	642,019	12.40	557,353	11.10
Government	332,069	6.42	314,831	6.27
- Taxes & Duties	11,007	0.21	9,525	0.19
- Workers' welfare fund	343,076	6.63	324,356	6.46
Shareholders	158,664	3.07	112,200	2.24
- Dividend	-	0.00	-	0.00
- Bonus shares	158,664	3.07	112,200	2.24
Retained in business for future growth	77,606	1.50	68,315	1.36
- Depreciation & Amortization	237,404	4.59	265,496	5.29
- Retained profit	315,011	6.09	333,811	6.65
Finance cost	27,908	0.54	32,617	0.65
	<u>5,176,070</u>	<u>100.00</u>	<u>5,019,664</u>	<u>100.00</u>

Value Distribution 2017



Value Distribution 2016



## Key Financial Data for 6 Years

	Rupees in '000'					
	2017	2016	2015	2014	2013	2012
<b>Balance sheet</b>						
Paid up capital	132,000	132,000	132,000	132,000	132,000	132,000
Reserves	1,739,369	1,461,217	1,178,250	969,515	841,149	742,364
<b>Net worth / shareholders equity</b>	<b>1,871,369</b>	<b>1,593,217</b>	<b>1,310,250</b>	<b>1,101,515</b>	<b>973,149</b>	<b>874,364</b>
Non current liabilities	413,515	137,703	83,728	79,193	43,860	24,825
Short term running finances/ bank borrowings	269,215	150,059	381,372	529,272	177,841	233,370
Creditors, accrued & other liabilities	2,232,091	1,753,672	1,605,920	1,197,407	1,129,858	1,133,858
Current liabilities	2,501,306	1,903,731	1,987,292	1,726,680	1,307,699	1,367,228
<b>Total liabilities</b>	<b>2,914,821</b>	<b>2,041,434</b>	<b>2,071,021</b>	<b>1,805,873</b>	<b>1,351,559</b>	<b>1,392,053</b>
<b>Total Liabilities &amp; Equity</b>	<b>4,786,190</b>	<b>3,634,651</b>	<b>3,381,271</b>	<b>2,907,387</b>	<b>2,324,707</b>	<b>2,266,417</b>
Fixed assets	1,245,786	486,675	417,795	364,296	306,942	311,014
Long term loans and deposits	13,044	16,508	15,188	12,463	15,645	10,552
Deferred taxation	-	-	-	-	14,734	23,022
Current assets	3,527,360	3,131,467	2,948,287	2,530,628	1,987,387	1,921,828
<b>Total assets</b>	<b>4,786,190</b>	<b>3,634,651</b>	<b>3,381,271</b>	<b>2,907,387</b>	<b>2,324,707</b>	<b>2,266,417</b>
Inventory	1,030,607	886,432	767,402	538,350	505,291	638,231
Debtors	1,632,115	1,557,229	1,437,371	1,216,728	1,037,397	920,735
Trade and other payables	2,153,288	1,681,134	1,542,692	1,130,307	1,077,216	1,086,064
Material consumption	2,529,740	2,652,496	1,896,068	1,348,153	1,246,883	1,401,889
<b>Profit and loss</b>						
Sales	5,115,215	4,950,602	4,007,244	3,152,062	2,577,686	2,630,402
Cost of goods sold	(3,970,150)	(3,902,841)	(3,099,652)	(2,454,451)	(1,982,697)	(2,087,813)
Gross Profit	1,145,066	1,047,762	907,592	697,611	594,990	542,589
Distribution and marketing cost	(334,702)	(310,023)	(328,342)	(243,578)	(223,911)	(222,183)
Administrative expenses	(244,767)	(225,841)	(188,149)	(184,984)	(168,678)	(133,479)
Other operating expenses	(59,219)	(38,852)	(36,911)	(29,673)	(33,886)	(22,952)
Other operating income	60,854	69,061	53,644	60,158	55,721	68,089
Operating Profit	567,231	542,106	407,834	299,535	224,236	232,063
Finance Cost	(27,908)	(32,617)	(39,156)	(47,435)	(23,274)	(30,405)
Profit before tax	539,324	509,489	368,678	252,099	200,962	201,658
Taxation	(143,255)	(131,793)	(91,312)	(65,110)	(42,951)	(39,094)
<b>Net Profit</b>	<b>396,068</b>	<b>377,696</b>	<b>277,366</b>	<b>186,989</b>	<b>158,011</b>	<b>162,564</b>

## Key Performance Indicators

		2017	2016	2015	2014	2013	2012
Gross Margin	%	22.39	21.16	22.65	22.13	23.08	20.63
Net profit to Sales	%	7.74	7.63	6.92	5.93	6.13	6.18
Return on equity	%	21.16	23.71	21.17	16.98	16.24	18.59
Return on capital employed	%	24.83	31.32	29.26	25.37	22.05	25.81
Return on assets	%	8.28	10.39	8.20	6.43	6.80	7.17
EBITDA	Rupees in '000	644,838	610,421	471,536	359,488	272,393	278,709
EBITDA margin	%	12.61	12.33	11.77	11.40	10.57	10.60
Inventory turnover ratio	Times	2.45	2.99	2.47	2.50	2.47	2.20
Inventory turnover in number of days	Days	149	122	148	146	148	166
Debtor Turnover ratio	Times	3.13	3.18	2.79	2.59	2.48	2.86
Collection period (Days)	Days	116	115	131	141	147	128
Creditor turnover	Times	1.84	2.32	2.01	2.17	1.84	1.92
Credit turnover in number of days	Days	198	157	182	168	198	190
Operating cycle	Days	67	80	97	119	97	104
Total assets turnover ratio	Times	1.07	1.36	1.19	1.08	1.11	1.16
Fixed assets turnover ratio	Times	4.11	10.17	9.59	8.65	8.40	8.46
Price earning ratio	Times	10.20	14.27	12.16	10.81	7.55	5.28
Cash dividend per share	Rupees	12.02	8.50	7.00	5.00	4.00	4.00
Dividend yield ratio	Times	0.04	0.02	0.03	0.03	0.04	0.06
Dividend pay out ratio	Times	0.40	0.30	0.33	0.35	0.33	0.32
Dividend cover ratio	Times	2.50	3.37	3.00	2.83	2.99	3.08
Earnings Per Share	Rupees	30.01	28.61	21.01	14.17	11.97	12.32
Number of Shares	Number	13,200	13,200	13,200	13,200	13,200	13,200
Debt Equity Ratio		1.56 : 1	1.28 : 1	1.58 : 1	1.64 : 1	1.39 : 1	1.59 : 1
Interest Cover ratio	Times	20.33	16.62	10.42	6.31	9.63	7.63
Current Ratio	Times	1.41	1.64	1.48	1.47	1.52	1.41
Acid test ratio	Times	1.00	1.18	1.10	1.15	1.13	0.94
Break up value per share	Rupees	141.77	120.70	99.26	83.45	73.72	66.24
Market Value of shares - year end	Rupees	306.00	408.25	255.47	153.14	90.35	65.00
Market Value of shares - high	Rupees	474.90	409.41	264.90	172.44	98.00	73.18
Market Value of shares - low	Rupees	266.50	192.19	127.58	73.20	59.85	22.83
<b>Summary of cash flow statement</b>							
Operating activities	Rupees in '000	765,492	493,411	142,454	103,678	156,234	(130,902)
Investing activities	Rupees in '000	(832,959)	(136,170)	(112,687)	(115,213)	(46,162)	(38,549)
Financing Activities	Rupees in '000	254,837	(49,101)	(65,395)	(52,392)	(52,589)	(8)
Cash and cash equivalent- closing balance	Rupees in '000	296,642	109,272	(198,868)	(163,239)	(99,313)	(156,796)

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## CORPORATE GOVERNANCE

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53	Information under Code of Corporate Governance
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57	Review Report to the Members

## Pattern of Shareholding as at December 31, 2017

Number of Shareholders	Shareholding	Total Shares Held
374	1 to 100	12,225
169	101 to 500	46,833
209	501 to 1000	124,681
141	1001 to 5000	340,038
22	5001 to 10000	152,011
9	10001 to 15000	124,924
5	15001 to 20000	87,000
4	20001 to 25000	87,849
2	25001 to 30000	55,100
4	30001 to 35000	130,703
1	35001 to 40000	40,000
2	40001 to 45000	85,200
1	70001 to 75000	75,000
1	75001 to 80000	76,500
1	85001 to 90000	89,900
2	95001 to 100000	199,500
2	105100 to 110000	216,500
1	115001 to 120000	117,000
1	135001 to 140000	137,288
1	140001 to 145000	143,863
1	145001 to 150000	147,500
1	270001 to 275000	272,373
1	295001 to 300000	300,000
1	315001 to 320000	318,000
1	330001 to 335000	331,178
1	550001 to 555000	550,400
1	1165001 to 1170000	1,165,459
1	7770001 to 7775000	7,772,975
960		13,200,000

Categories of Shareholders	Number of Shareholders	Shares Held	Percentage
Associated Companies	1	7,772,975	58.89
Modarabas & Mutual Funds	7	187,300	1.42
Insurance Companies	1	272,373	2.06
Directors, CEO, their spouse & minor children	-	-	-
Trustee National Investment (UNIT) Trust	1	1,165,459	8.83
Investment Corporation of Pakistan	-	-	-
Banks Development Financial Institutions, NBFI,			
Joint Stock Companies	19	767,459	5.81
General Public	924	2,744,826	20.80

### Others:

- Trustees Mohammed Amin Wakf Estate - 31,703	7	289,608	2.19
- Trustees NBP Employees Benevolent Fund - 4,817			
- Trustees NBP Employees Pension Fund - 137,288			
- Trustees Engro Corporation Ltd. P.Fund - 5,000			
- Trustee Thall Ltd. Employees Provident Fund - 2,300			
- M/s. Prudential Discount & Guarantee House Ltd. - 2,000			
- CDC Meezan Tahafuz Pension Fund Equity Sub Fund - 106,500			

Total	960	13,200,000	100.00
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## Information as required under the Code of Corporate Governance

Shareholders' Category	Number of Shareholders	Number of Shares Held
<b>Associated Companies, Undertakings and Related Parties</b>		
KSB AG, Germany.	1	7,772,975
Directors	Nil	Nil
Directors' spouses and minor children	Nil	Nil
CEO's spouse and minor children	Nil	Nil
Executives	Nil	Nil
Public Sector Companies and Corporations	5	824,099
<b>Mutual Funds</b>		
CDC - Trustee Al Meezan Mutual Fund	1	500
CDC - Trustee Meezan Islamic Fund	1	89,900
CDC - Trustee Nafa Stock Fund	1	4,200
CDC - Trustee NAFA Islamic Asset Allocation Fund	1	8,200
CDC - Trustee NIT-Equity Market Opportunity Fund	1	2,000
CDC - Trustee National Investment (UNIT) Trust	1	1,165,459
CDC - Trustee Meezan Asset Allocation Fund	1	6,000
Banks, Development Finance Institutions, Non Banking Finance Institutions, Insurance Companies, Modaraba and Joint Stock Companies	15	215,733
General Public	924	2,744,826
(a) Local      924		
(b) Foreign      Nil		
Others	8	366,108
<b>Total</b>	<b>960</b>	<b>13,200,000</b>
<b>Shareholders holding 5% or more voting interest</b>		
KSB AG, Germany	1	7,772,975
Trustee National Investment (UNIT) Trust	1	1,165,459

# Statement of Compliance

## with the Code of Corporate Governance for the year ended December 31, 2017

This statement is being presented to comply with the requirements of the Code of Corporate Governance as contained in the listing regulation No. 5.19 of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non executive Directors and minority representation on its Board of Directors. At present the Board includes:

Category	Names
Independent Director	Ms.Rahat Kaunain Hassan
Executive Directors	Mr. Mohammad Masud Akhtar Mr. Sajid Mahmood Awan
Non-Executive Directors	Mr. Tonjes Ceroovsky Dr. Matthias Beth Syed Hyder Ali Mr. Hasan Aziz Bilgrami Mr. Jamal Nasim

**The independent Director meet the criteria of independence under clause 5.19.1 of the CCG.**

2. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies, including this Company.
3. All the resident Directors of the Company are registered as taxpayers and to the best of our knowledge none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board of Directors during the year.
5. 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.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms & conditions of employment of the CEO and other executive and non-executive directors have been taken by the Board of Directors.
8. All the meetings of the Board were presided over by the Chairman. The Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated within the statutory period.
9. Seven Directors have already acquired certification under Directors Training Programme, whereas one Director, having the requisite experience on the board of listed companies, is exempt from Directors Training Programme. Company provided information on the Code of Corporate Governance to foreign Directors and other Directors regarding their duties and responsibilities.
10. The Board approved the remunerations and terms & conditions of employment of CFO, Company Secretary and Head of Internal Audit in terms of Code of Corporate Governance.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the CEO and the CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an audit committee. It comprises of five non executive Directors, and one of them is an independent Director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises of three members, two of them are non-executive Directors and the Chairperson of the Committee is an independent Director.
18. The Board has set out an effective internal audit function. The staff is considered to be suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company and is involved in the internal audit function on a full time basis.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board



Mohammad Masud Akhtar  
Chief Executive



Sajid Mahmood Awan  
Chief Financial Officer

March 8, 2018  
Lahore.

## Review Report to the Members on Statement of Compliance with the Best Practices of Code of Corporate Governance

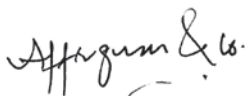
We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of KSB Pumps Company Limited ("the Company") for the year ended December 31, 2017 to comply with the Listing Regulation No. 5.19 of the Pakistan Stock Exchange, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance the requirements of the Code. 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 Code.

As part of our audit of 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 Directors' 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 Code requires the Company to place before the Audit Committee, and upon the recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

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 best practices contained in the Code as applicable to the Company for the year ended December 31, 2017.



Chartered Accountants

Name of audit engagement partner: Hammad Ali Ahmad

Lahore: March 8, 2018





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# 5

## FINANCIAL STATEMENTS

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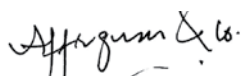
## Auditors' Report to the Members

We have audited the annexed balance sheet of KSB Pumps Company Limited ("the Company") as at December 31, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2017 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion 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.



Chartered Accountants

Name of engagement partner: Hammad Ali Ahmad

Lahore: March 15, 2018

# Balance Sheet

As at December 31, 2017

	Note	2017 Rupees	2016 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 15,000,000 (2016: 15,000,000) ordinary shares of Rs 10 each		150,000,000	150,000,000
Issued, subscribed and paid up capital 13,200,000 (2016: 13,200,000) ordinary shares of Rs 10 each	5	132,000,000	132,000,000
General reserve		1,348,600,000	1,085,600,000
Unappropriated profit		390,768,530	375,616,863
		1,871,368,530	1,593,216,863
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - secured	6	304,033,268	42,689,126
Employees' retirement and other benefits	7	82,064,391	67,010,429
Deferred taxation	8	27,417,689	28,003,413
		413,515,348	137,702,968
<b>CURRENT LIABILITIES</b>			
Current portion of long term finances- secured		101,344,422	-
Short term finances - secured	9	167,870,289	150,059,000
Trade and other payables	10	2,153,288,473	1,681,133,677
Provisions for other liabilities and charges	11	75,031,837	69,528,149
Accrued finance cost		3,770,905	3,010,056
		2,501,305,926	1,903,730,882
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12	4,786,189,804	3,634,650,713

The annexed notes 1 to 41 form an integral part of these financial statements.

