



Securities and Exchange Commission of Pakistan

Securities Market Division

Market Supervision and Registration Department

No. Misc./MSW/SMD/1 (5) 2004 /17 26

April 23, 2013

The Chief Executive Officer,
KSB Pumps Company Limited,
16/2, Sir Agha Khan Road,
Lahore

Subject: Warning with respect to the Violation of the Listing Regulations of the Karachi Stock Exchange ("KSE")

KSB Pumps Limited ("KSBP") vide its letter dated March 20, 2013 communicated its financial results for the year ended December 2012 to KSE which indicated an earning per share ("EPS") of Rs. 12.40, an "unappropriated loss brought forward ("ULBF") of Rs. 106,000 and a figure of Rs. 110 million under the head of transfer from/ to general reserve ("TTGR").

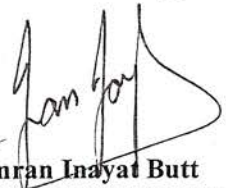
2. While, KSBP vide its letter dated March 28, 2013 addressed to KSE communicated that a typographical error was occurred and rectified figures of ULBF and TTGR were provided. However, there was no impact of the said error/ mistake on the figures of EPS and profit after tax, which remained the same. The comparison of both announcements are presented below:

Particular for the Year ended Dec 31, 2012	Communicated vide letter dated March 20, 2013	Communicated vide letter dated March 28, 2013
ULBF	Rs. 106,000	Rs. 106,021,000
TTGR	Rs. 110,000,000	Rs. 4,000,000

3. The KSE vide its letter dated April 3, 2013, communicated KSBP that it has not taken due care while communicating this material information to the Exchange and has failed to comply with the requirements laid down under the Listing Regulations of the KSE. Therefore, KSBP was advised to explain the abovementioned situation.

4. In response, KSBP vide letter dated April 04, 2013 admitted that due to typographic error, amount of loss brought forward was wrongly inserted which necessitated changing the figures of Transfer to General Reserves only and there was no change in the price sensitive figures of the before and after tax profit and dividend recommendations. Further, it added that error was inadvertent and not willful.

5. In this connection, please note that by not communicating the accurate financial results of the company, KSBP appears to be in violation of Regulation No. 16 and 35 of the Listing Regulations of the KSE. It is the responsibility of every listed company to ensure compliance with all applicable rules and regulations and you, being the Chief Executive of KSBP, have the prime responsibility to ensure it. However, the aforesaid violation shows sheer negligence on your part. It may be noted that the Securities and Exchange Ordinance, 1969 empowers Securities and Exchange Commission of Pakistan to take punitive action in case of violation of any regulation made under it. However, taking a lenient view, on this occasion, a strict warning is being issued with the instruction to ensure compliance with all the applicable rules and regulations in future.


Imran Inayat Butt
Director/ HOD (MSRD)

CC: The Managing Director, Karachi Stock Exchange Limited.

SECURITIES & EXCHANGE
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