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PAKISTAN
MOVES ON **EXIDE**

THIRD QUARTERLY REPORT
DECEMBER 31, 2015

CORPORATE PROFILE

BOARD OF DIRECTORS

Arif Hashwani	-	Chairman
Arshad Shehzada	-	MD/CEO
Altaf Hashwani	-	Director
Hussain Hashwani	-	Director
Ayub Hameed	-	Director
Muhammad Kamran Shehzad	-	Director
S Haider Mehdi	-	Director
S M Faiq	-	Director

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

S. Haider Mehdi

AUDIT COMMITTEE

Ayub Hameed	-	Chairman
Altaf Hashwani	-	Member
S M Faiq	-	Member
Salim Abdul Ali	-	Secretary

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Arif Hashwani	-	Chairman
Altaf Hashwani	-	Member
Ayub Hameed	-	Member
Syed Zulquarnain Shah	-	Secretary

BANKERS

Allied Bank Limited
Bank Al-Falah Limited
BankIslami Pakistan Limited
Bank of Tokyo Mitsubishi UFJ, Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
NIB Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

AUDITORS

A. F. Ferguson & Co.

SOLICITORS

Orr Dignam & Co.

REGISTERED OFFICE

A/44, Hill Street, Off: Manghopir Road,
S.I.T.E., Karachi-75700
Website : www.exide.com.pk
E-mail : exidepk@exide.com.pk

EXIDE PAKISTAN LIMITED

CHAIRMAN'S REVIEW

I am pleased to present on behalf of the Board of Directors, un-audited Financial Statements of the company for the 3rd Quarter ended December 31, 2015.

The Economy

The year 2015 concluded with notable signs of improvement in domestic economy primarily helped by decline in global commodity prices, notably crude oil. Inflationary pressure remained at bay as reflected in just 2.5 percent average headline inflation during 2015. External account position further strengthened as country's foreign exchange reserves reached a record high of US\$ 21 billion after receiving US\$ 500 million tranche from the IMF. Foreign exchange reserves now provide an import cover of almost six months.

Pakistan trade deficit contracted by 01 percent to US\$ 11.924 billion during the first six months of the current fiscal year as compared to US\$ 12.087 billion in corresponding period of the last fiscal year. Export decreased by 14 percent and imports by 8 percent over the corresponding period of the last year. The current account deficit narrowed down by 49 percent to US\$ 1.26 billion during July-December 2015 compared to US\$ 2.46 billion in the same period last year. Foreign direct investment increased by just 02 percent year on-year to US\$ 624 million during the first half of current fiscal year with a major chunk of US\$ 400 million from China. Remittances rose to US\$ 9.7 billion in July to December 2015, up from US\$ 9.1 billion during the same period last year. IMF projects a growth of 4.5 percent this fiscal year against the government budgetary target of 5.5 percent and inflation to rebound and hover around 5 percent due to bottoming out of the effect of low commodity and food prices.

The Industry

Growth of automotive sector in the preceding few years was instrumental to better capacity utilization for the battery industry. Sales of locally produced cars improved by 53 percent to 89,824 units in July-December 2015 as compared to 58,727 units sold during corresponding period of last year. Trucks and Busses sales improved by 40 percent. Farm tractors sales witnessed decline of 41 percent to 12,375 units sold in July-December 2015 against 20,357 units sold in the same period a year ago. Prices of refined and recycled lead decreased during the quarter under review.

Production

Production activities were effectively planned and adjusted to cater to the market demand both in terms of quantity and quality. Stress on quality control at all stages of production processes was implemented with great vigor for further strengthening quality standards of the products of your Company.

Sales

Net Sales revenue of the Company for the Quarter under review decreased to Rs.1.924 billion down by 18 percent as compared with Rs.2.353 billion during the same period of last year. Cumulative sale for the nine months declined from Rs.9.738 billion to Rs.8.89 billion down by 9 percent as compared to corresponding period of the last year.