  
Chairman

  
Chief Executive

  
Chief Financial Officer



	Note	2017 Rupees	2016 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	484,056,435	403,730,324
Investment property	14	373,125	586,341
Intangible assets	15	1,792,745	663,149
Capital work-in-progress	16	759,563,488	81,695,176
Long term loans and deposits	17	13,044,161	16,508,428
		1,258,829,954	503,183,418
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		77,578,821	65,326,022
Stock-in-trade	18	953,028,677	821,106,124
Trade debts	19	1,632,115,491	1,557,228,612
Advances, deposits, prepayments and other receivables	20	400,124,346	428,475,445
Cash and bank balances	21	464,512,515	259,331,092
		3,527,359,850	3,131,467,295
		4,786,189,804	3,634,650,713

  
Chairman

  
Chief Executive

  
Chief Financial Officer

## Profit and Loss Account

For the year ended December 31, 2017

	Note	2017 Rupees	2016 Rupees
Sales	22	5,115,215,480	4,950,602,343
Cost of sales	23	(3,970,149,788)	(3,902,840,729)
<b>Gross profit</b>		<b>1,145,065,692</b>	<b>1,047,761,614</b>
Distribution and marketing expenses	24	(334,702,197)	(310,023,124)
Administrative expenses	25	(244,767,071)	(225,841,324)
Other operating expenses	26	(59,219,202)	(38,851,969)
Other operating income	27	60,854,224	69,061,242
<b>Profit from operations</b>		<b>567,231,446</b>	<b>542,106,439</b>
Finance costs	28	(27,907,700)	(32,617,021)
<b>Profit before taxation</b>		<b>539,323,746</b>	<b>509,489,418</b>
Taxation	29	(143,255,259)	(131,792,980)
<b>Profit for the year</b>		<b>396,068,487</b>	<b>377,696,438</b>
Earnings per share - basic & diluted		30.01	28.61

The annexed notes 1 to 41 form an integral part of these financial statements.

  
**Chairman**
  
**Chief Executive**
  
**Chief Financial Officer**

# Statement of Comprehensive Income

For the year ended December 31, 2017

	2017 Rupees	2016 Rupees
Profit for the year	396,068,487	377,696,438
<b>Items that will not be reclassified to profit or loss:</b>		
Remeasurement of retirement benefit plans - net of tax	(5,716,820)	(2,329,562)
<b>Items that may be reclassified to profit or loss</b>	-	-
Other comprehensive loss for the year - net of tax	(5,716,820)	(2,329,562)
<b>Total comprehensive income for the period</b>	<b>390,351,667</b>	<b>375,366,876</b>

The annexed notes 1 to 41 form an integral part of these financial statements.

  
Chairman

  
Chief Executive

  
Chief Financial Officer

# Cash Flow Statement

For the year ended December 31, 2017

	Note	2017 Rupees	2016 Rupees
<b>Cash flows from operating activities</b>			
Cash generated from operations	31	927,655,610	613,805,195
Finance costs paid		(27,146,851)	(33,245,703)
Taxes paid		(126,366,612)	(65,843,701)
Employees' retirement and other benefits paid		(12,114,551)	(19,984,731)
Net decrease/ (increase) in long term loans and deposits		3,464,267	(1,320,173)
<b>Net cash from operating activities</b>		<b>765,491,863</b>	<b>493,410,887</b>
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(849,364,843)	(151,511,856)
Proceeds from sale of property, plant and equipment		16,405,877	15,341,811
<b>Net cash used in investing activities</b>		<b>(832,958,966)</b>	<b>(136,170,045)</b>
<b>Cash flows from financing activities</b>			
Long term finances-secured		362,688,564	42,689,126
Dividend paid		(107,851,327)	(91,790,099)
<b>Net cash from/ (used) in financing activities</b>		<b>254,837,237</b>	<b>(49,100,973)</b>
<b>Net increase in cash and cash equivalents</b>		<b>187,370,134</b>	<b>308,139,869</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>109,272,092</b>	<b>(198,867,777)</b>
<b>Cash and cash equivalents at the end of the year</b>	32	<b>296,642,226</b>	<b>109,272,092</b>

The annexed notes 1 to 41 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, 2017

	Share Capital Rupees	General Reserves Rupees	Unappropriated Profit Rupees	Total Rupees
<b>Balance as at January 1, 2016</b>	132,000,000	903,000,000	275,249,987	1,310,249,987
Final dividend for the year ended December 31, 2015 Rs 7 per share	-	-	(92,400,000)	(92,400,000)
Transfer to general reserve	-	182,600,000	(182,600,000)	-
Total comprehensive income for the period	-	-	375,366,876	375,366,876
<b>Balance as at December 31, 2016</b>	132,000,000	1,085,600,000	375,616,863	1,593,216,863
Final dividend for the year ended December 31, 2016 Rs 8.5 per share	-	-	(112,200,000)	(112,200,000)
Transfer to general reserve	-	263,000,000	(263,000,000)	-
Total comprehensive income for the period	-	-	390,351,667	390,351,667
<b>Balance as at December 31, 2017</b>	132,000,000	1,348,600,000	390,768,530	1,871,368,530

The annexed notes 1 to 41 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, 2017

## 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 Aktiengesellschaft and principally engaged in the manufacture and sale of industrial pumps, valves, castings and related parts. The registered office of the Company is situated at KSB Building, Sir Agha Khan road, Lahore.

## 2. Basis of preparation

**2.1** These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. 23, reference CLD/CCD/PR(11)/2017, dated October 04, 2017 issued by Securities and Exchange Commission of Pakistan (SECP) companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with provisions of the repealed Companies Ordinance, 1984. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 shall prevail.

## 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 year

There were certain new standards, amendments to the approved accounting standards and new interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The amendments and Interpretations which became effective during the year are considered not to be relevant to the Company's operations and therefore are not detailed in these financial statements except for the amendments as explained below:

Amendments to IAS 12, 'Income Taxes' in relation to recognition of deferred tax assets for unrealised losses are applicable on accounting periods beginning on or after January 01, 2017. International Accounting Standards Board (IASB) has clarified that unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use. Furthermore, the estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

Amendments to IAS 7, 'Statement of cash flows' on the disclosure initiative is applicable on annual periods beginning on or after January 01, 2017. These amendments are part of the IASB initiative to improve presentation and disclosure in financial reports. The objective of the amendment is that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The application of aforementioned amendments has no material impact on the Company's financial statements.

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

IFRS 15 'Revenue from contracts with customers' is effective from accounting periods beginning on or after January 1, 2018. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when the entity satisfies a performance obligation by transferring a promised good or service.

Revenue is to be recognised in accordance with the aforementioned principle by applying the following steps:

- i) Identify the contract with a customer.
- ii) Identify the performance obligation in the contract.
- iii) Determine the transaction price of the contract.
- iv) Allocate the transaction price to each of the separate performance obligations in the contract.
- v) Recognise the revenue when (or as) the entity satisfies a performance obligation.

Key changes to current practice are:

- i) Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- ii) Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc.) – minimum amounts must be recognised if they are not at significant risk of reversal.
- iii) The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at the end of a contract may have to be recognised over the contract term and vice versa.
- iv) Other changes include new specific rules on licenses, warranties, non-refundable upfront fees and consignment arrangements.
- v) There are changes related to disclosure and presentation.

The following amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after their respective effective dates but the Company has not early adopted them. They are not expected to have a material impact on Company's financial statements.

Standards or interpretations:	Effective date (accounting periods beginning on or after)
IFRS 9, 'Financial Instruments'	January 1, 2018
IFRIC 22 - 'Foreign currency transactions and advance consideration'	January 1, 2018
IFRS 16 - 'Leases'	January 1, 2019
IAS 12 - 'Income Taxes' in relation to amendments resulting from Annual Improvements 2015–2017 Cycle (income tax consequences of dividends)	January 1, 2019
IAS 19 - 'Employee benefits' in relation to plan amendments, curtailments or settlements	January 1, 2019
IFRIC 23 - 'Uncertainty over income tax treatments'	January 1, 2019

### 2.2.3 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 1, 2018 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.

## 3. Basis of measurement

These financial statements have been prepared under the historical cost convention, except for recognition of certain employee retirement benefits at present value.

The Company's significant accounting policies are stated in note 4. Not all of these significant 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:

**a) Retirement benefits**

The Company uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations. The valuation is based on assumptions as mentioned in note 4.2.

**b) Provision for taxation**

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

**c) Useful life and residual values of property, plant and equipment**

The Company reviews the useful lives of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

**d) Cost to complete the projects**

As part of application of percentage of completion method on contract accounting, the Company estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognized. These estimates are based on the prices of materials and services applicable at that time, forecasted increases and expected completion date at the time of such estimation. Such estimates are reviewed at regular intervals. Any subsequent changes in the prices of materials and services compared to forecasted prices and changes in the time of completion affect the results of the subsequent periods.

**e) Stock-in-trade**

Stock-in-trade is carried at the lower of cost and net realizable value. The net realizable value is assessed by the Company having regard to the budgeted cost of completion, estimated selling price and knowledge of recent comparable transactions.

If the expected sale price less completion costs and costs to execute sales (net realisable value) is lower than the carrying amount, a write-down is recognised for the amount by which the carrying amount exceeds its net realisable value. Provision is made in the financial statements for obsolete and slow moving stock-in-trade based on management estimate.

**4. 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****Current**

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. 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.

**Deferred**

Deferred tax is accounted for using the balance sheet 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 taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

## 4.2 Employees' retirement and other benefits

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

### 4.2.1 Defined benefit plans

- (a) 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 11.004 million (2016: Rs 6.674 million). The actual returns on plan assets represent the difference between the fair value of plan assets at beginning of the year and end of the year after adjustments for contributions made by the Company as reduced by benefits paid during the year.

The future contribution rates of the scheme include allowances for deficit and surplus. Projected unit credit method, using the following significant assumptions, is used for valuation of the scheme.

Expected rate of increase in salary level	7.25% per annum
Expected rate of return	8.25% per annum
Discount rate	8.25% per annum

Plan assets include Term Deposit Certificates and Defence Savings Certificates.

The Company is expected to contribute Rs 15.324 million to the gratuity fund for the year ended December 31, 2018.

- (b) 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 and charged to profit and loss account currently. The amount recognized in the balance sheet represents the present value of defined benefit obligation adjusted for unrecognized actuarial gains and losses. Projected unit credit method, using the following significant assumptions, is used for valuation of the scheme:

Expected rate of increase in salary level	7.25% per annum
Discount rate	8.25% per annum

- (c) The Company provides for the expected cost of accumulating 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 profit and loss account currently. The amount recognized in the balance sheet represents the present value of defined benefit obligation. Actuarial gains/losses are recognized immediately under IAS 19 "Employee benefits". Projected unit credit method, using the following significant assumptions, is used for valuation of the scheme:

Expected rate of increase in salary level	7.25% per annum
Discount rate	8.25% per annum

The latest actuarial valuation of all defined benefit plans was carried out as at December 31, 2017.

### 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 in accordance with the fund rules.

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 are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land 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 profit and loss account 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 13.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

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.

The Company assesses at each balance sheet 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 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 profit and loss account 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.

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 profit and loss account during the period in which they are incurred.

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 an income or expense.

### 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 enterprise and that the cost of such an asset can also be measured reliably. Intangible assets are stated at cost less accumulated amortization and any identified impairment loss.

Amortization is charged to profit and loss account 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 amortization is charged for the month in which the asset is disposed off. Amortization is being charged at the annual rate of 33.33 %.

The Company assesses at each balance sheet 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 is recognized in profit and loss account. 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 amortization 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

Capital work in progress is stated at cost less any identified impairment loss.

### 4.6 Investment property

Property not held for own use or for sale in the ordinary course of business 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 impairment loss.



Depreciation on building is charged to profit and loss account 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 4.8% 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 balance sheet 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 profit and loss account 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.

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 and spares are valued at the lower of moving average cost and net realizable value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred to make the sale. Provision is made in the financial statements for obsolete and slow moving stores and spares based on management's estimate.

#### **4.8   Stock-in-trade**

Stock of raw materials except for those in transit, work-in-process and finished goods are valued principally at the lower of moving average cost and net realizable value. 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.

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. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management's estimate.

#### **4.9   Trade debts**

Trade debts are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

#### **4.10   Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand 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 recorded at the proceeds received. Finance costs are accounted for on an accrual basis and are shown as accrued finance cost to the extent of the amount remaining unpaid.

#### **4.12   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.

#### 4.13 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 balance sheet date and adjusted to reflect the current best estimate.

#### 4.14 Financial instruments

##### 4.14.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

##### a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

##### b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits and other receivables and cash and cash equivalents in the balance sheet.

##### c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

##### d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortized cost.

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the profit and loss account as part of other income when the Company's right to receive payments is established.

Changes in the fair value of securities classified as available-for-sale are recognized in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognized in the profit and loss account. Dividends on available-for-sale equity instruments are recognized in the profit and loss account when the Company's right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and recognized in the profit and loss account. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss account.

#### **4.14.2 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 profit and loss account.

#### **4.15 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.

#### **4.16 Foreign currency transactions and translation**

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses on translation are recognised in the profit and loss account. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

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

#### **4.17 Revenue recognition**

Revenue from sale of products is recognized on shipment or acceptance of products depending on the instructions of supply. Service revenue is recognized over the contractual period or as and when services are rendered to customers. Contract revenue is recognized in accordance with the policy as referred to in note 4.18.

#### **4.18 Construction contracts**

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

The Company uses the 'percentage of completion method' to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

Gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceeds progress billings are carried in balance sheet as assets and included in trade debts. Gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses) is included in trade and other payables.

	2017 Rupees	2016 Rupees
Revenue from contracts in progress	1,102,820,924	1,662,303,597
Advance for contracts in progress	125,164,426	74,913,714
Retention money for contracts in progress	240,224,397	247,577,866

#### 4.19 Dividend

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the dividends are approved.

#### 5. Issued subscribed and paid up capital

2017 (Number of shares)	2016 (Number of shares)		2017 (Rupees)	2016 (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 as fully paid against property	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

As at December 31, 2017, the holding company KSB Aktiengesellschaft, Germany held 7,772,975 (2016: 7,772,975) shares of the Company.

