

Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF KSB PUMPS LIMITED

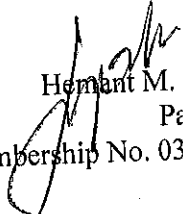
1. We have audited the accompanying Statement of Standalone Financial Results of **KSB PUMPS LIMITED** ("the Company") for the year ended 31st December 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement has been prepared on the basis of the related annual financial statements, which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 1 of the Statement regarding figures for the quarter ended 31st December, 2014 being balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges; and
 - (ii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended 31st December 2014.



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5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding, in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to the investor complaints disclosed in Part II - Select Information for the Quarter and Year Ended 31st December 2014 of the Statement, from the details furnished by the Registrar.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)


Hemant M. Joshi
Partner
Membership No. 038019

PUNE, February 20th, 2015

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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF KSB PUMPS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **KSB PUMPS LIMITED** (the "Company"), and its subsidiary (the Company and its subsidiary constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st December, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte Haskins & Sells LLP

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiary referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

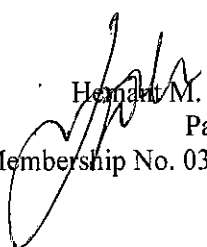
- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st December, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 80,277,260 as at 31st December, 2014, total revenues of Rs.25,544,290 and net cash outflows amounting to Rs. 55,900 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of the other auditors.

Our opinion is not qualified in respect of this matter.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Registration No. 117366W/W-100018)


Hemant M. Joshi
Partner
Membership No. 038019

PUNE, February 20th, 2015



AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED ON 31ST DECEMBER, 2014

PART I	Particulars	STANDALONE FINANCIAL RESULTS						CONSOLIDATED FINANCIAL RESULTS		
		3 months ended on 31/12/2014 (Unaudited)	Preceding 3 months ended on 30/09/2014 (Unaudited)	Corresponding 3 months ended in the previous year 31/12/2013 (Unaudited)	Current year ended on 31/12/2014 (Audited)	Previous Year ended on 31/12/2013 (Audited)	Current year ended on 31/12/2014 (Audited)	Previous Year ended on 31/12/2013 (Audited)		
		(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
1	Income from operations	22719	19783	17949	79302	72462	79499	72601		
	a) Net sales/income from operations (Net of excise duty)	290	106	260	868	672	868	672		
	b) Other operating income	23009	19889	18209	80170	73134	80367	73273		
	Total income from operations (net)									
2	Expenses	8961	9713	7357	36819	31072	36819	31072		
	a) Cost of materials consumed	715	709	751	3304	2935	3304	2935		
	b) Purchase of stock-in-trade	2484	(1465)	768	(1969)	426	(1969)	426		
	c) Changes in inventories of finished goods, work-in-process and stock-in-trade	3216	3152	2563	12704	11006	12711	11010		
	d) Employee benefits expense	712	691	699	2755	2653	2755	2653		
	e) Depreciation and amortisation expenses	5853	5077	4598	19382	17638	19390	17634		
	f) Other expenses	21941	17877	16736	72995	65730	73010	65730		
	Total expenses	1068	2012	1473	7175	7404	7357	7543		
3	Profit from Operations before Other Income, finance costs and exceptional items (1-2)	552	804	236	2752	1616	2,286	1,273		
4	Other income	1620	2816	1709	9927	9020	9643	8816		
5	Profit from ordinary activities before finance cost and exceptional items (3+4)	40	125	30	215	259	215	259		
6	Finance costs	1580	2691	1679	9712	8761	9428	8557		
7	Profit from ordinary activities after finance cost but before exceptional items (5-6)	1580	2691	1679	9712	8761	9428	8557		
8	Exceptional items	583	904	600	3170	2785	3247	2845		
9	Profit from ordinary activities before tax (7+8)	997	1787	1079	6542	5976	6181	5712		
10	Tax expense	-	-	-	-	-	-	-		
11	Net profit from ordinary activities after tax (9-10)	-	-	-	-	-	-	-		
12	Extraordinary items (net of tax expense)	997	1787	1079	6542	5976	6181	5712		
13	Share of profit in respect of investment in Associate Company	3481	3481	3481	3481	3481	3481	3481		
14	Net Profit for the period (11 - 12 + 13)	2.86	5.13	3.10	18.79	17.17	19.66	19.18		
15	Paid up equity share capital (Face value per share - Rs.10)	2.86	5.13	3.10	18.79	17.17	19.66	19.18		
16	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year									
17	Earnings Per Share (EPS) (of Rs. 10/- each) (not annualised)									
	i) Basic and diluted EPS before Extraordinary items									
	ii) Basic and diluted EPS after Extraordinary items									

