

KSB Pumps Company Limited

Annual Report 1999

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KSB Pump's Company Limited

REGISTERED OFFICE

16/2, Sir Aga Khan Road
Lahore-54000
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WORKS

Hazara Road, Hassanabdal
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Cover: A meandering river reflects a golden sunset as 1999 comes to an end. KSB bids farewell to the past millennium and looks towards an era of peace and prosperity.

Mission Statement & Values

Mission Statement

We manufacture and market a selected 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 building services sectors.

In line with the Group 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.

Our Values are

We believe in self-esteem of our customers, suppliers and employees

We work as a team where every member owns the process with an entrepreneurial spirit

We work with professional honesty and integrity

We trust our employees and appreciate their contributions

We strive for continuous improvement to achieve excellence in all spheres of our activities

We are an equal opportunity employer and follow merit in human resources development

We fulfill our obligation towards society and environment.

Company Information

DIRECTORS

Dr. Agus Susanto	Chairman
Arif Ijaz	Managing Director
Peter Wurzbacher	
Manzurul Haq	
Nasim Beg	
Aezaz Hussain (effective 01.12.1999)	
R. D, Ahmad	
Adrian Meraj (Nominee NIT)	

COMPANY SECRETARY

S. Zamanat Abbas

MANAGEMENT

Arif Ijaz	Chief Executive
A. Ghaffar Khan	Sales & Marketing

S. Zamanat Abbas
Pervez Iqbal Mughal
Bashir Saleem

Finance & Administration
Production
Projects

AUDITORS

A. F. Ferguson & Co.

BANKERS

ANZ Grindlays Bank
Bank of America NT & SA
Hongkong & Shanghai Banking Corporation
Limited
Deutsche Bank AG
Muslim Commercial Bank
Limited
Habib Bank Limited
United Bank Limited

LEGAL ADVISORS

Orr Digham &
Co.
Zafar Law Associates

Dealers Network

LAHORE

UPPAL MACHINERY STORES

98-Railway Road, Lahore. Ph: 7657974 Fax:
7662541

ALI AGENCIES

37-Umer Market. Mcleod/Railway Road, Lahore. Ph: 7650758 -
7665758

KARACHI

ANWAR CORPORATION

Nicol/Frere Road Crossing, P.O. Box No. 4755, Karachi. Ph: 2428411-
14

ENGINEERING SALES & SERVICES

Syedna Tahir Saifuddin Road, Off M.A. Jinnah Road, Karachi. Ph: 7731866 - 7731710

RAWALPINDI

HAS SAN ENGINEERING

A/754 Taj Mahal Market, Jinnah Road, Rawalpindi. Ph: 555386 Fax: 535386

KHYBER ELECTRIC CO. (PVT) LTD.

43-R/S, Bank Road, Rawalpindi. Ph: 567783-4

MULTAN

SULTAN SONS (PVT) LTD,

Sultan Mansions, Railway Road, Multan. Ph: 548574 - 542501

QUETTA

MARSHALL TRADING CO.

Shahrah-e-Adalat, Quetta. ph: 842867- 836913 Fax: 836912

PESHAWAR

AL-HASEEB CORPORATION

26 Gulistan Market, Railway Road, Faisalabad. Ph: 619454 Fax:
624404

PESHAWAR

GEO PUMPS & ELECTRICAL SERVICES

Sikandar Plaza, Shuba Bazar, Peshawar. Ph:
253119

Notice of Meeting

Notice is hereby given that the 42nd annual general meeting of the members of KSB Pumps Company Limited, will be held at Hotel Avari, Shahrah-e-Quaid-e-Azam, Lahore, on Wednesday, the 29th December, 1999 at 4.00 p.m. to transact the following business:

1. To confirm the minutes of the extra-ordinary general meeting held on March 26, 1999.
2. To consider and adopt the audited accounts of the Company for the year ended June 30, 1999 and report of the auditors and Directors thereon.
3. To approve the payment of dividend of 15% for the year ended June 30, 1999 as recommended by the Directors.
4. To appoint auditors and fix their remuneration.

Messrs A. F. Ferguson & Co., Chartered Accountants, the retiring auditors, being eligible, offer

themselves for re-appointment as auditors of the Company.

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 at the Registered Office of the Company 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 December 21, 1999 to December 29, 1999 (both days inclusive). Transfers received in order at the Registered Office of the Company by the close of business on December 20, 1999 will be in time to be passed for payment of dividend to the transferees.

3. Members are required to notify the change of address, if any, immediately.

**BY ORDER OF THE
BOARD**

**S. ZAMANAT ABBAS
Company Secretary**

Lahore,
December 06, 1999

Directors' Report

The Directors are pleased to present the annual report together with the audited accounts of the Company for the year ended June 30, 1999.

STATE OF COMPANY'S AFFAIRS

The Management Report on page 9 comments on the business of the Company during the year and has the approval of the directors.

RESULTS FOR THE YEAR

Rupees

Profit for the year before providing for taxation	43,125,607
Provision for taxation	(21,527,000)

Profit after taxation	21,598,607
Unappropriated profit brought forward	431,643

Available for appropriation	22,030,250

Appropriated as under:	
- Transfer to general reserve	4,000,000
- Proposed dividend @ Rs 1.50 per share (15 %)	18,000,000

	22,000,000

Unappropriated profit carried forward	30,250
	=====

MATERIAL CHANGES SINCE THE BALANCE SHEET DATE

There have been no material changes since June 30, 1999 and the Company has not entered into any commitments which would affect the financial position of the Company at that date,

BOARD OF DIRECTORS

On expiry of the term of office of the serving Directors, the following were elected as Directors of the Company for a period of three years in an extraordinary general meeting on March 26, 1999:

1. Dr. Agus Susanto
2. Mr. Arif Ijaz
3. Mr. Peter Wurzbacher
4. Mr. Manzurul Haq
5. Mr. R. D. Ahmad
6. Mr. A. Razak Dawood
7. Mr. Nasim Beg

In addition to the above seven elected Directors, Mr. Adnan Meraj was nominated as Director Nominee of NIT under Section 183 of the Companies Ordinance, 1984.

Owing to the appointment of Mr. A. Razak Dawood as Minister for Commerce, Industry and Production, the Board received with regret the resignation of Mr. Razak. In the Circumstances, the Board wishes to place on record its warm appreciation for the valuable contribution made by Mr. Razak during his tenure as Director.