#### 6. Long Term Finance- Secured

		2017 Rupees	2016 Rupees
Long term loan	- note 6.1	405,377,690	42,689,126
Less: Current portion shown under current liabilities		(101,344,422)	-
		304,033,268	42,689,126

- 6.1** During the year 2016, Diminishing Musharika with a cap of Rs 500 million was obtained from BankIslami for the purpose of expansion of foundry out of which Rs 405.38 million have been drawn upto December 31, 2017. This carries mark-up at the rate of three month KIBOR plus 0.10% per annum payable quarterly. The average effective rate of mark-up charged during the year is 6.23%. This finance is repayable through sixteen quarterly installments with one year grace period and is secured by way of exclusive charge over specific plant and machinery (Diminishing Musharika assets) of the Company amounting to Rs 500 million. BankIslami is a related party to the company by way of common directorship.

		<b>2017 Rupees</b>	<b>2016 Rupees</b>
<b>7. Employees' retirement and other benefits</b>			
These are composed of:			
Ex-gratia scheme	- note 7.1	30,733,291	26,531,528
Gratuity	- note 7.2	21,926,586	13,893,591
Accumulating compensated absences	- note 7.3	29,404,514	26,585,310
		<u>82,064,391</u>	<u>67,010,429</u>
<b>7.1 Ex-gratia</b>			
Liability as at January 1		26,531,528	26,020,399
Charged to profit and loss account		2,941,722	3,179,765
Remeasurement chargeable in other comprehensive income		3,420,036	(812,946)
Payments made by the Company		(2,159,995)	(1,855,690)
Liability as at December 31		<u>30,733,291</u>	<u>26,531,528</u>
<b>7.2 Gratuity</b>			
Present value of defined benefit obligation		155,380,686	129,492,307
Fair value of plan assets		(133,454,100)	(115,598,716)
Liability as at December 31		<u>21,926,586</u>	<u>13,893,591</u>
Liability as at January 1		13,893,591	13,588,340
Charged to profit and loss account		14,227,975	12,691,184
Contribution by the Company		(10,941,829)	(16,586,838)
Remeasurement chargeable in other comprehensive income		4,746,849	4,200,905
Liability as at December 31		<u>21,926,586</u>	<u>13,893,591</u>
The movement in the present value of defined benefit obligation is as follows:			
Present value as at January 1		129,492,307	117,811,077
Current service cost		13,554,161	12,214,641
Interest cost		10,195,778	10,068,176
Benefits paid		(4,090,155)	(11,884,908)
Experience loss		6,228,595	1,283,321
Present value as at December 31		<u>155,380,686</u>	<u>129,492,307</u>
The movement in fair value of plan assets is as follows:			
Fair value as at January 1		115,598,716	104,222,737
Expected return on plan assets		9,521,964	9,591,633
Company's contributions		10,941,829	16,586,838
Benefits paid		(4,090,155)	(11,884,908)
Experience gain / (loss)		1,481,746	(2,917,584)
Fair value as at December 31		<u>133,454,100</u>	<u>115,598,716</u>
Plan assets are comprised of as follows:			
Debt (Investments)		121,695,205	109,944,258
Balance at bank		11,758,895	5,654,458
Payable to Outgoing Members		-	-
		<u>133,454,100</u>	<u>115,598,716</u>

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

	Rupees				
	2017	2016	2015	2014	2013
<b>As at December 31</b>					
Present value of defined benefit obligation	155,380,686	129,492,307	117,811,077	100,608,558	84,910,182
<b>Less:</b>					
Fair value of plan assets	133,454,100	115,598,716	104,222,737	92,281,948	81,063,267
Deficit	(21,926,586)	(13,893,591)	(13,588,340)	(8,326,610)	(3,846,915)
Experience adjustment on obligation	4%	1%	3%	6%	2%
Experience adjustment on plan assets	1%	(3)%	1%	(4)%	(7)%

### 7.3 Accumulating compensated absence

	2017 Rupees	2016 Rupees
Liability as at January 1	26,585,310	24,341,048
Charged to profit and loss account	4,281,996	4,844,863
Payments made by the company	(1,462,792)	(2,600,601)
Liability as at December 31	29,404,514	26,585,310

### 8. Deferred taxation

	2017 Rupees	2016 Rupees
Debit / (credit) balance arising from:		
Accelerated tax depreciation	45,402,600	42,515,400
Employees' retirement and other benefits	(17,984,911)	(14,511,987)
Deferred tax liability	27,417,689	28,003,413

### 9. Short term finances - secured

Finances available from commercial banks under mark up arrangements amount to Rs 2,754 million (2016: Rs 2,304 million). The rates of mark up range from Re 0.0822 to Re 0.1995 per Rs 1,000 per diem (2016: Re 0.0683 to Re 0.2120 per Rs 1,000 per diem) or part thereof on the balance outstanding.

The Company uses two other facilities i.e., letters of credit and bank guarantees. During the year ended December 31, 2017, the amounts of letters of credit and bank guarantees utilized was Rs 310.01 million (2016: Rs 132.999 million) and Rs 1920.75 million (2016: Rs 1792.56 million) respectively.

The facilities are secured by way of first pari passu charge over all present and future current assets of the Company.



		2017 Rupees	2016 Rupees
<b>10. Trade and other payables</b>			
Trade creditors	- note 10.1	764,407,503	518,558,133
Accrued liabilities	- note 10.2	479,012,058	532,791,076
Advances from customers		699,349,918	428,493,859
Due against construction work in progress		63,456,000	81,275,000
Due to provident fund	- note 10.3	3,828,345	4,781,969
Workers' profit participation fund	- note 10.4	29,317,240	24,582,418
Workers' welfare fund	- note 10.5	37,748,351	26,741,744
Rent received in advance		3,836,120	804,456
Unclaimed dividends		7,928,422	3,579,749
Other liabilities		64,404,516	59,525,273
		<u>2,153,288,473</u>	<u>1,681,133,677</u>

**10.1** Trade creditors include amount due to holding company of Rs 191.203 million (2016: Rs 86.548 million) and associated undertakings of Rs 18.659 million (2016: Rs 16.659 million).

**10.2** Accrued liabilities include amount due to holding company of Rs 65.183 million (2016: Rs 83.989 million) and associated undertakings of Rs 16.458 million (2016: Rs 13.127 million).

	2017 Rupees	2016 Rupees
<b>10.3 Disclosure related to Provident Fund</b>		
Size of the fund	207,459,363	192,097,456
Cost of investments made	174,000,000	101,000,000
Percentage of investments made	84%	53%
Fair value of investments	189,380,000	174,980,000
<b>Breakup of investments</b>		
Defence Savings Certificates	14,000,000	61,000,000
Term Deposit Receipts	160,000,000	40,000,000
<b>Breakup of investments</b>		
Defence Savings Certificates	8%	60%
Term Deposit Receipts	92%	40%

The figures for 2017 are based on the un-audited financial statements of the Provident Fund. Investments out of Provident Fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

	2017 Rupees	2016 Rupees
<b>10.4 Workers' profit participation fund</b>		
Balance at beginning of the year	24,582,418	18,783,122
Allocation for the year	32,080,069	24,287,703
Interest payable on funds utilized by the company	196,719	294,715
	<u>56,859,206</u>	<u>43,365,540</u>
Less: Payments made during the year	27,541,966	18,783,122
Balance at the end of the year	<u>29,317,240</u>	<u>24,582,418</u>
<b>10.5 Workers' welfare fund</b>		
Balance at beginning of the year	26,741,744	17,217,155
Provision for the year	11,006,607	9,524,589
Balance at the end of the year	<u>37,748,351</u>	<u>26,741,744</u>

**11. Provisions for other liabilities and charges**

		<b>2017 Rupees</b>	<b>2016 Rupees</b>
Bonus to employees	- note 11.1	41,782,934	37,368,730
Sales incentive scheme	- note 11.2	33,248,903	32,159,419
		<b>75,031,837</b>	<b>69,528,149</b>

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

	<b>Rupees</b>		
	<b>Bonus to employees</b>	<b>Sales incentive scheme</b>	<b>Total</b>
Balance as at January 1, 2017	37,368,730	32,159,419	69,528,149
Provisions made during the year	41,402,304	30,277,515	71,679,819
Provisions used during the year	(36,988,100)	(29,188,031)	(66,176,131)
Balance as at December 31, 2017	<b>41,782,934</b>	<b>33,248,903</b>	<b>75,031,837</b>

**11.1 Bonus to employees**

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

**11.2 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, 2017 are expected to be utilized in the next financial year.

**12 Contingencies and commitments**
**12.1 Contingencies**

The company has issued guarantees of Rs 1920.75 million (2016: Rs 1,792.56 million) against the performance of various contracts.

The Finance Act, 2017 has amended Section 5A of the Income Tax Ordinance, 2001 and introduced tax on every public company retrospectively from Tax Year 2017 at the rate of 7.5% of its accounting profit before tax for the year. However, this tax shall not apply in case of a public company, which distributes at least 40% of its after tax profits within six (6) months of the end of the tax year through cash or bonus shares.

The Board of Directors of the Company in their meeting dated March 21, 2017 proposed a final cash dividend of Rs 112.2 million (i.e. 29.71% of after tax profits) for the financial year ended December 31, 2016, approved by the shareholders of the Company in the Annual General Meeting held on April 25, 2017 prior to the aforementioned enactment, which is lower than the minimum distribution rate.

The Company is in the process of filing Constitutional Petition (CP) before Lahore High Court (LHC) to challenge the vires of Section 5A of the Income Tax Ordinance, 2001 and management believes that it has meritorious grounds to file this writ petition and is confident of its outcome in the Company's favor. Accordingly, no provision has been made against the same in the financial statements.

**12.2 Commitments**

Letters of credit other than for capital expenditure approximately Rs 310.01 million (2016: Rs 132.999 million).

## 13. Property, plant and equipment

	Freehold land	Buildings on freehold land	Plant and machinery	Tools, jigs and attachments	Patterns	Other equipment	Furniture and fixtures	Office machines and appliances	Vehicles	Total
<b>Rupees</b>										
<b>Net carrying value basis</b>										
<b>Year ended December 31, 2017</b>										
Opening net book value (NBV)	1,372,520	79,413,176	115,593,829	8,913,304	31,572,089	43,864,054	10,565,715	16,407,040	96,028,597	403,730,324
Additions (at cost)	-	15,350,110	25,611,057	1,445,170	13,831,054	27,042,898	7,524,701	10,430,560	68,265,413	169,500,963
Disposals (at NBV) - note 13.2	-	-	-	-	-	-	-	(61,544)	(12,586,103)	(12,647,647)
Written off	-	-	-	-	-	-	-	-	-	-
Depreciation charge - note 13.1	-	(3,622,330)	(17,922,008)	(1,911,565)	(9,124,441)	(12,696,007)	(3,163,033)	(7,479,437)	(20,608,384)	(76,527,205)
Closing net book value (NBV)	1,372,520	91,140,956	123,282,878	8,446,909	36,278,702	58,210,945	14,927,383	19,296,619	131,099,523	484,056,435
<b>Gross carrying value basis</b>										
<b>As at December 31, 2017</b>										
Cost	1,372,520	133,664,165	320,829,626	56,991,767	127,264,383	146,495,242	35,909,896	88,711,399	187,022,298	1,098,261,296
Accumulated depreciation	-	(42,523,209)	(197,546,748)	(48,544,858)	(90,985,681)	(88,284,297)	(20,982,513)	(69,414,780)	(55,922,775)	(614,204,861)
Net book value (NBV)	1,372,520	91,140,956	123,282,878	8,446,909	36,278,702	58,210,945	14,927,383	19,296,619	131,099,523	484,056,435
<b>Depreciation rate % per annum</b>										
-	-	3.33	6.67 - 10.00	10.00	16.67	12.50	12.50	20.00	25.00	25.00
<b>Net carrying value basis</b>										
<b>Year ended December 31, 2016</b>										
Opening net book value (NBV)	1,372,520	82,711,756	104,398,260	9,579,419	25,756,488	52,263,756	13,703,395	17,372,849	99,620,517	406,778,960
Additions (at cost)	-	-	26,963,731	1,460,387	14,293,207	3,125,643	166,500	5,276,951	27,531,418	78,817,837
Disposals (at NBV) - note 13.2	-	-	-	-	-	-	-	(30,192)	(14,287,279)	(14,317,471)
Written off	-	-	-	-	-	-	-	-	-	-
Depreciation charge - note 13.1	-	(3,298,580)	(15,768,162)	(2,126,502)	(8,477,606)	(11,525,345)	(3,304,180)	(6,212,568)	(16,836,059)	(67,549,002)
Closing net book value (NBV)	1,372,520	79,413,176	115,593,829	8,913,304	31,572,089	43,864,054	10,565,715	16,407,040	96,028,597	403,730,324
<b>Gross carrying value basis</b>										
<b>As at December 31, 2016</b>										
Cost	1,372,520	118,314,055	295,218,569	55,546,597	113,433,329	119,452,344	28,385,195	79,058,339	143,882,660	954,663,608
Accumulated depreciation	-	(38,900,879)	(179,624,740)	(46,633,293)	(81,861,240)	(75,588,290)	(17,819,480)	(62,651,299)	(47,854,063)	(550,933,284)
Net book value (NBV)	1,372,520	79,413,176	115,593,829	8,913,304	31,572,089	43,864,054	10,565,715	16,407,040	96,028,597	403,730,324
<b>Depreciation rate % per annum</b>										
-	-	3.33	6.67 - 10.00	10.00	16.67	12.50	12.50	20.00	25.00	25.00

The cost of fully depreciated property, plant and equipment which are still in use as at December 31, 2017 is Rs 332.182 million (2016:Rs 307.803 million).