SEGMENT REPORTING

ANNEXURE

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED ON 31st DECEMBER, 2014

Particulars	STANDALONE FINANCIAL RESULTS					CONSOLIDATED FINANCIAL RESULTS		
	3 months ended on 31/12/2014 (Unaudited)	Preceding 3 months ended on 30/09/2014 (Unaudited)	Corresponding 3 months ended in the previous year 31/12/2013 (Unaudited)	Current year ended on 31/12/2014 (Audited)	Previous year ended on 31/12/2013 (Audited)	Current year ended on 31/12/2014 (Audited)	Previous Year ended on 31/12/2013 (Audited)	(Rs in Lakhs)
1 Segment Revenue								
(a) Pumps	18362	16492	15376	66414	60199	66611	60338	
(b) Valves	4350	3277	2573	12836	12228	12836	12228	
(c) Others	1700	1345	1097	5233	4422	5233	4422	
Total	24412	21114	19046	84483	76849	84680	76988	
Less : Inter Segment Revenue	1693	1331	1097	5181	4387	5181	4387	
Net Sales / Income From Operations	22719	19783	17949	79302	72462	79489	72601	
2 Segment Results								
(a) Pumps	1242	2423	1835	8511	7992	8693	8139	
(b) Valves	194	(128)	(280)	(166)	182	(166)	182	
(c) Others	(76)	(17)	(31)	(167)	(145)	(167)	(145)	
Total	1360	2278	1524	8178	8029	8360	8176	
Less : Finance cost	40	125	30	215	259	215	259	
Add: Other unallocable income net of unallocable expenditure	260	538	185	1749	991	1283	640	
Profit Before Tax	1580	2691	1679	9712	8761	9428	8557	
3 Capital Employed								
(a) Pumps	20643	15936	16531	20643	16531	20763	16614	
(b) Valves	8266	11655	8275	8266	8275	8266	8275	
(c) Others	6847	6191	5744	6847	5744	6847	5744	
Total	35756	33782	30550	35756	30550	35876	30633	

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KSB PUMPS LIMITED
Statement of Assets and Liabilities as at 31st December, 2014

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	As at (Current year end) (31.12.2014)	As at (Previous year end) (31.12.2013)	As at (Current year end) (31.12.2014)	As at (Previous year end) (31.12.2013)
	Audited	Audited	Audited	Audited
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	3,481	3,481	3,481	3,481
(b) Reserves and surplus	47,089	42,843	52,242	47,696
Sub-total: Shareholders' funds	50,570	46,324	55,723	51,177
2 Non-current liabilities				
(a) Other long-term liabilities	667	604	667	604
(b) Long-term provisions	2,959	2,327	2,959	2,327
Sub-total: Non-current liabilities	3,626	2,931	3,626	2,931
3 Current Liabilities				
(a) Short-term borrowings	2,438	318	2,438	318
(b) Trade payables	15,372	12,977	15,372	12,977
(c) Other current liabilities	10,769	9,600	10,769	9,600
(d) Short-term provisions	3,443	2,913	3,443	2,913
Sub-total: Current liabilities	32,022	25,808	32,022	25,808
TOTAL EQUITY AND LIABILITIES	86,218	75,063	91,371	79,916
B ASSETS				
1 Non-current assets				
(a) Fixed assets	20,077	18,949	20,077	18,949
(b) Non-current investments	631	631	4,988	4,848
(c) Deferred tax assets (net)	1,002	778	1,002	778
(d) Long-term loans and advances	5,485	5,648	5,494	5,657
Sub-total Non-current assets	27,195	26,006	31,561	30,232
2 Current assets				
(a) Inventories	20,177	18,330	20,177	18,330
(b) Trade receivables	17,801	12,602	17,904	12,673
(c) Cash and cash equivalents	17,208	15,463	17,875	16,006
(d) Short-term loans and advances	3,254	2,327	3,254	2,328
(e) Other current assets	583	335	600	347
Sub-total Current assets	59,023	49,057	59,810	49,684
TOTAL ASSETS	86,218	75,063	91,371	79,916

KSB PUMPS LIMITED

Brief Statement of Financial Results for the year ended 31st December 2014

Particulars	Rs. In Mio.	
	Year Ended 31.12.2014	Year Ended 31.12.2013
1. Net Sales / Income from Operations	8017	7313
2. Other Income	275	162
Total	8292	7475
3. Gross Profit before interest and Depreciation	1268	1167
4. Interest	21	26
5. Depreciation for the year	276	265
6. Profit Before tax	971	876
7. Provision for taxation		
a. Current Year	341	278
b. Deferred Tax	-2	-3
c. short/(excess) provision in respect of earlier years	-22	4
	317	279
8. Profit after tax	654	597
10. Profit available for appropriation	654	597
11. Appropriations		
A. Dividend		
Interim (Paid) 10%	0	35
Final Dividend (Paid) 45%	0	156
Dividend (Recommended) 55%	192	0
Sub-total	192	191
B. Transfers		
a. Tax on Interim Dividend	0	6
b. Tax on final dividend	0	27
c. Tax on dividend	38	0
c. General Reserve	66	61
d. Profit & Loss Account	358	312
Sub-total	462	406
Total	654	597

Note: Previous year figures have been regrouped/reclassified, wherever necessary to correspond with the current year clarification/disclosure.

KSB PUMPS LIMITED


 R. Narasimhan
 Company Secretary

Mumbai 20th February, 2015