BUSINESS OF THE COMPANY

The Company's business is that of manufacture and sale of pumps and valves. In addition, castings are manufactured for sale to third parties.

Y2K COMPLIANCE

The Company has undertaken all measures to ensure that its IT system is fully Y2K compliant.

HR INITIATIVES

The management has put in strategic efforts aligning the sales, structures, skills, systems, staff with the shared vision that we prepared in 1998. This alignment has brought in new synergies, team work and empowerment enhancing the productivity of the Company.

PATTERN OF SHAREHOLDING

The information about the pattern of shareholding appears as an appendix to the accounts on page 30

HOLDING COMPANY

The holding company is Canadian Kay Pump Limited incorporated in Toronto, Canada, Their particulars appear in note 3 to the accounts.

Auditors

The present auditors, M/s. A. F. Ferguson & Co., being eligible, have offered themselves for re-appointment.

Arif Ijaz
Chief
Executive

Dr. Agus Susanto

Chairman

Lahore,
November 11, 1999

Management Report

For the period under review, the business climate in the country remained depressed and grim. The stagnant Industrial Sector, and the threat of sovereign default, meant that resources to the Industrial & Development sectors were severely curtailed, presenting the Company with multiple risks.

Fortunately, in anticipation, your company implemented a series of strategic and structural measures that not only enabled it to absorb these shocks easily, but also resulted in a substantial increase in Orders Received and Turnover, with a corresponding increase in profits. This was achieved by targeting the Project and Service sectors through a newly created Customer Services Department which saw a 30% increase in the Project and Service business. The strategic focus of the Company therefore shifted towards a Turnkey system solution concept. Per employee productivity also registered a significant increase, The Human Resource Initiatives created better teamwork and higher motivational levels, especially in Sales where Exports increased substantially. Better forecasting and cash management also helped us to bring down financial charges. The drive for World Class competencies also led us to be one of the first companies to adopt the new IAS - 19 accounting standard. Due to the new standard, a lot of expense which could be amortized earlier had to be expensed. Notable is the costs of downsizing and liability of accumulated leaves of absences. This is perhaps the reason why profit as percentage of sales has not shown an upward trend, although the quantum of profit is much higher. On the operations side, a better focus has resulted in the cost of sales being constant in spite of higher input costs, receivables and inventories as a percentage of sales has shown improvements. Besides, your Company has also insured that it is Y2K compliant and the number of permanent employees stood at 404.

In short, all the emphasis on team building, cross functional synergy and empowerment bore fruit.

The recent political development in Pakistan is a major development. Up to now, the signals emanating are positive and the stock markets have seen an upturn after a long time. One of our board members, Mr. A. Razak Dawood, has been chosen as the Minister for Production and Commerce. With his long standing reputation of a conscientious and upright businessman, we are confident that he will be part of a dedicated team that is very serious in reviving a dying economy.

KSB Pakistan achieved it's highest ever turnover during this period of economic malaise. This is more than a vote of confidence in its dedicated team. With this as commitment, I have no doubt that this Company will continue to shine in the face of all odds.

Lahore,
November 11, 1999

Arif Ijaz
Managing Director

Auditors' Report to the Members

We have audited the annexed balance sheet of KSB Pumps Company Limited as at June 30, 1999 and the related profit and loss account and cash flow statement, together with the notes forming part thereof for the year ended June 30, 1999 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 purpose of our audit and, after due verification thereof, 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, except for the changes referred to in note 2.2 to the accounts with which we concur;

(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 and cash flow statement, together with the notes forming part thereof, 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 June 30, 1999 and of the profit and cash flows for the year then ended;

(d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the company and deposited in the Central Zakat Fund established under section 7 of the Ordinance:

Lahore,
November
12,1999

A.F. Ferguson & Co.
Chartered Accountants

Balance Sheet as at June 30 1999

	<i>Note</i>	<i>1999 Rupees</i>	<i>1998 Rupees Restated</i>
CAPITAL AND RESERVES			
SHARE CAPITAL			
Authorised			
15,000,000 ordinary shares of Rs 10 each		150,000,000	150,000,000
		-----	-----
Issued, subscribed and paid up	3	120,000,000	120,000,000
RESERVES	4	101,499,866	97,499,866
UNAPPROPRIATED PROFIT		30,250	431,643
		-----	-----
		221,530,116	217,931,509
		--	20,833,334
LONG TERM RUNNING FINANCE - SECURED			
LONG TERM AND DEFERRED LIABILITIES			
Deferred taxation		--	486,000
Provision for employees' benefits	5	14,573,040	11,341,101
Rent received in advance		--	1,182,116
		-----	-----
		14,573,040	13,009,217
CURRENT LIABILITIES			

Current portion of long-term running finance-secured		--	16,666,666
Short term running finances-secured	6	70,688,353	52,197,908
Creditors, accrued and other liabilities	7	162,095,219	189,309,472
Proposed dividend		18,000,000	12,000,000
		-----	-----
		250,783,572	270,174,046
CONTINGENCIES AND COMMITMENTS	8	-----	-----
		486,886,728	521,948,106
		=====	=====
FIXED CAPITAL EXPENDITURE			
Operating fixed assets- tangible	9	77,552,226	71,308,039
Capital work in progress	10	497,606	1,652,894
		-----	-----
		78,049,832	72,960,933
LONG TERM LOANS AND DEPOSITS	11	1,039,312	871,723
CURRENT ASSETS			
Stores, spares and loose tools	12	35,895,064	28,531,270
Stock in trade	13	109,647,893	116,700,446
Trade debts	14	163,799,317	157,223,734
Loans, advances, deposits, prepayments and other receivables	15	68,331,334	59,050,975
Cash and bank balances		30,123,976	86,609,025
		-----	-----
		407,797,584	448,115,450
		-----	-----
		486,886,728	521,948,106
		=====	=====

The annexed notes form an integral part of these accounts.