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

Cost of sales	- note 23	58,829,736	51,603,163
Distribution and marketing expenses	- note 24	7,537,424	5,760,700
Administration expenses	- note 25	10,160,045	10,185,139
		<b>76,527,205</b>	<b>67,549,002</b>

**13.2 Disposal of certain items of property, plant and equipment**

2017		Rupees				
Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
<b>Employees</b>						
Honda City	Shoaib Aqdas	1,560,900	276,409	1,284,491	1,493,358	Company Policy
Honda Civic VTI	Syed Tariq Ali	2,329,193	1,979,814	349,379	349,379	Company Policy
Toyota Corola GLI	Nadeem Naqvi	1,730,180	865,090	865,090	844,750	Company Policy
Toyota Corola GLI	Adnan Akbar	1,730,180	865,090	865,090	1,254,210	Company Policy
Suzuki Swift	Amir Ilyas	1,296,140	648,070	648,070	784,760	Company Policy
Honda City	Manzoor Hussain	1,390,000	695,000	695,000	925,020	Company Policy
Suzuki Swift	Asad Shah	1,181,000	590,500	590,500	694,040	Company Policy
Suzuki Swift Car	Ananyat Hussain	1,213,520	606,760	606,760	694,040	Company Policy
Toyota Corolla GLI	M. Usman	1,731,180	865,590	865,590	1,264,680	Company Policy
Honda City	Shahzad Saleem	1,546,240	773,120	773,120	1,064,700	Company Policy
Toyota Corola XLI	Shahid Ahmad Khan	1,380,000	690,000	690,000	916,920	Company Policy
Honda City	Rajib Ali	1,512,000	756,000	756,000	1,066,760	Company Policy
Honda City	Ali Qureshi	1,662,000	398,187	1,263,813	1,646,768	Company Policy
Honda City	Omer Seljouk	1,713,660	856,830	856,830	836,500	Company Policy
<b>Outsiders</b>						
Suzuki Jimmy	Rizwan Khan	1,060,000	636,000	424,000	810,000	Tender
Suzuki Bolan	Muhammad Aslam	540,790	275,802	264,988	370,000	Tender
Corolla GLI	Sajid Mahmood Siddiqui	1,475,455	737,727	737,728	1,213,500	Tender
<b>2016</b>						
		Rupees				
Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
<b>Vehicles</b>						
<b>Employees</b>						
Suzuki Cultus	Abdul Rehman	1,011,000	505,500	505,500	502,425	Company Policy
Suzuki Swift	Khalid Orakazi	1,104,820	552,410	552,410	567,040	Company Policy
Suzuki Swift	Asif Mehtab	1,071,000	535,500	535,500	567,040	Company Policy
Suzuki Cultus	Ahmad Hussain	995,000	497,500	497,500	497,500	Company Policy
Suzuki Cultus	Ali Jawad Usmani	1,010,525	505,263	505,263	485,000	Company Policy
Suzuki Cultus	Naveed Ahmad	993,900	496,950	496,950	485,000	Company Policy
Suzuki Swift	Muhammad Tayyab	1,257,420	628,710	628,710	754,920	Company Policy
Toyota Vitz	Tariq Ehsan Ghauri	1,312,141	656,071	656,071	835,560	Company Policy
Toyota Corolla	Sajjad Akhtar But	2,026,810	295,576	1,731,234	1,972,953	Company Policy
Honda City	Saad Kiani	1,559,700	292,444	1,267,256	1,499,187	Company Policy
Suzuki Cultus	Shahid Bhatti	1,010,000	505,000	505,000	497,500	Company Policy
<b>Outsiders</b>						
Suzuki Cultus	Transfer to Karachi Water & Sewerage Board	1,029,000	396,092	632,507	632,507	As per term of contract
Suzuki Bolan Van	Transfer to Karachi Water & Sewerage Board	690,000	265,601	424,130	424,130	As per term of contract
Suzuki Cultus	Transfer to Karachi Water & Sewerage Board	1,039,070	184,002	855,068	855,068	As per term of contract
Suzuki WAGON-R	Transfer to Karachi Water & Sewerage Board	1,003,930	177,779	826,151	826,151	As per term of contract
Suzuki Swift	Transfer to Karachi Water & Sewerage Board	1,282,000	200,313	1,081,688	1,081,688	As per term of contract
Suzuki Swift	Transfer to Karachi Water & Sewerage Board	1,282,000	200,313	1,081,688	1,081,688	As per term of contract
Suzuki Pickup	Transfer to NSUSC	636,986	6,635	630,351	630,351	As per term of contract
Suzuki Mehran	Transfer to NSUSC	678,014	7,063	670,951	670,951	As per term of contract
Suzuki Alto	Munir Ahmad	508,383	254,192	254,192	401,000	Tender

		Rupees
<b>14. Investment property</b>		
<b>Net carrying value basis</b>		
<b>Year ended December 31, 2017</b>		
Opening net book value (NBV)		586,341
Additions (at cost)		-
Disposals (at NBV)		-
Depreciation charge	note 14.1	(213,216)
Closing net book value (NBV)		373,125
<b>Gross carrying value basis</b>		
<b>As at December 31, 2017</b>		
Cost		4,400,000
Accumulated depreciation		(4,026,875)
Net book value (NBV)		373,125
<b>Depreciation rate % per annum</b>		4.85
<b>Net carrying value basis</b>		
<b>Year ended December 31, 2016</b>		
Opening net book value (NBV)		799,557
Additions (at cost)		-
Disposals (at NBV)		-
Depreciation charge		(213,216)
Closing net book value (NBV)		586,341
<b>Gross carrying value basis</b>		
<b>As at December 31, 2016</b>		
Cost		4,400,000
Accumulated depreciation		(3,813,659)
Net book value (NBV)		586,341
<b>Depreciation rate % per annum</b>		4.85

**14.1** Depreciation charge for the year has been allocated to administration expenses.

**14.2** Fair value of the investment property, based on the valuation carried out by an independent valuer, as at December 31, 2017 is Rs 56.690 million (2016: Rs 111.032 million).

**15. Intangible assets - Software****Net carrying value basis****Year ended December 31, 2017**

Opening net book value (NBV)		663,149
Additions (at cost)		1,995,568
Disposals (at NBV)		-
Amortisation charge	note 15.1	(865,972)

Closing net book value (NBV)		1,792,745
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**Gross carrying value basis****As at December 31, 2017**

Cost		15,844,065
Accumulated amortisation		(14,051,320)
Net book value (NBV)		1,792,745

<b>Amortisation rate % per annum</b>		33.33
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**Net carrying value basis****Year ended December 31, 2016**

Opening net book value (NBV)		1,056,484
Additions (at cost)		158,982
Disposals (at NBV)		-
Amortisation charge		(552,317)

Closing net book value (NBV)		663,149
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**Gross carrying value basis****As at December 31, 2016**

Cost		13,848,497
Accumulated amortisation		(13,185,348)
Net book value (NBV)		663,149

<b>Amortisation rate % per annum</b>		33.33
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**15.1** Amortisation charge for the year has been allocated to administration expenses.

**15.2** The cost of fully amortised softwares which are still in use as at December 31, 2017 is Rs 12.611 million (2016: Rs 12.611 million).



	<b>2017 Rupees</b>	<b>2016 Rupees</b>
<b>16. Capital work in progress</b>		
Advance for land	229,800	229,800
Building	93,476,632	17,081,870
Plant and Machinery	643,589,141	42,689,126
Advance for vehicles	15,843,500	19,834,000
Others	6,424,415	1,860,380
	<u>759,563,488</u>	<u>81,695,176</u>
<b>17. Long term loans and deposits</b>		
Loans to employees - considered good		
- Directors	2,083,318	4,153,326
- Executives	3,421,161	4,089,271
- Others	5,603,693	6,779,142
	<u>11,108,172</u>	<u>15,021,739</u>
Less: Receivable within one year	- note 20	
	<u>6,155,151</u>	<u>6,748,951</u>
	<u>4,953,021</u>	<u>8,272,788</u>
Security deposits	8,091,140	8,235,640
	<u>13,044,161</u>	<u>16,508,428</u>

**Reconciliation of the carrying amount of loans to:**

	<b>Director</b>		<b>Executives</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>R u p e e s</b>			
Balance as at January 1	4,153,326	2,750,000	4,089,271	3,587,895
Transfers to executives during the year	-	-	139,500	242,392
Disbursements during the year	-	4,000,000	2,716,112	2,309,700
Repayments during the year	(2,070,008)	(2,596,674)	(3,523,722)	(2,050,716)
Balance as at December 31	<u>2,083,318</u>	<u>4,153,326</u>	<u>3,421,161</u>	<u>4,089,271</u>

These represent interest free loans to Executives and Directors. Loans to Directors, which include Chief Executive Officer and Chief Financial Officer, are secured against their respective personal property. Loans are given to Executives and other employees 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 (2016: 24 to 48 months).

The maximum aggregate amount due from Directors and Executives at any time during the year was Rs 4.153 million (2016: Rs 6.546 million) and Rs 4.542 million (2016: Rs 4.089 million) respectively.

		2017 Rupees	2016 Rupees
<b>18. Stock-in-trade</b>			
Raw materials		441,550,061	299,690,617
Work in process		465,442,200	521,013,083
Finished goods		80,536,416	14,402,424
		987,528,677	835,106,124
Provision for obsolescence	- note 18.1	(34,500,000)	(14,000,000)
		953,028,677	821,106,124
<b>18.1 Provision for obsolescence</b>			
Opening provision		14,000,000	8,000,000
Provision for the year		25,524,812	6,000,000
		39,524,812	14,000,000
Stocks written-off		(5,024,812)	-
Closing provision		34,500,000	14,000,000
<b>19. Trade debts - unsecured</b>			
Considered good			
- Related parties	- note 19.1	87,354,141	79,383,677
- Others		1,053,805,350	1,044,932,935
- Due against construction work in progress		490,956,000	432,912,000
		1,632,115,491	1,557,228,612
Considered doubtful		99,419,052	93,484,064
		1,731,534,543	1,650,712,676
Less: Provision for doubtful debts	- note 19.2	(99,419,052)	(93,484,064)
		1,632,115,491	1,557,228,612

**19.1 Related parties****Holding Company**

- KSB Aktiengesellschaft, Germany

**2017  
Rupees****2016  
Rupees**

10,535,245

10,454,056

**Associated undertakings**

- KSB Services GMBH

-

1,947,338

- PT KSB Indonesia

7,401,130

1,008,820

- KSB Australia

14,923,590

3,999,186

- KSB Colombia SAS

310,605

753,120

- KSB Oesterreich Gesellschaft M.B.H. Austria

-

10,808,318

- KSB Pumps Company Limited, Thailand

-

9,302,706

- KSB Pumps And Valves (Pty), South Africa

10,297,135

1,869,695

- KSB Mörck AB, Sweden

-

5,954,355

- KSB Pompa, Armatür Sanayi, Turkey

-

148,869

- KSB Pumps Inc. Canada

-

1,490,550

- KSB Pumps Limited, India

-

452,500

- KSB Singapore (Asia Pacific), Singapore

-

162,653

- KSB PUMPY+ARMATURY s.r.o., concern, Czech Republic

3,115,975

-

- KSB Limited, United Kingdom

-

3,303,268

- KSB Italia Spa

13,269,090

-

- KSB Norge AS

6,035,616

-

- KSB Taiwan Co., Ltd.

4,261,992

-

- KSB Middle East FZE

4,035,326

-

- KSB Malaysia Pumps & Valves Sdn Bhd

1,641,264

-

- PT. KSB Sales Indonesia

1,311,908

-

- KSB Pumps and valves L.t.d.

833,868

-

- N.V KSB Belgium S.A.

452,230

-

- KSB Bombas e Válvulas, SA

293,398

-

- Nestlé Pakistan Limited

5,291,842

8,493,361

- Tri Pack Films Limited

305,872

125,771

- Tetra Pak Pakistan Limited

8,000

15,984

- Security Papers Limited

30,421

74,475

- Packages Limited

-

7,082,248

- Packages Construction Pvt. Ltd.

1,060,481

-

- Lahore University of Management Sciences

-

11,429

- International Steel Limited

-

5,435

- Bulleh Shah Packaging (Private) Limited

1,939,153

11,919,540

87,354,141

79,383,677

These relate to normal course of business and are interest free.

**19.2 Provision for doubtful debts**

Opening balance

93,484,064

80,698,714

Provision for the year

17,616,064

24,887,244

111,100,128

105,585,958

Less: Bad debts written off against provision

11,681,076

12,101,894

Closing balance

99,419,052

93,484,064

**20. Advances, deposits, prepayments and other receivables**

		2017 Rupees	2016 Rupees
Current portion of long term loans to employees	- note 17	6,155,151	6,748,951
Short term advances to employees- considered good	- note 20.1	15,028,622	11,939,808
Advances to suppliers and contractors			
- Considered good		110,042,396	128,701,318
- Considered doubtful		1,111,539	1,401,694
		111,153,935	130,103,012
Due from related parties	- note 20.2	11,696,493	22,050,296
Trade deposits and prepayments			
- Considered good		87,715,975	107,726,357
- Considered doubtful		16,409,999	14,484,731
		104,125,974	122,211,088
Letters of credit, deposits and opening charges		3,106,949	4,173,892
Sales tax		52,867,920	16,545,616
Income tax		107,755,795	125,230,166
		160,623,715	141,775,782
Other receivables			
- Considered good		5,755,045	5,359,041
- Considered doubtful		275,000	275,000
		6,030,045	5,634,041
Less: Provision for doubtful amounts	- note 20.3	417,920,884 (17,796,538)	444,636,870 (16,161,425)
		400,124,346	428,475,445

**20.1** Included in short term advances to employees is amount due from executives of Rs 9.495 million (2016: 7.143 million).

**20.2 Due from related parties**

<b>Holding company</b>		
- KSB Aktiengesellschaft, Germany	10,275,137	20,208,583
<b>Associated undertakings</b>		
- PT. KSB Indonesia	-	15,856
- KSB SAS, France	830,472	-
- KSB Pumps S.A. (Pty) Limited, South Africa	-	117,713
- KSB Singapore (Asia Pacific) Pte. Limited, Singapore	-	32,249
- KSB Middle East FZE, UAE	590,884	251,159
- KSB Vietnam Company Limited, Vietnam	-	130,122
- KSB BV, Netherlands	-	1,181,055
- KSB Services LLC, UAE	-	113,559
	11,696,493	22,050,296

		<b>2017 Rupees</b>	<b>2016 Rupees</b>
<b>20.3 Provision for doubtful amounts</b>			
Opening balance		16,161,425	15,390,859
Provision made during the year		1,883,201	770,566
		18,044,626	16,161,425
Less: Amount written off against provision		248,088	-
Closing balance		17,796,538	16,161,425
<b>21. Cash and bank balances</b>			
At banks			
- saving accounts	- note 21.1	254,885,950	243,706,779
- current accounts		8,425,101	14,524,725
- term deposit receipts	- note 21.2	200,000,000	-
		463,311,051	258,231,504
Cash in hand		1,201,464	1,099,588
		464,512,515	259,331,092

**21.1** The balances in saving accounts bear mark-up which ranges from 3.75% to 3.80% (2016: 3.75% to 4.25%) per annum.

**21.2** Term Deposit Receipts issued by Bank Al-Falah and Habib Bank Limited (HBL) have a maturity period of equal to or less than 1 month. The rate of return offered by Bank Al-Falah and HBL on these term deposits are 6.35% and 5.58% respectively.

		<b>2017 Rupees</b>	<b>2016 Rupees</b>
<b>22. Sales</b>			
Local sales	- note 22.1	5,447,974,814	5,186,892,597
Export sales		307,430,556	340,708,923
Gross sales		5,755,405,370	5,527,601,520
Less: Sales tax		640,189,890	576,999,177
		5,115,215,480	4,950,602,343

**22.1** Sales are inclusive of revenue from construction contracts of Rs 1,102.821 million (2016: Rs 1,662.305 million) which includes revenue from contracts for rendering of services amounting to Rs 561.999 million (2016: Rs 208.876 million) and sales are inclusive of revenue from rendering of services of Rs 246.618 million (2016: Rs 67.565 million).