Profitability

Gross profit for the quarter under review improved from 365.9 million to Rs.406.0 million up by 11 percent due to improved margins.

Selling and distribution expenses of Battery Division increased by 55 percent as against decrease in net sale revenue by 18 percent due to accumulated seasonal warranty claims received from customer in 3rd quarter. Operating profit decreased by 59 percent to Rs.52.44 million from Rs.128.40 million recorded in the corresponding period of last year. Financial charges decreased to Rs.42.29 million from Rs.82.79 million due to decline in markup rates.

Profit before tax for the nine months under review increased to Rs.560.3 million from Rs.483.5 million during the same period of last year – up by 16 percent. Earnings per share increased to Rs.47.75 as compared to Rs.42.33 recorded in the corresponding period of last year.

Future Prospects

It is anticipated that indigenous organized battery industry will face tough competition due to capacity expansion of existing battery plants, new entrant, inflow of imported and smuggled batteries and sluggish market growth. Your management is determined to avail full benefits of the opportunities by continued focus on quality, productivity and cost control and after sales service to improve its competitiveness.



ARIF HASHWANI

Chairman

Karachi January 29, 2016

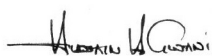
EXIDE PAKISTAN LIMITED

CONDENSED INTERIM BALANCE SHEET

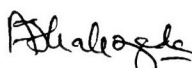
AS AT DECEMBER 31, 2015

	Note (Unaudited) December 31, 2015	(Audited) March 31, 2015
	-----Rupees '000-----	
Property, plant and equipment	1,264,317	1,313,152
Long-term investments	224	224
Long-term loans and advances - unsecured	1,010	1,082
Long-term deposits	36,241	33,389
Current assets		
Spares	102,810	111,072
Stock-in-trade	2,902,129	2,396,343
Trade debts	1,728,372	1,335,269
Loans and advances	30,687	41,406
Short-term prepayments, deposits and other receivables	34,412	31,838
Taxation recoverable	589,320	501,735
Cash and bank balances	263,770	1,673,231
	5,651,500	6,090,894
Current liabilities		
Trade and other payables	1,040,228	1,164,096
Mark-up accrued	26,617	66,376
Short-term borrowings	2,432,556	3,068,701
	3,499,401	4,299,173
Net current assets	2,152,099	1,791,721
Deferred taxation	48,364	47,043
	3,405,527	3,092,525
Financed by:		
Share Capital and Reserves		
Authorised capital		
18,000,000 ordinary shares of Rs 10 each	180,000	180,000
Issued, subscribed and paid-up capital	77,686	77,686
Capital reserves	259	259
Revenue reserves	2,379,991	2,079,991
Reserves arising on amalgamation - net	25,823	25,823
Unappropriated profit	515,970	498,285
	2,999,729	2,682,044
Surplus on revaluation of fixed assets - net of tax	405,798	410,481
	3,405,527	3,092,525

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



HUSSAIN HASHWANI
Director



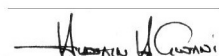
ARSHAD SHEHZADA
Chief Executive

EXIDE PAKISTAN LIMITED

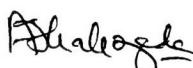
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS ENDED DECEMBER 31, 2015

	Note	2015	2014
		----- (Rupees '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations		(222,270)	(1,284,014)
Financial charges paid		(167,760)	(127,958)
Taxes paid		(272,478)	(356,854)
Decrease / (Increase) in long-term loans		72	115
Decrease / (Increase) in long-term deposits		(2,852)	(7,554)
Net cash used in operating activities		(665,288)	(1,776,265)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for capital expenditure		(52,729)	(122,321)
Proceeds from sale of fixed assets		2,561	3,174
Net cash used in investing activities		(50,168)	(119,147)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		(57,860)	(56,610)
Net cash used in financing activities		(57,860)	(56,610)
Net Increase / (decrease) in cash and cash equivalents		(773,316)	(1,952,022)
Cash and cash equivalents at the beginning of the period		(1,395,470)	(813,705)
Cash and cash equivalents at end of the period		<u>(2,168,786)</u>	<u>(2,765,727)</u>