Arif Ijaz
Chief
Executive

Dr. Agus Susanto
Chairman

Profit and Loss Account for the year ended June 30 1999

	<i>Note</i>	<i>1999</i> <i>Rupees</i>	<i>1998</i> <i>Rupees</i> <i>Restated</i>
Sales	17	597,343,981	410,110,014
Cost of sales	18	432,779,482	297,140,609
		-----	-----

Gross profit		164,564,499	112,969,405
Administration, selling and general expenses	19	125,541,192	100,214,324
		-----	-----
Operating profit		39,023,307	12,755,081
Other income	20	21,627,019	21,071,175
		-----	-----
		60,650,326	33,826,256
Financial charges	21	13,944,419	17,289,979
Other charges	22	3,580,300	2,324,500
		-----	-----
		17,524,719	19,614,479
		-----	-----
Profit before taxation		43,125,607	14,211,777
Provision for taxation	23	21,527,000	9,186,000
		-----	-----
Profit after taxation	4.1	21,598,607	5,025,777
		=====	=====

The annexed notes form an integral part of these accounts.

Arif Ijaz
Chief
Executive

Dr. Agus Susanto
Chairman

Cash Flow Statement for the Year ended June 30 1999

	<i>Note</i>	<i>1999</i> <i>Rupees</i>	<i>1998</i> <i>Rupees</i> <i>Restated</i>
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	24	39,983,402	146,742,231
Employees retirement benefits paid		(1,330,494)	(2,685,322)
Financial charges paid		(13,043,146)	(18,331,260)
Taxes paid		(28,574,911)	(18,602,019)
Long term loans and advances (net)		(167,589)	(96,020)
		-----	-----
Net cash (outflow)/inflow from operating activities		(3,132,738)	107,027,610
CASH FLOW FROM INVESTING			

ACTIVITIES

Fixed capital expenditure	(22,931,780)	(9,154,083)
Sale proceeds of fixed assets	552,496	1,715,167
	-----	-----
Net cash outflow from investing activities	(22,379,284)	(7,438,916)

**CASH FLOW FROM FINANCING
ACTIVITIES**

Long term running finances- net	(37,500,000)	37,500,000
Dividends paid	(11,963,472)	(9,965,266)
	-----	-----
Net cash (outflow)/inflow from financing activities	(49,463,472)	27,534,734
	-----	-----
Net (decrease)/increase in cash and cash equivalents	(74,975,494)	127,123,428
	-----	-----
Cash and cash equivalents at the beginning of the year	34,411,117	(92,712,311)
	-----	-----
Cash and cash equivalents at the end of the year	(40,564,377)	34,411,117
	=====	=====

The annexed notes form an integral part of these accounts.

Arif Ijaz
Chief
Executive

Dr. Agus Susanto
Chairman

Notes to the Accounts for the Year ended June 30 1999**1. STATUS AND NATURE OF BUSINESS**

The company is incorporated in Pakistan and listed on the Karachi and Lahore Stock Exchanges. The company is engaged in the manufacture and sale of industrial pumps.

These accounts comply with International Accounting Standards, where applicable in Pakistan, in all material respects.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 ACCOUNTING CONVENTION**

The accounts have been prepared under the historical cost convention, modified by capitalisation of certain exchange differences referred to in note 2.7.

2.2 EMPLOYEES BENEFITS

The Golden Handshake Scheme cost incurred by the company was being amortized over a period of 36 months. However, during the year, the company has opted for earlier adoption of International Accounting Standard 19 Employees Benefits (Revised 1998). The revised IAS requires that employees termination benefits should be recognized as an expense in the period in which commitment is made to provide such benefits. Accordingly, the unamortized portion of voluntary Golden Handshake Scheme as at June 30, 1998 has been adjusted against the opening reserves. In addition as required by the revised IAS 19, the company has provided for compensated

absences (refer note 2.2.2). The change in accounting policy has been applied retrospectively. The corresponding figures for June 30, 1998 have been restated to conform to the changed accounting policy. The effect of change is decrease in opening general reserve by Rs 11,000,134 (net off deferred tax effect) which is the adjustment relating to the period to the June 30, 1998. Had there been no change in accounting policy, profit before taxation for the year as at June 30, 1999 would have been lower by Rs 1.778 million and reserves would have been higher by Rs 9.222 million.

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

(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. In addition, an approved funded pension scheme was introduced from June 1, 1996 for supervisory and managerial staff. Monthly contributions are charged to income on the basis of actuarial calculation at the rate 8.33 percent per annum of basic salaries plus certain allowances for gratuity and 8.20 percent per annum of basic salaries plus COLA for pension. The latest valuations for the gratuity and pension fund were conducted as at January 1, 1999 and June 30, 1999 respectively. The actual return on the plan assets were Rs. 0.375 million and Rs. 0.248 million for the gratuity fund and pension fund respectively. The transitional liability resulting from adoption of revised IAS 19 is being amortized over a period of five years as permitted by the IAS.

The future contribution rates of these schemes include allowances for deficit and surplus. Projected unit credit actuarial cost method using the following significant assumptions, are used for valuation of these schemes.

The expected rate of increase in salary level is inflationary for both pension and gratuity fund, while the expected rate of return on plan assets in 14% per annum and 12% per annum for the pension and gratuity fund respectively.

Rupees in million

Present value of defined benefit obligation	30.694
Less: Fair value of plant assets	(12.642)
Less: (non-vested past service cost to be recognised in later periods	(1.400)
Less: unrecognised actuarial gains/(actuarial losses)	(1.410)
Less: transitional liability to be recognized in later periods	(17.586)

Asset as at June 30, 1999	(2.344)
	=====

Rupees in million

Net liability as at July 1, 1998	14.674
Interest cost for the year	2.372
Current service cost	2.041
Less: Expected return on plan assets	(0.411)
Amortization of non vested past service cost	0.467
Less: Change in past service cost due to change in benefits structure	(14.692)
Amortization of transitional liability	4.391

	8.842
Less: payment to the fund	(11,186)

Asset as at June 30, 1999	(2.344)
	=====

(b) The company operates an un-funded retirement scheme for its unionised staff. Under the scheme, members who have completed 7 years of service with the company are entitled to receive 20 days basic pay for each completed year of service. The provision is made annually to cover the obligation under this scheme and is charged to current income.

2.2.2 COMPENSATED ABSENCES

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.

2.3 TAXATION

The charge for current taxation for the year is based on taxable income at the current rates of taxation after taking tax rebates available for set off, if any. The company accounts for deferred taxation, using the liability method, on all major timing differences, which are expected to reverse in future. However, provision for deferred taxation is not considered necessary for the current year.