**23. Cost of sales**

		2017 Rupees	2016 Rupees
Raw material consumed		2,262,874,986	2,600,464,350
Salaries, wages, amenities and staff welfare	- note 23.1	340,989,409	300,491,720
Staff training		849,863	2,374,110
Electricity and power		114,013,459	106,563,482
Stores and spares consumed		277,428,622	247,192,152
Insurance		5,948,306	10,009,533
Traveling and conveyance		55,955,169	55,464,664
Postage and telephone		11,089,378	5,748,640
Printing and stationery		3,127,375	2,974,611
Rent, rates and taxes		6,841,463	10,031,800
Repairs and maintenance		21,958,929	37,910,942
Legal and professional charges	- note 23.2	8,981,689	16,358,908
SAP user license fee and other IT services		16,747,754	21,608,270
Packing expenses		38,921,951	27,969,849
Outside services		706,489,819	568,958,793
Depreciation on property, plant and equipment	- note 13.1	58,829,736	51,603,163
Provision for obsolete stores and stocks		25,524,812	6,000,000
Royalty and trademark fee		18,002,503	18,485,619
Other expenses		6,137,674	7,790,178
		3,980,712,897	4,098,000,784
Opening work-in-process		521,013,083	321,285,007
Less: Closing work-in-process		465,442,200	521,013,083
		55,570,883	(199,728,076)
Cost of goods manufactured		4,036,283,780	3,898,272,708
Opening stock of finished goods		14,402,424	18,970,445
Less: Closing stock of finished goods		80,536,416	14,402,424
		(66,133,992)	4,568,021
		3,970,149,788	3,902,840,729

Cost of sales includes contract cost amounting to Rs 931.336 million (2016: Rs 1,497.874 million).



### 23.1 Salaries, wages, amenities and staff welfare

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

	2017 Rupees	2016 Rupees
<b>Gratuity fund</b>		
Current service cost	6,276,529	5,740,881
Interest cost	4,721,362	4,732,043
Expected return on plan assets	(4,409,338)	(4,508,068)
	6,588,553	5,964,856
<b>Ex-gratia</b>		
Current service cost	883,862	921,435
Interest cost	1,987,246	2,258,330
	2,871,108	3,179,765
<b>Accumulating Compensated Absences</b>		
Current service cost	376,328	629,645
Interest cost	973,190	974,623
Loss arising on present value of defined benefit obligation	665,262	672,817
	2,014,780	2,277,085

In addition to above, salaries, wages, amenities and staff welfare include Rs. 10.760 million (2016: Rs 9.471 million) in respect of provident fund contribution by the Company.

**23.2** This includes amount of Rs 7.19 million (2016: Rs 11.09 million) charged by the parent company (KSB Aktiengesellschaft) on account of various services provided to the Company.

### 24. Distribution and marketing expenses

		2017 Rupees	2016 Rupees
Salaries, wages, amenities and staff welfare	- note 24.1	127,121,515	111,378,829
Staff training		3,450,555	581,734
Insurance		414,149	475,742
Traveling, conveyance and representations		19,680,987	24,006,908
Rent, rates and taxes		3,383,993	2,933,628
Publicity charges		5,363,481	9,478,908
Electricity, gas and water		2,219,503	2,863,037
Postage and telephone		4,739,423	3,535,503
Printing and stationery		1,165,145	960,695
Repairs and maintenance		2,140,829	1,484,352
Legal and professional charges	- note 24.2	17,426,858	13,797,404
SAP user license fee and other IT services		7,206,434	7,917,440
Contract services		3,162,556	3,809,336
Forwarding expenses		35,054,309	26,309,867
Commission expenses		53,655,306	45,989,421
Provision for doubtful debts and receivables		19,499,266	25,657,810
Depreciation on property, plant and equipment	- note 13.1	7,537,424	5,760,700
Warranty charges		20,277,600	19,812,329
Other expenses		1,202,864	3,269,481
		334,702,197	310,023,124

## 24.1 Salaries, wages, amenities and staff welfare

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

	2017 Rupees	2016 Rupees
<b>Gratuity fund</b>		
Current service cost	3,378,147	3,420,099
Interest cost	2,541,127	2,819,089
Expected return on plan assets	(2,373,190)	(2,685,657)
	3,546,084	3,553,531
<b>Accumulating Compensated Absences</b>		
Current service cost	202,551	375,108
Interest cost	523,800	580,627
Loss arising on present value of defined benefit obligation	358,064	400,827
	1,084,415	1,356,562

In addition to above, salaries, wages, amenities and staff welfare include Rs 4.698 million (2016: Rs 5.014 million) in respect of provident fund contribution by the Company.

**24.2** This includes amount of Rs. 16.22 million (2016: Rs 11.60 million) charged by the parent company (KSB Aktiengesellschaft) on account of various services provided to the Company.

## 25. Administration expenses

		2017 Rupees	2016 Rupees
Salaries, wages, amenities and staff welfare	- note 25.1	136,937,684	116,825,515
Staff training		589,974	1,413,478
Insurance		1,002,907	145,774
Traveling, conveyance and representations		20,164,603	19,720,703
Rent, rates and taxes		6,887,905	6,167,842
Electricity, gas and water		6,660,701	6,049,110
Postage and telephone		4,930,184	11,123,460
Printing and stationery		2,550,846	2,667,764
Repairs and maintenance		5,297,503	12,590,018
Professional services	- note 25.2	26,152,316	13,694,908
SAP user license fee and other IT services		4,871,550	8,314,203
Contract services		8,608,706	7,435,401
Depreciation on:			
- Property, plant and equipment	- note 13.1	10,160,045	10,185,139
- Investment property	- note 14.1	213,216	213,216
- Amortization on intangible assets	- note 15.1	865,972	552,317
Other expenses		8,872,959	8,742,476
		244,767,071	225,841,324

## 25.1 Salaries, wages, amenities and staff welfare

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

	2017 Rupees	2016 Rupees
<b>Gratuity fund</b>		
Current service cost	3,899,485	3,053,660
Interest cost	2,933,290	2,517,044
Expected return on plan assets	(2,739,436)	(2,397,908)
	4,093,339	3,172,796
<b>Accumulating compensated absences</b>		
Current service cost	220,928	334,918
Interest cost	571,322	518,417
Loss arising on present value of defined benefit obligation	390,550	357,881
	1,182,800	1,211,216
<b>Ex-gratia</b>		
Current service cost	21,738	-
Interest cost	48,876	-
	70,614	-

In addition to above, salaries, wages, amenities and staff welfare include Rs 5.536 million (2016: Rs 4.228 million) in respect of provident fund contribution by the Company.

## 25.2 Professional services

The charges for professional services include the following in respect of auditors' services:

	2017 Rupees	2016 Rupees
Statutory audit	750,000	665,000
Review of half yearly financial statements	215,000	185,000
Audit of funds, consolidation forms and sundry services	456,905	402,100
Taxation services	1,720,000	1,200,000
Out of pocket expenses	355,000	200,000
	3,496,905	2,652,100

In addition to above, professional services includes amount of Rs 20.20 million (2016: Rs 8.32 million) charged by the parent company (KSB Aktiengesellschaft) on account of various services provided to the company.

## 26. Other operating expenses

		2017 Rupees	2016 Rupees
Workers' profit participation fund	- note 10.4	32,080,069	24,287,703
Workers' welfare fund	- note 10.5	11,006,607	9,524,589
Donations	- note 26.1	425,000	460,000
CRM implementation cost	- note 26.2	-	3,560,034
Exchange loss		15,707,526	1,019,643
		59,219,202	38,851,969

**26.1** None of the directors and their spouses had any interest in any of the donees during the year.

**26.2** This comprises of the amount charged by the parent company (KSB Aktiengesellschaft) on account of service provided to the company.

**27. Other operating income****Income from financial assets**

Profit on bank accounts

12,718,383

3,780,143

**Income from non-financial assets**

Commission income

15,828,132

34,426,591

Rental income on investment property

3,941,160

3,637,992

Scrap sales

5,344,970

8,226,640

Profit on sale of property, plant and equipment

3,758,230

1,024,340

Provisions no longer considered necessary and unclaimed  
balances written back

10,929,983

15,954,939

Sundry income

8,333,366

2,010,597

48,135,841

65,281,099

60,854,224

69,061,242

**28. Finance cost**

Mark-up on short term finances - secured

4,876,720

21,736,965

Mark-up on Long term loan - secured

14,109,075

322,101

Bank and other charges

8,725,186

10,263,240

Interest payable on funds utilized by the Company

196,719

294,715

27,907,700

32,617,021

**29. Taxation****Current**

- Current year

142,814,972

121,569,888

- Prior year

-

2,242,192

142,814,972

123,812,080

Deferred

440,287

7,980,900

143,255,259

131,792,980

	<b>2017 %</b>	<b>2016 %</b>
<b>29.1 Tax charge reconciliation</b>		
Numerical reconciliation between the average effective tax rate and the applicable tax rate:		
Applicable tax rate	30.00	31.00
Tax effect of amounts that are:		
-Under presumptive tax regime and others	(3.44)	(5.13)
Average effective tax rate charged to profit and loss account	<u>26.56</u>	<u>25.87</u>

### 30. Rates of exchange

Foreign currency assets and liabilities have been translated into Pak Rupees at US \$ 0.948 (2016: US \$ 0.960), EURO 0.834 (2016: EURO 0.910), GBP 0.731(2016: GBP 0.780), AED 3.482 (2016: AED 3.510) and AUD 1.232 (2016: AUD 1.290) per Rs 100.

		<b>2017 Rupees</b>	<b>2016 Rupees</b>
<b>31. Cash generated from operations</b>			
Profit before taxation		539,323,746	509,489,418
Adjustment for:			
Depreciation on:			
- Property, plant and equipment	- note 13	76,527,205	67,549,002
- Investment property	- note 14	213,216	213,216
- Intangible assets	- note 15	865,972	552,317
Profit on sale of property, plant and equipment	- note 27	(3,758,230)	(1,024,340)
Employees' retirement and other benefits		21,451,693	20,715,811
Provision for doubtful debts and receivables	- note 24	19,499,266	25,657,810
Provision for obsolescence stock	- note 18.1	25,524,812	6,000,000
Provisions no longer considered necessary and unclaimed balances written back	- note 27	(10,929,983)	(15,954,939)
Finance cost	- note 28	27,907,700	32,617,021
Exchange loss	- note 26	15,707,526	1,019,643
Working capital changes	- note 31.1	215,322,687	(33,029,764)
		<u>927,655,610</u>	<u>613,805,195</u>

**31.1 Working capital changes**

(Increase)/decrease in current assets:

Stores, spares and loose tools	(12,252,799)	(11,513,782)
Stock-in-trade	(157,447,365)	(113,515,898)
Trade debts	(82,089,259)	(145,764,471)
Advances, deposits, prepayments and other receivables	10,034,494	74,039,229
	<u>(241,754,929)</u>	<u>(196,754,922)</u>

Increase/ (decrease) in current liabilities:

Trade and other payables	451,573,928	153,786,787
Provision for other liabilities and charges	5,503,688	9,938,371
	<u>215,322,687</u>	<u>(33,029,764)</u>

**32. Cash and cash equivalents**

Cash and cash equivalents comprise of the following items:

Cash and bank balances	- note 21	464,512,515	259,331,092
Short term finances - secured	- note 9	(167,870,289)	(150,059,000)
		<u>296,642,226</u>	<u>109,272,092</u>

**33. Related party transactions**

The related parties comprise holding company, associated undertakings, other related group companies, key management personnel and post employment benefit plan. The company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables, amounts due from key management personnel are shown under receivables and remuneration of key management personnel is disclosed in note 35 . Other significant transactions with related parties are as follows:

**Holding company**

Sales	11,937,495	45,599,711
Purchases	224,340,716	212,591,219
Commission income	9,237,240	10,701,961
Royalty and Trademark	18,002,503	18,485,619
SAP user fee	28,825,738	37,839,913
CRM implementation cost	-	3,560,034

**Associated undertakings**

Sales	236,732,259	236,933,589
Purchases	130,429,272	100,377,147
Commission income	6,590,891	9,302,315
Commission expense	23,711,037	20,131,573

**Post employment benefit plan**

Expense charged in respect of:

- Gratuity fund	14,227,976	12,691,183
- Ex-gratia scheme	2,941,722	3,179,765
- Provident fund	20,994,187	18,712,698
- Accumulating compensated absences	4,281,995	4,844,863



**34. Plant capacity and production**

production		Capacity		Actual	
		2017	2016	2017	2016
Power driven pumps	Number	6,000	6,000	3,568	4,093

The variance of actual production from capacity is due to product mix and more production of high end products.

**35. Remuneration of Chief Executive, Directors and Executives**

**35.1** 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:

		Rupees					
		Chief Executive		Director		Executives	
		2017	2016	2017	2016	2017	2016
<b>Short term employee benefits</b>							
Managerial remuneration		24,415,212	21,511,200	5,962,836	5,419,356	141,447,972	133,571,616
Bonus / sales incentive	- note 35.3	6,000,000	6,000,000	1,490,709	1,354,839	39,818,846	35,108,042
House rent		3,650,664	3,509,473	2,683,272	2,438,712	63,651,587	60,107,227
Utilities		740,095	721,904	596,280	541,932	14,144,798	13,357,162
Medical and other expenses		943,634	877,987	312,000	312,000	18,546,797	18,183,264
		35,749,605	32,620,564	11,045,097	10,066,839	277,610,000	260,327,311
<b>Post employment benefits</b>							
Contribution to gratuity and provident fund		4,141,521	3,631,758	1,093,187	964,975	24,544,797	21,478,656
		39,891,126	36,252,322	12,138,284	11,031,814	302,154,797	281,805,967
<b>Number of persons</b>		1	1	1	1	121	118

**35.2** The Company also provides its Chief Executive, Directors and some of its Executives, company maintained cars, free residential telephones and mobile phones. In addition, the house rent of Chief Executive mentioned above includes furnished accommodation and 2 Executives have also been provided with rent free accommodation.

**35.3** Bonus paid to the Chief Executive Officer and Director during the year ended December 31, 2017 amounts to Rs 5.584 million (2016: Rs 5.663 million) and Rs 1.555 million (2016: Rs 1.300 million) respectively. Bonus for the year ended December 31, 2017 is subject to approval of Board of Directors.

**35.4** Aggregate amount charged in the financial statements for the year as Directors fee in respect of 4 Directors (2016: 4 directors) was Rs 0.5 million (2016: Rs 0.5 million).

		2017	2016
<b>36. Earnings per share</b>			
<b>36.1 Basic earnings per share</b>			
Profit for the year	Rupees	396,068,487	377,696,438
Weighted average number of ordinary shares	Numbers	13,200,000	13,200,000
Earnings per share	Rupees	30.01	28.61

### 36.2 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, 2017 and December 31, 2016 which would have any effect on the earnings per share if the option to convert is exercised.