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



HUSSAIN HASHWANI
Director



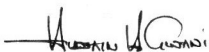
ARSHAD SHEHZADA
Chief Executive

EXIDE PAKISTAN LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS ENDED DECEMBER 31, 2015

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves	Reserve arising on amalgamation - net	Unappropriated profit	Total
	(Rupees '000)					
Balance at March 31, 2014	77,686	259	1,714,991	25,823	462,711	2,281,470
Final dividend for the year ended March 31, 2014	-	-	-	-	(58,265)	(58,265)
Transfer to revenue reserves for the year ended March 31, 2014	-	-	365,000	-	(365,000)	-
Profit after taxation for the nine months ended December 31, 2014	-	-	-	-	328,871	328,871
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	4,995	4,995
Balance at December 31, 2014	<u>77,686</u>	<u>259</u>	<u>2,079,991</u>	<u>25,823</u>	<u>373,312</u>	<u>2,557,071</u>
Balance at March 31, 2015	77,686	259	2,079,991	25,823	498,285	2,682,044
Final dividend for the year ended March 31, 2015	-	-	-	-	(58,265)	(58,265)
Transfer to revenue reserves for the year ended March 31, 2015	-	-	300,000	-	(300,000)	-
Profit after taxation for the nine months ended December 31, 2015	-	-	-	-	370,916	370,916
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	5,034	5,034
Balance at December 31, 2015	<u>77,686</u>	<u>259</u>	<u>2,379,991</u>	<u>25,823</u>	<u>515,970</u>	<u>2,999,729</u>

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



HUSSAIN HASHWANI
Director



ARSHAD SHEHZADA
Chief Executive

EXIDE PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED DECEMBER 31, 2015

1. These financial statements are unaudited and are being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984
2. These financial statements have been prepared in accordance with the requirements of International Accounting Standard -34 (IAS-34) "Interim Financial Reporting".
3. The accounting policies adopted in preparation of these financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the Company.

4. PROPERTY, PLANT AND EQUIPMENT

Following is the cost of operating property, plant and equipment that have been added / disposed off during the nine months ended December 31, 2015

	Cost of additions/(deletions)	
	December 2015	December 2014
	----- (Rupees '000) -----	
Building	8,182	1,032
Plant and machinery	35,791	111,424
Furniture and fixture	1,636	1,933
Office equipment	468	2,058
Vehicles	8,000	20,418
	<u>(4,583)</u>	<u>(7,514)</u>
	<u>49,494</u>	<u>129,351</u>

4. CAPITAL WORK-IN-PROGRESS

	December 31, 2015	March 31, 2015
		----- (Rupees '000) -----
Building	-	7,977
Plant and machinery	96,147	87,566
Advances to suppliers/contractors	<u>20,040</u>	<u>21,993</u>
	<u>116,187</u>	<u>117,536</u>

5. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise of local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel, which are under the terms of their employment, are as follows:

	December 2015	December 2014
	----- (Rupees '000) -----	
Expenses charged to associated undertakings	5	6
Rent expense	29,145	29,145
Expenses charged in respect of staff retirement benefits	3,740	3,527
Payment made to the employee defined benefit plan	3,087	3,087

Key management personnel received an amount of Rs. 17,723 thousands (2014 : Rs.16,295 thousands) out of which Rs. 1,105 thousands (2014: 1,081 thousands) relates to post employment benefits.

6. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

7. ESTIMATES

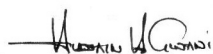
Judgments and estimates made by the management in the preparation of these interim financial statements were the same as those that were applied to the financial statements for the year ended March 31, 2015.

8. GENERAL


Amounts have been rounded off to the nearest thousands of Rupees unless otherwise stated.

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on January 29, 2016 by the Board of Directors of the Company.



HUSSAIN HASHWANI
Director



ARSHAD SHEHZADA
Chief Executive

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