2.4 FIXED CAPITAL EXPENDITURE AND DEPRECIATION

Operating assets except freehold land are stated at cost less accumulated depreciation. Freehold land and capital work in progress are stated at cost. Cost in relation to own manufactured assets includes direct cost of materials, labour and applicable manufacturing overheads. Cost of certain assets signifies the historical cost and exchange differences referred to in note 2.7.

Depreciation on all fixed assets has been charged to profit on the straight line method at the following annual rates:

Building -	
Factory	5 %
- Office	2,5 %
Plant and machinery	6.66 and 10 %
Tools, jigs, attachments and furniture and fixtures	10 %
Patterns	10 %
Other equipment and tubewells	12,5 %
Office machines and appliances	33.33 %
Vehicles	25 %

The full annual rate of depreciation is applied on the cost of additions, including exchange differences, while no depreciation is charged on assets deleted during the year.

Exchange differences are amortized over the remaining estimated useful lives of the related assets.

Minor renewals or replacements, maintenance, repairs and profit and loss on disposal of Fixed assets are reflected in current profit. Major renewals and improvements are capitalised.

2.5 STORES, SPARES AND LOOSE TOOLS

These are valued at cost determined by using the annual average method except for items considered obsolete which are carried at

nil value. Items in transit are valued at cost comprising invoice value and other charges paid thereon.

2.6 STOCK IN TRADE

Stock of raw materials, except for items in transit, work in process and finished goods, are stated at the lower of cost principally determined using the annual average method and net realisable value. Cost of work in process and finished goods comprise cost of direct materials, labour and applicable manufacturing overheads. Materials in transit are stated at cost comprising invoice values and other charges paid thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs of completion and less costs necessary to be incurred in order to make the sale.

2.7 FOREIGN CURRENCIES

All assets and liabilities in foreign currencies are translated at the year end exchange rates.

Exchange differences arising from translation and repayment of foreign currency loans are capitalised as part of cost of plant and machinery acquired out of the proceeds of such loans.

All other exchange differences are reflected in current income.

2.8 REVENUE RECOGNITION

Revenue from sale of products is recognised on shipment or acceptance of the products depending on the terms of supply. Revenue from services is recognised on performance of the services.

3. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	<i>1999</i> <i>Rupees</i>	<i>1998</i> <i>Rupees</i>
973,100 (1998: 973,100) ordinary shares of Rs 10 each fully paid in cash	9,731,000	9,731,000
8,000 (1998: 8,000) ordinary shares of Rs 10 each issued as fully paid for consideration other than cash	80,000	80,000
11,018,900 (1998: 11,018,900) ordinary shares of Rs 10 each issued as fully paid bonus shares	110,189,000	110,189,000
	----- -	----- -
	120,000,000	120,000,000
	=====	=====

As at June 30, 1999 the holding company, Canadian Kay Pump Limited, Canada holds 7,066,341 (1998: 7,066,341) ordinary shares.

4. STATEMENT OF CHANGES IN-EQUITY

*Reserve for
Issue of*

*Unappropriat
ed*

<i>Particulars</i>	<i>Share Capital Rupees</i>	<i>Bonus Shares Rupees</i>	<i>General Reserve Rupees</i>	<i>Profits Rupees</i>	<i>Total Rupees</i>
Balance as at June 30, 1997	100,000,000	20,000,000	104,500,000	405,732	224,905,732
Net Profit for the period as previously reported -note 4.1		--	--	16,025,911	16,025,911
Bonus issue	(20,000,000)	20,000,000	--	--	--
Transfer from profit and loss	--	--	4,000,000	(4,000,000)	--
Final dividend @ Rs 1,00 per share	--	--	--	(12,000,000)	(12,000,000)
	-----	-----	-----	-----	-----
Balance as at June 30, 1998 as previously reported	120,000,000	--	108,500,000	431,643	228,931,643
Less: Effect of restatement of profit for the year ended June 30, 1998 - note 4.1	--	--	(11,000,134)	--	(11,000,134)
	-----	-----	-----	-----	-----
Restated balance as at June 30, 1998	120,000,000	--	97,499,866	431,643	217,931,509
	=====	=====	=====	=====	=====
Balance as at July 1, 1998 as previously reported	120,000,000	--	108,500,000	431,643	228,931,643
Change in accounting policy - note 2.2	--	--	(11,000,134)	--	(11,000,134)
	-----	-----	-----	-----	-----
Restated balance	120,000,000	--	97,499,866	431,643	217,931,509
Net Profit for the year:	--	--	--	21,598,607	21,598,607
Final dividend @ Rs 1.50 per share	--	--	--	(18,000,000)	(18,000,000)
Transfer from Profit & Loss account	--	--	4,000,000	(4,000,000)	--
	-----	-----	-----	-----	-----
Balance as at June 30, 1999	120,000,000	--	101,499,866	30,250	221,530,116
	=====	=====	=====	=====	=====

4.1 The restated net profit for the year ended June 30, 1998 of Rs 5,025,777 is after deducting the restatement effect of Rs 11,000,134 from the previously reported profit of Rs 16,025,911.

5. PROVISION FOR EMPLOYEES' BENEFITS

	<i>1999 Rupees</i>	<i>1998 Rupees Restated</i>
This is composed of:		
Employee Retirement Benefits	8,265,794	8,793,703
Provision for compensated absences	6,307,246	2,547,398
	-----	-----

14,573,040	11,341,101
=====	=====

6 SHORT-TERM RUNNING FINANCES - SECURED

Short-term running finances available from a Consortium of Commercial banks under mark-up arrangements amount to Rs 244.9 million (1998: Rs 274.3 million). The rates of mark-up range from Re 0.2329 to Re 0.4384 per Rs 1,000 per diem or part thereof on the balance outstanding. In the event the company fails to pay the balance on the expiry of the quarter, year or earlier demand, mark-up is to be computed at the rate ranging from Re 0.2329 to Re 1.5925 per Rs 1,000 per diem or part thereof on the balance unpaid.