## 37. Financial risk management

### 37.1 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.

#### (a) Market risk

##### (i) 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.

	2017	2016
Advances deposits and other receivables - USD	109,668	129,250
Trade debts - USD	771,329	701,745
Trade and other payables - USD	(931,214)	(216,353)
Net exposure - USD	(50,217)	614,642
Advances deposits and other receivables - EURO	56,566	66,505
Trade debts - EURO	1,320	2,672
Trade and other payables - EURO	(1,991,096)	(422,543)
Net exposure - EURO	(1,933,210)	(353,366)
Advances deposits and other receivables - GBP	529	-
Trade and other payables - GBP	(6,184)	(1,131)
Net exposure - GBP	(5,655)	(1,131)
Trade debts - AUD	-	52,852
Trade and other payables - AUD	-	-
Net exposure - AUD	-	52,852
Advances deposits and other receivables - AED	-	-
Trade and other payables - AED	(2,825)	-
Net exposure - AED	(2,825)	-

The following significant exchange rates were applied during the year:

#### Rupees per USD

	2017	2016
Average rate	105.58	104.69
Reporting date rate	110.50	104.80

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 0.28 million (2016: Rs 3.23 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.

#### Rupees per EURO

	2017	2016
Average rate	119.93	115.35
Reporting date rate	131.79	110.11

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 12.74 million (2016: Rs 1.94 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.

#### Rupees per GBP

	2017	2016
Average rate	136.92	140.61
Reporting date rate	148.72	128.48

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 0.04 million (2016: Rs 0.007 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.

#### Rupees per AED

	2017	2016
Average rate	28.75	28.45
Reporting date rate	30.08	28.48

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 0.004 million (2016: Nil) 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.

#### Rupees per AUD

	2017	2016
Average rate	81.22	77.89
Reporting date rate	86.12	75.77

If the functional currency, at reporting date, had fluctuated by 5% against the AUD with all other variables held constant, there will be no impact on profit before taxation for the year (2016: Rs 0.20 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.

**(ii) 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.

**(iii) 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 balance sheet date, the interest rate profile of the Company's interest bearing financial instruments was:

	2017 Rupees	2016 Rupees
<b>Floating rate instruments</b>		
<b>Financial assets</b>		
Bank balances - savings	254,885,950	243,706,779
<b>Financial liabilities</b>		
Short term finances - secured	167,870,289	150,059,000
Long term finances - secured	304,033,268	42,689,126
Current portion of long term finances- secured	101,344,422	-

**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 balance sheet 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 1.68 million (2016: Rs 1.50 million) higher/ lower, mainly as a result of higher/ lower interest expense on floating rate borrowings.

**(b) 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.

**(i) 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:

	<b>2017 Rupees</b>	<b>2016 Rupees</b>
Long term loans and deposits	13,044,161	16,508,428
Trade debts	1,731,534,543	1,650,712,676
Loans, advances, deposits, prepayments and other receivables	136,105,276	162,681,028
Balances with banks	463,311,051	258,231,503
	<b>2,343,995,031</b>	<b>2,088,133,635</b>

The age of trade receivables and related impairment loss at balance sheet date is as follows:

**The age of trade receivables**

- Not past due	490,956,000	432,912,000
- Past due 0 - 180 days	790,439,281	719,147,729
- Past due 181 - 365 days	177,165,193	149,579,146
- Over 365 days	272,974,069	349,073,801
	<b>1,731,534,543</b>	<b>1,650,712,676</b>

**The age of impairment loss against trade receivables**

- Not past due	-	-
- Past due 0 - 180 days	-	-
- Past due 181 - 365 days	-	-
- Over 365 days	99,419,052	93,484,064
	<b>99,419,052</b>	<b>93,484,064</b>

**The age of trade receivables from related parties**

- Not past due	-	-
- Past due 0 - 180 days	81,813,532	69,382,142
- Past due 181 - 365 days	1,451,746	4,446,449
- Over 365 days	4,088,862	5,555,084
	<b>87,354,140</b>	<b>79,383,675</b>

The age of loans, advances, deposits, prepayments and other receivables and related impairment loss at balance sheet date is as follows:

	<b>2017 Rupees</b>	<b>2016 Rupees</b>
<b>The age of loans, advances, deposits, prepayments and other receivables</b>		
- Not past due	-	-
- Past due 0 - 180 days	53,991,369	35,782,120
- Past due 181 - 365 days	39,654,793	31,872,488
- Over 365 days	42,459,114	95,026,420
	<b>136,105,276</b>	<b>162,681,028</b>

	2017 Rupees	2016 Rupees
<b>The age of impairment loss against loans, advances, deposits, prepayments and other receivables</b>		
- Not past due	-	-
- Past due 0 - 180 days	-	-
- Past due 181 - 365 days	-	-
- Over 365 days	16,684,999	14,759,731
	16,684,999	14,759,731
<b>The age of loans, advances, deposits, prepayments and other receivables from related parties</b>		
- Not past due	-	-
- Past due 0 - 180 days	4,520,826	698,697
- Past due 181 - 365 days	2,753,159	11,756,901
- Over 365 days	3,381,540	9,594,697
	10,655,525	22,050,295
<b>The age of long term loans and deposits</b>		
- Not past due	-	-
- Past due 0 - 180 days	1,709,387	5,316,071
- Past due 181 - 365 days	1,142,602	4,712,876
- Over 365 days	10,192,171	13,228,431
	13,044,160	23,257,378

**(ii) 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	2017	2016
	Short term	Long term		Rupees	Rupees
National Bank of Pakistan	A-1+	AAA	JCR-VIS	11,146,131	16,577,169
MCB Bank Limited	A1+	AAA	PACRA	101,923,933	226,386,099
United Bank Limited	A-1+	AAA	JCR-VIS	736,308	247,101
Deutsche Bank A.G.	F1	A-	Fitch	405,504	5,928
NIB Bank Limited	A1+	AA-	PACRA	2,796,507	1,081,370
Habib Bank Limited	A-1+	AAA	JCR-VIS	244,498,749	11,791,784
Bank Alfalah Limited	A-1+	AA+	PACRA	100,930,155	33,779
Allied Bank Limited	A-1+	AA+	PACRA	324,896	1,999,837
BankIslami Limited	A-1	A+	PACRA	548,866	108,436
				463,311,049	258,231,503

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.



**(c) 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 balance sheet 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 balance sheet 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, 2017:

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees)			
Trade and other payables	1,096,921,245	1,096,921,245	-	-
Short term finances - secured	167,870,289	167,870,289	-	-
Accrued finance cost	3,770,905	3,770,905	-	-
Long term finances - secured	405,377,690	101,344,422	304,033,268	-
	<u>1,673,940,129</u>	<u>1,369,906,861</u>	<u>304,033,268</u>	<u>-</u>

The following are the contractual maturities of financial liabilities as at December 31, 2016:

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees)			
Trade and other payables	1,070,834,929	1,070,834,929	-	-
Short term finances - secured	150,059,000	150,059,000	-	-
Accrued finance cost	3,010,056	3,010,056	-	-
	<u>1,223,903,985</u>	<u>1,223,903,985</u>	<u>-</u>	<u>-</u>

### 37.2 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.

### 37.3 Financial instruments by categories

#### Assets as per balance sheet

	<b>Loans and receivables</b>	
	<b>2017 Rupees</b>	<b>2016 Rupees</b>
Long term loans and deposits	13,044,161	16,508,428
Trade debts	1,731,534,543	1,650,712,676
Loans, advances, deposits, prepayments and other receivables	136,105,276	162,681,028
Cash and bank balances	463,311,051	258,231,503
	<u>2,343,995,031</u>	<u>2,088,133,635</u>

#### Liabilities as per balance sheet

	<b>Financial liabilities at amortised cost</b>	
	<b>2017 Rupees</b>	<b>2016 Rupees</b>
Trade and other payables	1,096,921,245	1,070,834,929
Short term finances - secured	167,870,289	150,059,000
Accrued finance cost	3,770,905	3,010,056
Long term finances-secured	405,377,690	-
	<u>1,673,940,129</u>	<u>1,223,903,985</u>

### 37.4 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).

The following is categorization of assets disclosed at fair value at December 31, 2017:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Investment property	-	-	56,689,500	56,689,500

### Valuation techniques used to measure level 3 assets

The fair value of these assets is determined by an independent professionally qualified valuer. Latest valuation of these assets was carried out on December 31, 2017 by an independent professionally qualified valuer, M/s Tahseen Fazal Associates (Private) Limited. Level 3 fair value of building on freehold land has been determined using a depreciated market replacement cost approach whereby, replacement cost of the building has been adjusted using a suitable depreciation rate to arrive at present replacement cost. Any changes in fair values and/ or movement in the same is analysed at each reporting date.

### Valuation inputs and relationship to fair value

The following table summarises the quantitative and qualitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See paragraph above for the valuation techniques adopted.

Description	Fair Value at		Significant Unobservable inputs	Quantitative Data / Range and relationship to the fair value
	Dec 31, 2017	Dec 31, 2016		
Investment Property	56,689,500	111,032,000	- Suitable depreciation rate to arrive at depreciated replacement cost.	The market value has been determined by using a unit rate of ground floor based on depreciated cost of construction. Second floor is now in Company's own use and is therefore not included in Investment property unlike last year. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.

## 37.5 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 balance sheet.

	2017 Rupees	2016 Rupees
Short term finances - secured	167,870,289	150,059,000
Long term loan - secured	304,033,268	42,689,126
Current maturity of long term finances - secured	101,344,422	-
Accrued finance cost	3,770,905	3,010,056
<b>Total Debt</b>	<b>577,018,884</b>	<b>195,758,182</b>
Share Capital	132,000,000	132,000,000
Reserves	1,739,368,530	1,461,216,863
<b>Total Equity</b>	<b>1,871,368,530</b>	<b>1,593,216,863</b>
<b>Total equity and liability</b>	<b>2,448,387,414</b>	<b>1,788,975,045</b>
<b>Gearing ratio</b>	<b>24%</b>	<b>11%</b>

	2017 Rupees	2016 Rupees
<b>38. Number of employees</b>		
Total number of employees as at December 31	331	335
Average number of employees during the year	333	334
<b>39. Events after the balance sheet date</b>		
<b>39.1</b> The Board of Directors have proposed a final dividend for the year ended December 31, 2017 of Rs 12.02 (2016: Rs 8.5) per share, amounting to Rs 158.6 million (2016: Rs 112.2 million) at their meeting held on March 8, 2018 for approval of members at the Annual General Meeting to be held on April 19, 2018. The board has also proposed transfer of Rs 232 million (2016: Rs 263 million) to general reserve from unappropriated profit. These financial statements do not reflect this dividend payable and other appropriations.		
<b>39.2</b> As mentioned in note 12, the Company is in the process of filing Constitutional Petition (CP) before Lahore High Court (LHC) to challenge the vires of Section 5A of the Income Tax Ordinance, 2001 and management believes that it has meritorious grounds to file this writ petition and is confident of its outcome in the Company's favor.		
<b>40. Date of authorization for issue</b>		
These financial statements were authorized for issue on March 8, 2018 by the Board of Directors of the Company.		
<b>41. General</b>		
<b>41.1</b> Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. However, no significant re-arrangements 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 Thursday, April 19, 2018 and at any adjournment thereof.

Signed this \_\_\_\_\_ day \_\_\_\_\_ of 2018.

Witness

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

NIC No. \_\_\_\_\_

Signature on  
Rs 5.00  
Revenue  
Stamp

### Note:

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

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

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

## پراکسی فارم

کمپنی سیکریٹری  
کے ایس بی پمپس کمپنی لمیٹڈ

16/2 سر آغا خان روڈ، لاہور-54000

میں مسٹی/مسماۃ

ساکن

ضلع

بحثیت ممبر کے ایس بی پمپس کمپنی لمیٹڈ، حاصل

شیرز بمطابق شیرز رجسٹر فلیو نمبر

اور/یا سی ڈی سی پارٹنر شپ آئی ڈی نمبر

اور سب اکاؤنٹ نمبر

مسٹی/مسماۃ

ساکن

کو بطور مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے سالانہ اجلاس عام جو بتاریخ 19 اپریل 2018ء بروز جمعرات منعقد ہو رہا ہے میں اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

بتاریخ

دستخط

نام

ایڈریس

شناختی کارڈ نمبر

پانچ روپے کی

ریونیو سٹیپ پر

دستخط

نوٹ:

- 1 ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہو جانا چاہئے۔
- 2 اگر کوئی ممبر ایکٹ سے زائد پراکسی نامزد کرتا ہے اور ایکٹ سے زیادہ انسٹرمنٹس آف پراکسی جمع کرتا ہے تو اس صورت میں تمام انسٹرمنٹس آف پراکسی کا اہم قرار دیئے جائیں گے۔
- 3 سی ڈی سی اکاؤنٹ رکھنے والے کارپوریٹ ادارے 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۔
  - (ii) پراکسی کے حامل کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔
  - (iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا بورڈ آف انکارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کروانی ہوگی۔

## تھص داران كے لئے ڈائریكٹرز كی رپورٹ

KSB پمپس كپنی لمیٹڈ كے نظام 31 دسمبر 2017 كو ختم ہونے والے سال كی سالانہ رپورٹ مدہ نظر ثانی شدہ مالیاتی كھاتوں اور اس پر محاسب كی رپورٹ پیش كرتے ہوئے خوشی محسوس كرتے ہیں۔

### اقتصادیات

#### عالمی معیشت

2017 میں عالمی اقتصادی سرگرمی مسلسل مستقبل كے نقطہ نظر كے ساتھ مضبوط رہی ہے۔ سال 2018 اور 2019 كی مجموعی طور پر جی ڈی پی كی پیش گوئی كی شرح 3.9 فیصد تک بڑھ گئی، جیسا كہ 2017 كے لے 3.7 فیصد كے جی ڈی پی كا تخمینہ لگایا گیا تھا۔ ترقی یافتہ معیشتوں خاص طور پر جرمنی، جاپان اور امریکہ نے نمایاں نمو ظاہر كی ہے۔ امریکہ میں ٹیکس كی پالیسیوں میں تبدیلیاں مستقبل قریب كی سرگرمی كو تیز كریں گی۔ ترقی پذیر اور ابھرتی ہوئی ماریكٹوں میں اہم معیشتوں، جیسے كہ چین اور برازیل نے بھی سال كے آخر میں ترقی كے رجحانات ظاہر كئے ہیں۔ سرمایہ كاری میں اضافہ، خاص طور پر ترقی یافتہ معیشت میں اضافہ اور ایشیا میں مینوفیکچرنگ سرگرمی نے اعلیٰ مجموعی نمو میں اہم عناصر كے طور پر شركت كی ہے۔ OPEC+ كے ذریعے تیل كی پیداوار كے لے معاہدے كی ترویج سعودی عرب سمیت تیل برآمد كرنے والے ممالك میں ريكوری كی محاذوں ہوگی، تاہم افراط زر بڑھنے كا امكان ہے۔ اس كے علاوہ، دنیا كی معیشت خاص طور پر مشرق وسطیٰ اور مشرقی ایشیاء میں زیر نظر پالیسیوں اور جغرافیائی تنازعات جیسے خطرات سے دوچار ہے۔ عالمی محاذ پر كثیر جہتی حكومت عملی موجودہ عالمی ترقی كی رفتار كی حفاظت كے لے فائدہ مند ثابت ہو سكتی ہے۔