The finances obtained under these arrangements are secured by hypothecation of stores, spares, stock in trade and trade debts. Out of aggregate facility of letters of credit of Rs 100.6 million (1998: Rs 63.4 million) and guarantees of Rs 197.2 million (1998: Rs 142.3 million) the amounts utilised as at June 30,1999 amounts to Rs 17.6 million (1998: Rs 32.3 million) and Rs 54.1 million (1998: Rs 129.4 million) respectively.

1999	1998
Rupees	Rupees

7. CREDITORS, ACCRUED AND OTHER LIABILITIES

These are composed of

Creditors	52,012,614	43,795,382
Accrued liabilities	45,976,471	57,062,274
Sales tax payable	19,162,945	14,692,947
Advances from customers	26,631,246	61,811,353
Interest free deposits, repayable on demand	24,410	31,560
Mark -up accrued on long term running finances- secured	--	1,679,812
Mark- up accrued on short term running finances- secured	4,241,009	1,659,924
Workers' profit participation fund	2,551,526	2,052,234
Workers' welfare fund	3,990,120	3,110,120
Unclaimed Dividends	499,474	462,946
Other liabilities	7,005,404	2,950,920
	-----	-----
	162,095,219	189,309,472
	=====	=====

7.1 WORKERS' PROFIT PARTICIPATION FUND

Balance at beginning of the period	2,052,234	2,797,634
Allocation for the period	2,316,000	1,580,000
	-----	-----
The amount available with the company for its business operations	4,368,234	4,377,634
Interest paid on funds utilised by the company	179,526	394,193
	-----	-----
Amount paid during the period	4,547,760	4,771,827
	1,996,234	2,719,593
	-----	-----
Balance at the end of the period	2,551,526	2,052,234
	=====	=====

8. CONTINGENCIES AND COMMITMENTS

(i) Post-dated cheques, not provided for in the accounts, furnished by the company to the Collector of Customs to cover import levies in excess of 20 % ad valorem on certain raw materials and components amounted to RS 9.47 million (1998: Rs 9.63-million). Liabilities under the post-dated cheques can arise in respect of such raw materials which are not consumed within one year from the receipt thereof or till the expiry of extended period and such liability, if any, will be treated as part of the cost of such raw materials and components.

Liabilities, if any, which may arise from the outstanding warranties and guarantees to the customers as to performance, free of charge replacement of faulty materials or bad workmanship etc. are not ascertainable. Based on past experience, however, the amount of contingent loss, if any, arising from these warranties and guarantees is not likely to be material and no provision has, therefore, been made in these accounts.

COMMITMENTS IN RESPECT OF

(i) Letters of credit approximately Rs 17.6 million (1998: Rs 32.3 million)

(ii) The company, under lease agreements executed by it, is committed to pay lease rentals in the following years as under:

<i>Year</i>	<i>Rupees</i>
1999-2000	815,440
2000-2001	559,110
2001-2002	520,500
2002-2003	134,500

9. OPERATING FIXED ASSETS - TANGIBLE

9.1 THE FOLLOWING IS A STATEMENT OF OPERATING FIXED ASSETS:

<i>Depreciation</i>	<i>Cost to June 30, 1998</i>	<i>Additions during the year</i>	<i>Disposals during the year</i>	<i>Cost to June 30, 1999</i>	<i>Accumulated depreciation as at June 30, 1998</i>	<i>Depreciation charge for the year</i>	<i>Depreciation on disposals during the year</i>	<i>Accumulated depreciation as at June 30, 1999</i>	<i>Book value as at June 30, 1999</i>	<i>Depreciation rate %</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	
Freehold land	1,372,520	--	--	1,372,520	--	--	--	--	1,372,520	--
Buildings on Freehold land	35,941,099	67,708	--	36,008,807	15,152,264	1,332,402	--	16,484,666	19,524,141	2.5-5
Plant and machinery	81,719,339	3,948,474	35,343	85,632,470	59,818,169	4,638,783	35,343	64,421,609	21,210,861	6.66-10
Tools, jigs and attachments	19,615,441	2,027,862	--	21,643,303	12,918,390	1,788,397	--	14,706,787	6,936,516	10
Patterns	24,556,531	5,222,799	--	29,779,330	13,396,833	2,208,327	--	15,605,160	14,174,170	10
Other equipment and tubewells	4,464,068	241,150	--	4,705,218	2,852,974	329,344	--	3,182,318	1,522,900	125
Furniture and fixtures	4,986,749	734,636	51,071	5,670,314	3,547,568	391,765	45,639	3,893,694	1,776,620	10
Office machines and appliances	17,526,928	9,040,468	938,527	25,428,869	15,217,766	4,210,087	887,113	18,540,740	6,888,129	33.33
Vehicles	14,915,049	2,803,971	520,000	17,199,020	10,685,721	2,886,930	520,000	13,052,651	4,146,369	25

	-	-	-	-	-	-	-	-	-
Rupees 1999	204,897,724	24,087,068	1,544,941	227,439,851	133,589,685	17,786,035	1,488,095	149,887,625	77,552,226
Rupees 1998	190,956,459	15,561,176	1,619,911	204,897,724	120,048,145	14,959,347	1,417,807	133,589,685	71,308,039

1999
Rupees

1998
Rupees

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

Cost of goods sold	- note 18	13,855,292	12,660,832
Administration, selling and general expenses	- note 19	3,930,743	2,298,515
		17,786,035	14,959,347

9.2 DISPOSAL OF FIXED ASSETS

Detail of certain fixed assets sold during the year.

<i>Particulars</i>	<i>Sold to</i>	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Book Value</i>	<i>Sale Proceeds</i>
<i>(Rupees)</i>					
Vehicle	Mr. Yousaf Khan, Karachi M/S Sherazi Trading Co.,	520,000	520,000	Nil	310,000
Machine	Lahore	155,000	103,334	51,666	65,000

1999
Rupees

1998
Rupees

10. CAPITAL WORK IN PROGRESS

This consists of

Civil works	229,800	229,800
Plant and machinery	267,806	1,423,094
	497,606	1,652,894

1999
Rupees

1998
Rupees
Restated

11. LONG-TERM LOANS AND DEPOSITS

These are composed of

Loans to employees including executive Rs 101,500 (1998: Rs 55,028) - considered good		1,460,405	1,405,463
Current portion including executive Rs 54,000 1998: Rs 55,028) shown under current assets	- note 15	(826,713)	(768,709)
		-----	-----
		633,692	636,754
Security deposits		405,620	234,969
		-----	-----
		1,039,312	871,723
		=====	=====

11.1 The loans to employees except for Rs 938,539 (1998: Rs 654,025) are for house building and purchase of vehicles. The loans for house building is secured by equitable mortgage of title deeds.