#### پاكستان كی معیشت

پاكستانی معیشت 2018 میں 5 فیصد سے زیادہ كی صحت مند شرح نمو كی توقع كی جارہی ہے۔ اہم شعبوں، زراعت اور صنعت نے ہدف سے زیادہ كار كر دگی كا مظاہرہ كیا ہے۔ اگرچہ بڑے پیمانے پر مینوفیکچرنگ كے رجحانات مخصوص شعبوں میں ست رجحان پایا گیا مثلاً گنے كی كرسك میں تاخیر، مجموعی طور پر صنعتی سرگرمی مضبوط رہی ہے۔ انفراسٹرکچر اور سی پیک سے متعلقہ سرگرمی تعمیریاتی اور لائیو شعبوں میں نمو بڑھائے گی۔ گزشتہ رجحانات كی بنیاد پر، موجودہ سال میں آئندہ انتخابات كے دوران، پہلی ششماہی میں سرکاری اخراجات میں اضافہ ہونے كی توقع ہے، جو كاروباری سرگرمی كو مزید فروغ دیگا۔ حكومت كی كوششوں كے نتیجے میں بجلی كی فراہمی میں بہتری ہوئی ہے اور بڑھتی ہوئی طلب كو پورا كرنے اور صلاحیت كو مزید بڑھانے كے لے مختلف بجلی كے منصوبوں پر كام جاری ہے۔ امن وامان اور سیکورٹی كی صورتحال عام طور پر كنٹرول میں رہی ہے۔ پچھلے سالوں میں مندی كے رجحانات كے بعد اب برآمدات اور غیر ملکی ترسیلات میں اضافہ ہوا ہے۔ روپے كی قدر میں كی نے ایک طرف برآمد پر مثبت اثر ڈالا ہے، تاہم، دوسری طرف موجودہ اكاؤنٹ خسارہ اعلیٰ درجے كی درآمد كی وجہ سے اہم دباؤ میں رہا ہے۔ ابھی تك افراط زر كنٹرول میں رہا ہے، تاہم، سال بہ سال اعداد و شمار بڑھتی ہوئی تیل كی قیمتوں میں اضافہ كی وجہ سے زیادہ ہونے كی توقع ہے۔ معیشت كی حالت كو مد نظر ركھتے ہوئے، مركزی بینك نے پالیسی كی شرح بھی بڑھا دی ہے۔ بیرونی محاذ پر، اگرچہ چند مہینوں سے پاكستان عالمی گرے لسٹ پر ہونے كے خطرے كا سامنا كر رہا ہے، جو ملك كی ریٹنگ اور كاروباری اور مالی منڈیوں تك رسائی میں كی كرے گی۔ سیاسی غیر یقینی صورتحال اقتصادی كار كر دگی كے لے دیگر اہم خطرات میں سے ایک ہے۔ نئے چیلنجوں سے نمٹنے اور مسلسل اقتصادی نمو كے لے مؤثر پالیسیاں تیار اور نافذ كرنے كے لے فوری اقدامات كرنے چاہئیں۔

### كپنی

#### مالیاتی نتائج

مجموعی كاروباری لحاظ سے KSB پاكستان نے سال 2017 میں شاندار كامیابی حاصل كی ہے۔ گزشتہ سال 2016 كا موازنہ حسب ذیل ہے:

2016	2017	
4,950,602	5,115,215	فروخت
1,047,762	1,145,066	مجموعی منافع
509,489	539,324	قبل از ٹیکس منافع
377,696	396,068	سالانہ منافع / (نقصان)
28.61	30.01	نی شیئر آمدنی (EPS)

كپنی كے ٹرن اور نے 5 بلین روپے كا سب مل حاصل كیا ہے۔ گزشتہ سال كے مقابلے مجموعی منافع 9 فیصد تک بڑھ گیا ہے۔ گزشتہ سال كے مقابلے قبل از ٹیکس منافع 6 فیصد تک اور ٹیکس كے بعد منافع 5 فیصد تک بڑھ گیا ہے۔ نی شیئر آمدنی بھی 30.01 فیصد تک بڑھ گئی ہے۔

### فروخت

سال 2017 نے تمام کلیدی شعبوں میں مجموعی ترقی کی نشاندہی کی ہے، تاہم اہم سیکٹس، واٹر/ویسٹ واٹر اور صنعت نے سب سے زیادہ کارکردگی ظاہر کی ہے۔ اہم کاروبار کو عوامی شعبے سے منسلک کیا گیا ہے جہاں JICA - لاہور پراجیکٹ نے ہماری کاروباری نمونہ اہم کردار ادا کیا ہے۔ ہمارے جاری متنوع اور توسیع کے پروگرام کے ایک حصہ کے طور پر، نئی تجارتی کردہ مصنوعات اور API پیپس مسلسل مارکیٹ شیئر حاصل کر رہے ہیں۔ اس کے علاوہ KSB پاکستان صنعتی شعبے میں ریپورس اور سوس (RO/UF) پلانٹس کے ذریعے واٹر ٹریٹمنٹ کے ہائی ٹیک کاروبار کو مزید محفوظ بنانے میں کامیاب رہا ہے۔

### منصوبے

KSB پاکستان پراجیکٹس نے خاص طور پر واٹر سیکمنٹ میں ایک صحت مند کاروباری ترقی درج کی ہے۔ کثیر کلیدی واٹر فلٹریشن آرڈر زو اس اور پبلک ہیلتھ انجینئرنگ جیسے قائم شدہ محکموں سے حاصل کئے گئے ہیں۔ ملتان میں شاہ شمس منصوبہ، حکومت کی طرف سے فنڈز کی عدم دستیابی کی وجہ سے طویل وقفے کے بعد، دوبارہ شروع کر دیا گیا ہے اور تکمیل کے مرحلے میں ہے۔

KSB پاکستان 100 ایم جی ڈی صلاحیت کے اسٹیشن کی تعمیر کیلئے کراچی واٹر اینڈ سیوریج بورڈ (KW&SB) کی طرف سے کراچی کے نزدیک ایک منصوبہ، ڈھانچہ پر کام مکمل کرنے کے لئے کنسورشیم کی قیادت کر رہا ہے۔ منصوبوں کی کامیابی اور بروقت تکمیل نے مسلسل تیسرے سال کے لئے 1 بلین روپے سے زائد آمدنی حاصل کرنے میں مدد کی ہے۔ مسلسل اخراجات کو کم کرنے کی کوششوں کے نتیجے میں صحت مند منافع حاصل ہوا ہے۔

### پیداوار

سال 2017 میں پیداوار ہدف سے زیادہ رہی ہے۔ ہماری تکنیکی ٹیم نے کامیابی سے پروڈکٹ مینجمنٹ کی منصوبہ بندی کے مطابق نئے ای ٹی این پمپ کو جدید بنایا ہے۔ پیٹرن کی حفاظت اور مناسب پلیسمنٹ کو یقینی بنانے کے لئے عمودی ریلنگ کے ساتھ ایک نیا پیٹرن سٹور تیار کیا گیا ہے۔ مصنوعات کی طلب میں اضافے کے مدنظر، اپنی صلاحیت میں اضافہ کرنے کے لئے ورکشاپ میں ایک نئی سی این سی ٹرنک لیٹھ شامل کی گئی ہے۔ اس کے علاوہ، اس سلسلہ میں KSB پاکستان نئی پینٹ شاپ، کور شاپ کو فروغ دینے اور ورکشاپ کو صحت دینے کی منصوبہ بندی کی ہے، جو مستقبل قریب میں مکمل کی جائے گی۔ لیڈ ٹائم کو کم کرنے کے مقصد کے ساتھ، ڈیجیٹل مینوفیکچرنگ کے ذریعے پیٹرن اور نئی مصنوعات کے نمونوں کی ان ہاؤس سہولت، ترقی، مینوفیکچرنگ، کی سہولیات کو فروغ دینے کے لئے پلانٹ کو جدید بنانے کی سرگرمیوں کی منصوبہ بندی کی گئی ہے۔ KSB پاکستان ملازمین کی مہارتوں کو فروغ دینے اور آپریشنز میں صلاحیت، معیشت اور معیار کو بڑھانے کے لئے پرائسز اپروومنٹ پروجیکٹ کو زبردستی ہے۔

### فاؤنڈری

سال 2017 KSB پاکستان فاؤنڈری کے لئے ایک خاص سال ہے، اس نے مستقبل کے امکانات اور بروقت ہوئی مارکیٹ طلب کے ساتھ اپنے فاؤنڈری آپریشنز کو جدید بنانے اور وسعت دینے کے لئے بہت اہم سرمایہ کاری کی ہے۔ جرمن ہائی پریشر مولڈنگ لائن اینڈ سیٹ پلانٹ پر مبنی نیا فاؤنڈری پلانٹ بہت ہی جدید سہولیات، مکمل طور پر خود کار، ماحول دوست، اور معیار اور حفاظت میں پوکا پوک ہے۔ نئی ڈیول ٹریک انڈکشن فرنس کے ساتھ پیداواری صلاحیت بھی نمایاں طور پر بڑھ گئی ہے۔ یہ کام تکمیل کے مرحلے میں ہے اور نئی فاؤنڈری سال 2018 کی پہلی سہ ماہی میں پیداوار دینا شروع کر دے گی۔

یہ ہماری سرمایہ کاری سوزوکی، ہنڈا، ٹویوٹا، ملت ٹریکٹرز، اور نسان سے آئندہ مواقع، اور Kia، Hyundai، FAW، Hino اور Volkswagen سے ممکن کاروباری نمونہ بنانے کے لئے اور مصنوعات کے معیار، کارکردگی، پیداوار اور پیداواری صلاحیت کو مزید بہتر بنانے کے لیے بروئے کار لائی جائے گی۔

### معیار، ماحولیات، پیشہ ورانہ صحت اور تحفظ

"ہماری مصنوعات اور خدمات کی کوالٹی کے معیارات ہمارے صارف قائم کرتے ہیں۔ ہم ان کی خواہشات کو مکمل اور بروقت پورا کرتے ہیں۔ KSB پیپس کمپنی لیڈنگ انٹرنیٹ مینجمنٹ سسٹم (ISO 9001, ISO 14001 & OHSAS 1800) کے لئے سرٹیفائیڈ پاکستان میں پہلی فاؤنڈری کی بنیاد پر انجینئرنگ کمپنی ہے۔ ہم عالمی معیار کی مصنوعات اور شاندار خدمات کے ساتھ اپنے قابل قدر صارفین کو مکمل طور پر مطمئن کرنے کے لئے اپنے پلانٹس کو محفوظ تر، اور اپنے آپریشنز کو تیز رفتار بنانے کی کوشش کرتے ہیں۔ ہماری ماحول دوست پالیسیوں کے نتیجے میں، KSB پاکستان نے مسلسل 7 واں سالانہ ماحولیات ایکٹیلنس ایوارڈ جیتا ہے۔ یہ ایوارڈ ماحولیات اور صحت کے لئے قومی فورم کی طرف سے دیا جاتا ہے اور تسلیم شدہ اور ترقی یافتہ تنظیموں کو تقویض کیا جاتا ہے جو قومی/بین الاقوامی معیارات کے مطابق سخت معیار کی بنیاد پر صحت، تحفظ اور ماحول کی یا تبدیلی اور ترقی میں شاندار شرکت کرتی ہیں۔



### خدمت فوری اور مؤثر

KSB پاکستان سروس نے گزشتہ سال سے کافی کاروباری نمودار کی ہے۔ عوامی اور نجی شعبوں دونوں سے آرڈرز حاصل کئے جاتے، یہ اعلیٰ نمونہ وسائل کے ساتھ حاصل کی گئی ہے تاکہ بہتر پیداوار اور لاگت کنٹرول کے تفویض ہدف تک پہنچا جاسکے۔ گزشتہ سال کے مقابلے میں سروس سہولت نے بہتر کارکردگی کے ساتھ 205 کام سرانجام دیے ہیں۔ اس کے علاوہ، ہمارے قابل قدر گاہکوں کے ساتھ چند کچھ بھال اور خدمات کے معاہدوں پر بھی دستخط کیے گئے ہیں۔

### انسانی وسائل

ہم اپنے لوگوں کی خدمات کی قدر کرتے ہیں۔ اپنے مقابلہ کی حد کو برقرار رکھنے کے مقصد کے ساتھ KSB پاکستان، اعلیٰ تجربہ کار ماہرین کو بھرتی کرنے اور کامیاب ٹیم کو برقرار رکھنے کی مسلسل کوشش کرتا ہے۔ ملازمین کی فلاح و بہبود، مہارت کا فروغ اور مشغولیت توجہ کے اہم شعبے ہیں جو فعال سرگرمیوں کی طرف اشارہ ہے جس کے لئے ملازمین کی اعلیٰ کارکردگی اور تربیت کی خاطر (مقامی اور بین الاقوامی) 450 سے زیادہ دنوں کی ٹریننگ کے لئے سرمایہ کاری کی گئی ہے۔ تمام مقامات پر کرکٹ، بیبل ٹینس، ساگرہ کی تقریبات، اور نچ پارٹی، یوم آزادی کی تقریبات اور بہت سی دیگر تقریبات کا اہتمام کیا گیا تاکہ مختلف شعبہ جات میں باہمی تعاون کو فروغ دیا جائے۔

ہمارے ثقافتی پہلوؤں اور اپنے گاہکوں کے لئے عزم کے طور پر، کمپنی نے فیکٹری میں ایچ آر فنکشن کو مضبوط بنایا ہے تاکہ ہمارے آپریشن کو بہترین معیار کی مصنوعات اور خدمات فراہم کرنے کے قابل بنایا جاسکے۔ کمپنی کے مجموعی مقاصد کے حصول کو یقینی بنانے اسٹریٹجی انٹو ایکشن (SIA) دائرہ کار استعمال کرنے کی سہولت فراہم کی جاتی ہے۔

مہارت کا استقبال ہماری اہم ترجیحات میں سے ایک ہے، جس کی بدولت ہم پسندیدہ ایمپلائز کے طور پر اپنی پوزیشن اور حیثیت کو برقرار رکھنے کے لئے Mercer کے ساتھ شراکت داری کے ذریعے معاوضہ جات اور فوائد کا ڈھانچہ کی تعمیر اور اپ گریڈ کرتے ہیں۔ KSB کو مقابلہ میں سب سے آگے رکھنے اور تمام اسٹیک ہولڈرز کی قدر میں اضافہ کو جاری رکھنے کے لئے ہماری قابل ٹیم کو تربیت دی جاتی ہے۔