The loans to employees including executives are interest free. The loans to executives are for house building and are adjustable against house rent allowance and bonus. The maximum amount outstanding at the end of any month in respect of loans to executive was Rs 124,500 (1998: Rs 174,435). There were no loans outstanding for more than three years.

		1999 Rupees	1998 Rupees
12. STORES, SPARES AND LOOSE TOOLS			
Stores including in transit Rs 1,859,805 (1998: Rs 536,750)		18,131,590	10,454,291
Spares including in transit Rs 27,265 (1998: Rs Nil)		10,394,811	10,711,629
Loose tools including in transit Rs 178,585 (1998: Rs 34,244)		7,368,663	7,365,350
		-----	-----
		35,895,064	28,531,270
		=====	=====
13. STOCK IN TRADE			
Raw materials including in transit Rs 5,349,602 (1998: Rs 8,237,848)		59,132,018	53,854,256
Work in process		32,267,899	29,938,182
Finished goods		18,247,976	32,908,008
		-----	-----
		109,647,893	116,700,446
		=====	=====
14 TRADE DEBTS			
Considered good-unsecured			
Due from associated undertakings	- note 14.1	20,814,335	27,309,578
Others		142,984,982	129,914,156
		-----	-----
		163,799,317	157,223,734
		-----	-----
Considered doubtful		13,379,439	4,706,011
Less: Provision for doubtful debts		(13,379,439)	(4,706,011)
		-----	-----

	--	--
	-----	-----
	163,799,317	157,223,734
	=====	=====

14.1 DUE FROM ASSOCIATED UNDERTAKINGS

KSB Pumps (Asia Pacific) Pte. Limited, Singapore	96,067	823,328
KSB Pumps Arabia Limited, Saudi Arabia	--	7,985,012
KSB Limited, UK	14,090	6,042,943
PT KSB Indonesia	3,469,500	416,660
KSB Aktiengesellschaft, Germany	9,493,662	3,689,361
KSB Ajax pty. Limited, Newzealand	368,081	484,538
KSB Italia SPA, Milano- Italy	964,930	535,741
KSB Limited, Japan	--	658,904
KSB Limited Hong Kong	3,510,260	812,506
KSB S.A., South Africa	--	2,245,766
Descon Engineering (Pvt) Ltd.	1,681,380	82,217
ICI Pakistan Ltd.	1,216,365	3,532,602
	-----	-----
	20,814,335	27,309,578
	=====	=====

The maximum amount due at the end of any month during the year from associated undertakings was Rs 23,684,252 (1998: Rs 37,106,093).

15 LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Current portion of Long- term loans to employees	- note 11	826,713	768,709
Short- term loans and advances to employees including advance to executives Rs 241,955 (1998: Rs 205,826)- considered good		2,929,486	2,827,646
Advances to suppliers and contractors- considered good		10,697,628	10,586,220
Trade deposits and prepayments - considered good		6,987,640	5,252,499
Letter of credit margins, deposits and opening charges		2,566,110	493,105
Income tax recoverable		38,818,330	32,256,419
Other receivables- considered good		5,458,516	5,661,503
Due from associated undertakings	- note 15.1	46,911	1,204,874
		-----	-----
		68,331,334	59,050,975
		=====	=====

15.1 DUE FROM ASSOCIATED UNDERTAKINGS

KSB Aktiengesellschaft,	7,096	1,189,156
-------------------------	-------	-----------

Germany		
KSB Services GmbH, Germany	21,488	--
KSB S.A. Cedex, France	18,327	15,718
	-----	-----
	46,911	1,204,874
	=====	=====

The maximum aggregate amount due from associated undertakings at the end of any month during the year was Rs 4,333,435 (1998: Rs 1,204,875).

	<i>1999</i>	<i>1998</i>
	<i>Rupees</i>	<i>Rupees</i>
		<i>Restated</i>
16. CASH AND BANK BALANCES		
At banks		
- On deposit accounts	--	47,078,000
- On current accounts	17,343,771	27,381,164
	-----	-----
	17,343,771	74,459,164
Cheques and cash in hand	12,780,205	12,149,861
	-----	-----
	30,123,976	86,609,025
	=====	=====

Included in cash and bank balances on deposit account is Rs Nil (1998: US \$1,015,010) held under lien by bank for short term running finance facility referred to in note 6.

	<i>1999</i>	<i>1998</i>
	<i>Rupees</i>	<i>Rupees</i>
17. SALES		
Local sales	517,353,869	349,351,049
Export sales	79,990,112	58,395,127
International tender sales	--	2,363,838
	-----	-----
	597,343,981	410,110,014
	=====	=====

Sales are exclusive of sales tax of Rs 65,164,947 (1998: Rs 37,560,254)

	<i>1999</i>	<i>1998</i>
	<i>Rupees</i>	<i>Rupees</i>
		<i>Restated</i>
18. COST OF GOODS SOLD		

Raw material consumed	226,368,298	122,347,168
Salaries, wages, amenities and staff welfare	59,795,163	76,892,006
Electricity	20,193,801	15,087,947
Stores and spares consumed	32,386,712	19,910,633
Obsolete stock written off	--	9,167,976
Insurance	870,269	818,699
Travelling and conveyance	7,896,043	6,785,828
Rent, rates and taxes	400,316	243,896
Repairs and maintenance	4,350,041	1,971,286
Packing and forwarding	15,089,809	11,428,692
Outside services	37,829,047	22,036,002
Depreciation	13,855,292	12,660,832
Other expenses	4,380,841	4,056,870
	-----	-----
	423,415,632	303,407,835
	-----	-----
Less: Cost of capital assets produced	28,864,241	1,783,833
Customs duty refunds	80,041	--
	-----	-----
	2,966,465	1,783,833
	-----	-----
	420,449,167	301,624,002
(Increase)/Decrease in work in process	(2,329,717)	12,333,644
	-----	-----
Cost of goods manufactured	418,119,450	313,957,646
Decrease/(Increase) in finished goods	14,660,032	(16,817,037)
	-----	-----
	432,779,482	297,140,609
	=====	=====

18.1 Included in salaries, wages, amenities and staff welfare is Rs. 3,581,828 (1998: Rs. 24, 264,839) in respect of employees retirement and other benefits inclusive of golden handshake scheme offered to employees.

	1999	1998
	Rupees	Rupees
		Restated
19. ADMINISTRATION, SELLING AND GENERAL EXPENSES		
Salaries, wages, amenities and staff welfare	44,197,329	42,870,181
Travelling, conveyance and representations	11,802,199	8,207,995
Rent, rates and taxes	3,308,668	2,409,587
Publicity charges	1,653,180	1,574,715
Electricity, gas and water	1,947,237	1,376,602
Postage, telephone, telegrams and telex	5,511,138	4,328,769
Printing and stationery	1,948,641	1,744,745
Repairs and maintenance	3,008,086	2,650,382

Professional services	- note 19.2	8,710,277	3,121,032
Commission expenses		24,864,793	15,614,568
Provision for doubtful debts		8,673,428	--
Bad debts written off		3,704,724	11,556,975
Depreciation		3,930,743	2,298,515
Lease rentals		883,020	1,145,745
Other expenses		1,397,729	1,314,513
		-----	-----
		125,541,192	100,214,324
		=====	=====

19.1 Included in salaries, wages, amenities and staff welfare is Rs 6,449,884 (1998: Rs 9,025,672) in respect of employees retirement and other benefits inclusive of golden handshake scheme offered to employees.

	1999	1998
	Rupees	Rupees
19.2 PROFESSIONAL SERVICES		
The charges for professional services include the following in respect of auditors' services:		
Statutory audit	110,000	110,000
Provident fund, workers' profit participation fund audits, audit of consolidation forms and sundry advisory services	166,337	196,000
Taxation services	93,360	826,438
Out of pocket expenses	36,740	89,564
	-----	-----
	406,437	1,222,002
	=====	=====

20. OTHER INCOME

Recovery of trade debts previously written off		2,700,349	4,257,610
Commission		4,954,590	5,829,166
Rental income		3,989,952	3,358,895
Sale of scrap		3,290,568	2,138,077
Interest income		4,269,116	698,000
Sundry		1,790,902	2,076,364
Profit on sale of fixed assets less book value of assets disposed off			
Rs 57,100 (1998: Rs 202,100)	-note 9.2	495,650	1,513,063
Provisions no longer considered necessary- written back		135,892	1,200,000
		-----	-----
		21,627,019	21,071,175
		=====	=====

1999	1998
Rupees	Rupees

21. FINANCIAL CHARGES

Interest on workers' profit participation fund	179,526	394,193
Mark-up on long-term loans - secured	2,159,346	6,427,757
Mark up on Short-term running finances- secured	8,535,773	8,059,388
Bank and other charges	3,069,774	2,408,641
	-----	-----
	13,944,419	17,289,979
	=====	=====

22. OTHER CHARGES

Workers' profit participation fund	2,316,000	1,580,000
Workers' welfare fund	880,000	600,000
Donations - note 22.1	384,300	144,500
	-----	-----
	3,580,300	2,324,500
	=====	=====

22.1 DONATIONS

None of the directors or their spouses had any interest in the donations charged in the accounts.

	1999 Rupees	1998 Rupees Restated
23. PROVISION OF TAXATION		
For the year		
- current	18,200,000	8,700,000
- deferred	--	486,000
	-----	-----
	18,200,000	9,186,000
Prior years		
- current	3,813,000	--
- deferred	(486,000)	--
	-----	-----
	21,527,000	9,186,000
	=====	=====

	1999 Rupees	1998 Rupees
24. CASH GENERATED FROM OPERATIONS		
Profit before taxation	43,125,607	14,211,777
Adjustment for non cash charges and other items:		
Depreciation - note 9.1	17,786,035	14,959,347

Profit on Sale of fixed assets	- note 20	(495,650)	(1,513,063)
Employees' benefits		4,562,433	5,275,655
Provision for doubtful debts and debts written off	- note 19	12,378,152	11,556,975
Financial charges	- note 21	13,944,4i9	17,289,979
working capital changes	- note 24.1	(51,317,594)	84,961,561
		-----	-----
		39,983,402	146,742,231
		=====	=====

1999
Rupees

1998
Rupees

24.1 WORKING CAPITAL CHANGES

(Increase)/decrease in current assets

Stores and spares		(7,363,794)	5,114,215
Stock in trade		7,052,553	27,604,805
Trade debts		(18,953,735)	15,627,815
Other receivables (net)		(2,718,448)	(11,704,367)
		-----	-----
		(21,983,424)	36,642,468

(Decrease)/increase in current liabilities

Creditors, accrued and other liabilities (net)		(29,334,170)	48,319,093
		-----	-----
		(51,317,594)	84,961,561
		=====	=====

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following items

Cash and bank balances	- note 16	30,123,976	86,609,025
Short-term running finances	- note 6	(70,688,353)	(52,197,908)
		-----	-----
		(40,564,377)	34,411,117
		=====	=====

26. REMUNERATION OF DIRECTORS AND EXECUTIVES

26.1 REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amounts charged in the accounts for remuneration including certain benefits to the chief executive and executives of the company are as follows:

	<i>Chief Executive</i>		<i>Executives</i>	
	<i>January 1, to June 30, 1998</i>	<i>July 1, to December 31, 1997</i>	<i>1999</i>	<i>1998</i>

	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Number of persons	1	1	1	73	75
Remuneration	1,981,650	1,171,500	1,431,120	19,618,394	18,440,460
Retirement benefits	356,642	121,000	262,372	4,059,386	2,468,292
House rent allowance	638,550	297,000	644,004	8,171,432	7,491,131
Utilities	141,900	66,000	143,112	1,814,580	1,625,811
Leave fare assistance	400,000	400,000	--	1,302,000	1,273,800
Medical and other expenses	23,525	14,074	48,147	654,000	652,200
	-----	-----	-----	-----	-----
	-	-	-	-	-
	3,542,267	2,069,574	2,528,755	35,619,792	31,951,694
	=====	=====	=====	=====	=====

In addition, the chief executive and certain executives are provided with free use of the company's cars and free residential telephones and mobile phones.