### 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 ممکنہ مالی خطرات سے دوچار ہو سکتی ہیں۔ مثال کے طور پر مارکیٹ رسک، کریڈٹ رسک اور لیکویڈیٹی رسک (بشمول کرنسی رسک، دیگر پرائس رسک اور سود کی شرح کا رسک)۔ کمپنی کا تمام رسک مینجمنٹ پروگرام مالی منڈیوں کے اتار چڑھاؤ پر مرکوز اور مالی کارکردگی پر ممکنہ منفی اثرات کو کم سے کم کرنے کی کوشش کرتا ہے۔ رسک مینجمنٹ بورڈ آف ڈائریکٹرز (بورڈ) کی طرف سے منظور کردہ اصولوں اور پالیسیوں کے تحت حکمہ خزانہ 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 لئے اصول کا تعین کرتا ہے۔ ٹریڈری سے متعلق تمام لین دین گروپ ٹریڈری اور اسٹیٹ بینک آف پاکستان کی طرف سے فراہم کردہ ہدایات کے تحت پالیسیوں کے پیرامیٹرز کے اندر اندر کیا جاتا ہے۔

### مارکیٹ رسک

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

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

سود کی شرح کا خطرہ مالی آلہ کے مناسب قدر یا مستقبل کا نقدی کا بہاؤ مارکیٹ کی شرح سود میں تبدیلی کے باعث تبدیل ہوگا کے خطرے کی نمائندگی کرتا ہے۔ کمپنی کوئی اہم طویل مدتی انٹریٹ بیئرنگ اثاثہ نہیں رکھتی ہے۔ کمپنی کو شرح سود کا خطرہ طویل مدتی اور قلیل مدتی قرض سے پیدا ہوتا ہے۔ متغیر 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 ساتھ 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 کرتی ہے۔ انفرادی خطرے کی حدود بورڈ کی مقررہ حدود کے مطابق اندرونی یا بیرونی درجہ بندی کی بنیاد قائم کر رہے ہیں۔ کریڈٹ کے 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 کو مالی واجبات سے وابستہ ذمہ داریوں کو پورا کرنے میں مشکلات کا سامنا کرے گی۔ محتاط لیکویڈیٹی رسک مینجمنٹ تفویض کریڈٹ کی سہولیات کی کافی رقم کے ذریعے فنڈز کی دستیابی، کافی نقدی کی برقراری پر عمل کرتی ہے۔ کمپنی کے کاروبار کی متحرک نوعیت کی وجہ سے، کمپنی کا فنانس ڈیپارٹمنٹ تفویض کریڈٹ لائنز 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 پیش گوئی پر نظر رکھتی ہے۔ یہ عام طور کمپنی کی پریکٹس اور حدود کے مطابق کیا جاتا ہے۔ یہ حدود عمل وقوع کی مارکیٹ کی ہستی کے لئے مختلف ہوتی ہیں۔ اس کے علاوہ، کمپنی کی سیالیت کے انتظام کی پالیسی ہر سہ ماہی میں نقد بہاؤ کو شامل اور اس کے واجبات کو پورا کرنے کے لئے ضروری سیال اثاثوں کی سطح پر غور، داخلی اور خارجی انضباطی تقاضوں کے خلاف بیلنس شیٹ لیکویڈیٹی تناسب کی نگرانی، اور قرض فنانسنگ منصوبوں کو برقرار رکھتی ہے۔

### کیپٹل رسک مینجمنٹ

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

### کارپوریٹ سوشل ذمہ داری-KSB کیئر

کارپوریٹ سوشل ذمہ داری KSB کارپوریٹ پالیسی کا ایک لازمی حصہ ہے۔ گزشتہ دس سالوں میں KSB کیئر نے سینکڑوں طالب علموں کو فنانس کی فراہمی کے مختلف منصوبے مکمل کئے ہیں۔ یہ بڑے پیمانے پر کیونٹی کی خاطر ہمارے عزم کو ظاہر کرتا ہے۔ ہماری آئندہ نسلوں کی تعلیم میں سرمایہ کاری کے ذریعے KSB ملک کے بہتر کل کی تعمیر کرنے میں مدد کے لئے ایک اہم کردار ادا کر رہا ہے۔

KSB کا کارپوریٹ سماجی ذمہ داری (سی ایس آر) پروگرام KSB کیئر کے زیر اہتمام کام کرتا ہے۔ KSB حسن ابدال میں اپنی پیداواری سہولت کے ارد گرد دیہاتی علاقوں میں تعلیمی اداروں کی حمایت کر رہا ہے۔ سال 2017 کے دوران کمپنی نے اسکولوں کے لئے بنیادی ڈھانچے کی بحالی، کلاس رومز کی تعمیر، اور فرنیچر & فیکس کے انتظامات اور پینے کے پانی کے لئے امداد فراہم کی۔

KSB طالب علموں کو انٹرن شپس، انٹرنش شپس، تربیتی مواقع، تعلیمی دوروں اور مطالعہ کے منصوبوں کی پیشکش بھی کر رہا ہے۔ KSB کیئر اسکالرشپ پروگرام کے تحت، میرٹ کی بنیاد پر حسن ابدال کے گروڈواچ میں واقع مختلف اسکولوں اور کالجوں کے ہونہار طلباء کو KSB ایوارڈز دیا جاتا ہے۔ اس کے علاوہ سال 2017 کے دوران 22 اسکولوں اور کالجوں کے 291 سب سے زیادہ کامیاب امیدواران کو اسکالرشپ سے نوازا گیا۔

گزشتہ سالوں میں KSB کیئر نے کئی اسپتالوں اور طبی اداروں مثلاً شوکت خانم ہسپتال، ایل آر بی ٹی، انڈس ہسپتال، اور SIUT وغیرہ کی مدد بھی کی ہے۔

## مستقبل کا نقطہ نظر

### فروخت

آگے بڑھتے ہوئے، تمام کلیدی شعبوں، معروف انڈسٹری، بجلی، تعمیراتی خدمات اور واٹر اینڈ ویسٹ واٹر کے معیار اور انجینئرنگ مارکیٹ میں ہمیں اور والوز کا روبار کے لئے پائپ لائن میں ہیں۔ سال 2018، چونکہ انتخابات کا سال ہے، لہذا خاص طور پر واٹر اینڈ ویسٹ واٹر کے بنیادی ڈھانچے کے مزید منصوبے آنے کے امکانات ہیں۔ آنے والے سالوں میں خاص طور پر صنعتی شعبے میں ریپورس اوسموس/سیوریج ٹریٹمنٹ پلانٹ کی نئی قائم شدہ کاروباری لائن میں مضبوط نمو کی پیش گوئی کی گئی ہے۔ ہمارے پاس فعال مواصلات اور مارکیٹنگ پروگرام ہیں جن کا مقصد بروقت اور موثر طریقے سے اپنے قابل قدر گاہکوں کی کاروباری ضروریات کو پورا کرنا اور نئے کاروبار کے مواقع سے فائدہ حاصل کرنا ہے۔

### منصوبے

سال 2018 کے لئے کاروباری نقطہ نظر، بنیادی سطح پر واٹر پلائی اسکیمیں قائم کرنے کے لئے تمام صوبائی حکومتوں کی مرکزی توجہ کی بدولت خاص طور پر واٹر سیکمنٹ کے لئے پُر امید رہا ہے۔ پنجاب حکومت نے دیہی سطح پر واٹر فلٹریشن پلانٹس نصب کر کے PHED محکمہ اور صاف پانی کمپنی کی وساطت سے آبِ صحت کے نام سے صاف پینے کے پانی کی فراہمی کا منصوبہ شروع کیا ہے۔ اسی طرح، سندھ حکومت نے کراچی شہر کو واٹر پلائی کی فراہمی پر توجہ مرکوز کی ہے جہاں سپینگ منصوبوں کا اعلان 2018 میں کیا جائے گا۔ اب KSE پاکستان فلٹریشن کے کاروبار میں ایک مضبوط کھلاڑی بن گیا ہے، امکان ہے کہ یہ ان مواقع سے مستند آرڈرز حاصل کرے گا۔ موجودہ منصوبے، بہتر آپریشنل اور اسٹریٹجک اہلیت کے نتیجے میں بہتر وسائل کے ساتھ تکمیل کی طرف اطمینان بخش رفتار پر چل رہے ہیں۔

KSE پراجیکٹس مستقبل کے کاروباری امکانات اور توسیع کی حکمت عملی کے ساتھ ضروری مندرجات اور پری کوالیفیکیشن کے لئے اپنی کوششیں جاری رکھتا ہے۔

### سروس

KSE پاکستان سروس کے پاس صحت مند آرڈرز زبردست ہیں اور کاروبار کے مواقع پائپ لائن میں ہیں جو سال 2018 میں مزید نمو کو یقینی بنانے کے لئے ہمارے اعتماد کو بڑھاتے ہیں۔ ہم high-end مارکیٹ اور سروس منصوبوں سے مزید کاروبار کے لئے کوشش کر رہے ہیں۔ مستقبل میں، ہم مکینیکل سیل ریفریجیشن اور موٹر مرمت/ری وائنڈنگ سرگرمیوں کے امکانات تلاش کرنے کا ارادہ رکھتے ہیں، تاکہ "دن و نڈ" آپریشن "نعرہ کو مکمل طور پر پورا کیا جائے۔

### تصرفات

#### سالانہ نتائج

539,323	قبل از ٹیکس سالانہ منافع
(143,255)	ٹیکس کی فراہمی
396,068	بعد از ٹیکس منافع
(5,717)	دیگر مجموعی سالانہ آمدن/(تقصان)۔ خالص ٹیکس
417	غیر تقسیم شدہ منافع
390,768	تصرفات کی دستیابی
	تصرف
232,000	عام ریڑرو کے لئے مختل
158,664	تجویز کردہ منافع منقسمہ بشرح 12.02 روپے فی شیئر
390,664	
104	غیر تقسیم شدہ منافع جو آگے آیا



**محاسب**

موجودہ محاسب، اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔ آڈٹ کمیٹی کی تجویز کے مطابق بورڈ آف ڈائریکٹرز نے 31 دسمبر 2018 کو ختم ہونے والے سال کے لئے کمپنی کے محاسب کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

**ضابطہ اخلاق**

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

**مادی تبدیلیاں**

31 دسمبر 2017 کے بعد کوئی مادی تبدیلیاں نہیں ہوئی ہیں اور کمپنی کسی بھی وعدہ میں داخل نہیں ہوئی، جو پبلکس شیٹ کی تاریخ تک اس کی مالی پوزیشن کو متاثر کرے گا۔

**ہولڈنگ کمپنی**

KSB SE & Co. KGaA Germany کمپنی کی ہولڈنگ کمپنی ہے۔ ہولڈنگ کمپنی KSB Aktiengesellschaft, Germany نے اپنی لیگل فارم تبدیل کر کے نئے نام KSB SE & Co. KGaA پائرنشپ لمیٹڈ بانی شیئرز ہو گئی ہے۔

**مجلس نظام**

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

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

**مجلس نظام کے اجلاس**

سال کے دوران مجلس نظام کے چار اجلاس منعقد ہوئے اور ہر ایک ڈائریکٹر کی شرکت کی تعداد حسب ذیل میں دی گئی ہے:

نمبر شمار	نام ڈائریکٹر	تعداد
1	Mr. Tonjes Cеровsky	4
2	جناب ایم مسعود اختر	4
3	جناب ساجد محمود اعوان	4
4	Dr. Matthias Beth	3
5	محترمہ راحت کونین حسن	2
6	جناب حسن عزیز بلگرامی	2
7	جناب جمال نسیم	4
8	سید حیدر علی	2

ڈائریکٹرز جو بورڈ کے اجلاس میں شرکت نہیں کر سکے اور خست عطا کی گئی۔

## آڈٹ کمیٹی

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

نمبر شمار	نام ڈائریکٹر	حاضری کی تعداد
1	جناب جمال نسیم - چیئر مین نان ایگزیکٹو ڈائریکٹر	3
2	جناب حسن عزیز بلگرامی - رکن نان ایگزیکٹو ڈائریکٹر	2
3	Dr. Matthias Beth - رکن نان ایگزیکٹو ڈائریکٹر	4
4	سید حیدر علی - رکن نان ایگزیکٹو ڈائریکٹر	2
5	محترمہ راحت کوئین حسن - رکن نان ایگزیکٹو ڈائریکٹر - آزاد ڈائریکٹر	2

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 فیئرفنس کی شرائط کا تعین کیا۔

## انسانی وسائل اور معاوضے کی کمیٹی

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

نمبر شمار	نام ڈائریکٹر	حاضری کی تعداد
1	محترمہ راحت کوئین حسن - چیئر پرسن	1
2	سید حیدر علی - رکن	-
3	جناب محمد مسعود اختر - رکن	1

## کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- کمیٹی کی انتظامیہ نے مالی حسابات اور ان کی وضاحت کمپنیز آرڈیننس 1984 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 مالیاتی رپورٹنگ کے معیارات (IFRS) کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔

- اندرونی کنٹرول کے نظام کا ڈیزائن مضبوط ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے بخوبی واقف 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 نظر ثانی شدہ حسابات پر مبنی سرمایہ کاری کی قدر حسب ذیل ہے:
- پراویڈنٹ فنڈ 31 دسمبر 2016 : 101.00 ملین روپے
- گریجویٹ فنڈ 31 دسمبر 2016 : 74.50 ملین روپے
- ہمارے بہترین علم کے مطابق، سی ای او، ڈائریکٹرز، کچھ دیگر فری، سی ایف او اور ان کے ذریعہ اور تابائع بچوں کی طرف سے کچھ کی حصص کی کوئی ٹریڈنگ نہیں کی گئی ہے۔

#### ممنوعہ حصص داری

31 دسمبر 2017ء کو کچھ 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 اقتدار سمیت مالی اور غیر مالی پیرامیٹرز پر کی جاتی

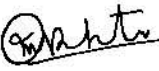
ہے۔

#### انتہا تشکر

بورڈ آف ڈائریکٹرز اپنے تمام اسٹیک ہولڈرز، قابل قدر صارفین، حصص یافتگان، بینکاروں، سپلائرز اور ڈیلرز کا کچھ کو سال بھر قابل قدر حمایت فراہم کرنے کا شکریہ ادا کرتے ہیں۔ وہ اپنی ہولڈنگ کچھ میسرز KSB SE & Co. KGaA کی طرف سے بہترین حمایت اور رہنمائی فراہم کرنے کے بھی شکراز ہیں۔ بورڈ کچھ کی انتظامیہ، آفیسرز اور عملہ کی سخت محنت اور لگن کو بھی سراہتا ہے۔

#### منجانب بورڈ

  
ساجد محمود اعوان  
چیف فنانس آفیسر

  
محمد مسعود اختر  
چیف ایگزیکٹو

8 مارچ 2018ء

لاہور



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