26.2 REMUNERATION TO OTHER DIRECTORS

Aggregate amount charged in the accounts for the year for fees to 4 (1998: 4) directors was Rs 4,500 (1998: Rs 4,500).

	<i>1999</i> <i>Rupees</i>	<i>1998</i> <i>Rupees</i>
27. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS		
Sales	46,273,385	59,128,729
Purchases	66,428,781	20,484,854
Services received	10,357,150	1,035,030
Commission income	4,954,590	4,452,541
Commission expense	3,159,345	5,332,405

Commission expenses represent agency commission for export sales made through associated undertakings.

28. PLANT CAPACITY AND PRODUCTION

	<i>Capacity.</i>	<i>Actual production</i>	
	<i>Nos</i>	<i>1999</i> <i>Nos</i>	<i>1998</i> <i>Nos</i>
Power driven pumps	5,000	2,572	2,166
	=====	=====	=====

Actual production reflects change in product mix and market demand.

<i>1999</i> <i>Rupees</i>	<i>1998</i> <i>Rupees</i> <i>Restated</i>
------------------------------	---

29. EARNINGS PER SHARE

Profit after taxation	21,598,607	5,025,777
Average number of shares outstanding during the year	12,000,000	11,166,667
	-----	-----
Earnings per share	1.80	0.45
	=====	=====

30. FINANCIAL INSTRUMENTS

30.1 FINANCIAL ASSETS AND LIABILITIES

	Interest/Mark-up bearing			Non-Interest/Mark-up bearing			Total
	Maturity upto one year Rupees	Maturity after one year Rupees	Sub Total Rupees	Maturity upto one year Rupees	Maturity after one year Rupees	Sub Total Rupees	
FINANCIAL ASSETS							
Loans to employees	--	--	--	647,964	1,460,405	2,108,369	2,108,369
Deposits	--	--	--	3,939,817	405,620	4,345,437	4,345,437
Trade debtors	--	--	--	163,799,317	--	163,799,317	163,799,317
Other receivables	--	--	--	2,934,491	--	2,934,491	2,934,491
Cash and Bank balances	--	--	--	30,123,976	--	30,123,976	30,123,976
	-----	-----	-----	-----	-----	-----	-----
	-	-	-	-	-	-	-
	--	--	--	201,445,565	1,866,025	203,311,590	203,311,590
	=====	=====	=====	=====	=====	=====	=====
FINANCIAL LIABILITIES							
Short-term finances	70,688,353	--	70,688,353	--	--	--	70,688,353
Creditors	--	--	--	56,777,507	--	56,777,507	56,777,507
Letters of credit	--	--	--	17,600,000	--	17,600,000	17,600,000
Guarantees	--	--	--	54,100,000	--	54,100,000	54,100,000
	-----	-----	-----	-----	-----	-----	-----
	-	-	-	-	-	-	-
	70,688,353	--	70,688,353	128,477,507	--	128,477,507	199,165,860
	=====	=====	=====	=====	=====	=====	=====

30.2 CONCENTRATION OF CREDIT RISK

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. Out of the total financial assets of Rs 203.3 million, the financial assets which are subject to credit risk amounted to Rs 199.1 million. The company believes that it is not exposed to major concentration of credit risk. To manage exposure to credit risk, the company obtains advances in certain cases.

**30.3 FOREIGN EXCHANGE RISK
MANAGEMENT**

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings, especially with group companies. Payables exposed to foreign currency risks were covered through forward contracts.

30.4 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

**31. CORRESPONDING
FIGURES**

Prior period figures have been reclassified, wherever necessary, for the purpose of comparison.

**Arif Ijaz
Chief
Executive**

**Dr. Agus Susanto
Chairman**

Pattern of Shareholding as at June 30 1999

<i>NUMBER OF SHAREHOLDERS</i>		<i>SHAREHOLDING</i>		<i>TOTAL SHARES HELD</i>	
109	From	1	To	100	4,578
433	From	101	To	500	167,707
63	From	501	To	1,000	50,101
102	From	1,001	To	5,000	228,538
9	From	5,001	To	10,000	55,233
1	From	10,001	To	15,000	12,264
1	From	15,001	To	20,000	16,311
3	From	25,001	To	30,000	86,000
1	From	40,001	To	45,000	42,436
1	From	105,001	To	110,000	106,526
1	From	115,001	To	120,000	116,220
1	From	130,001	To	135,000	133,281
1	From	160,001	To	165,000	161,472
1	From	165,001	To	170,000	167,790
1	From	245,001	To	250,000	247,612
1	From	605,001	To	610,000	606,178
1	From	2,730,001	To	2,735,000	2,731,412
1	From	7,065,001	To	7,070,000	7,066,341
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731					12,000,000
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<i>CATEGORIES OF SHAREHOLDERS</i>	<i>NUMBER</i>	<i>SHARES HELD</i>	<i>PERCENTAGE</i>
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Individuals	716	1,499,236	12.49
Investment Companies	3	3,880	0.03
insurance Companies	3	393,119	3.28
Joint Stock Companies	4	7,075,360	58.96
Financial Institutions	4	2,999,584	25.00
Others			
-Habib Bank Limited			
A/c Mohammed Amin			
Wakf Estate	1	28,821	0.24

	731	12,000,000	100
		=====	

KSB Sales Offices in Pakistan

LAHORE	Ph: (042)	7311661 - 7355238
	Fax (042)	7236922
KARACHI	Ph: (021)	2311475- 2311477- 2311478
	Fax (021)	2310328 - 2310531
HASSANABDAL	Ph: (05772)	520239
	Ph: (05772)	520236-520238
	Ph: (05772)	2396
	Fax (05772)	520237
MULTAN	Ph: (061)	40492-541983
	Fax (061)	541984
QUETTA	Ph: (081)	830445
	Fax (081)	830445
PESHAWAR	Ph: (091)	278919
	Fax (091)	278919
RAWALPINDI	Ph: (051)	478195 - 478196- 478197
	Fax (051)	472612

HEAD OFFICE

KSB Pumps Company Limited

16/2, Sir Aga Khan Road, Lahore-54000

Ph: (042) 6304173- 6304174-6370969- 6370970

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