

PAKISTAN  
MOVES ON **EXIDE**<sup>®</sup>



Annual Report 2017







PAKISTAN  
MOVES ON

**EXIDE**<sup>®</sup>









## Vision

To remain leader in automotive battery industry by supplying quality product to the customers at affordable price and to satisfy their needs by providing reliable product as per international standard and best suited to local environment.

## Mission

1. Continuous improvement in workmanship, process, productivity and elimination of waste by effective implementation of total quality control.
2. To be honest and fair with all partners namely shareholders, employees, suppliers, financial institutions, government and the customers.
3. To train and motivate employees for building up dedicated and loyal team.
4. To be good citizen and contribute effectively in betterment and prosperity of our country.

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# Corporate Profile

## Board of Directors

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

## Chief Financial Officer & Company Secretary

S. Haider Mehdi

## Audit Committee

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

## Human Resource and Remuneration Committee

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

## Bankers

Allied Bank Ltd.  
Bank Alfalah Limited  
BankIslami Pakistan Ltd.  
Bank of Tokyo Mitsubishi UFJ, Ltd.  
Habib Bank Ltd.  
Habib Metropolitan Bank Limited  
JS Bank Ltd.  
MCB Bank Ltd.  
Meezan Bank Limited  
NIB Bank Limited  
Standard Chartered Bank  
(Pakistan) Ltd.  
United Bank Ltd.  
Dubai Islamic Bank Pakistan Limited

## Auditors

A. F. Ferguson & Co.

## Solicitors

Orr, Dignam & Co.

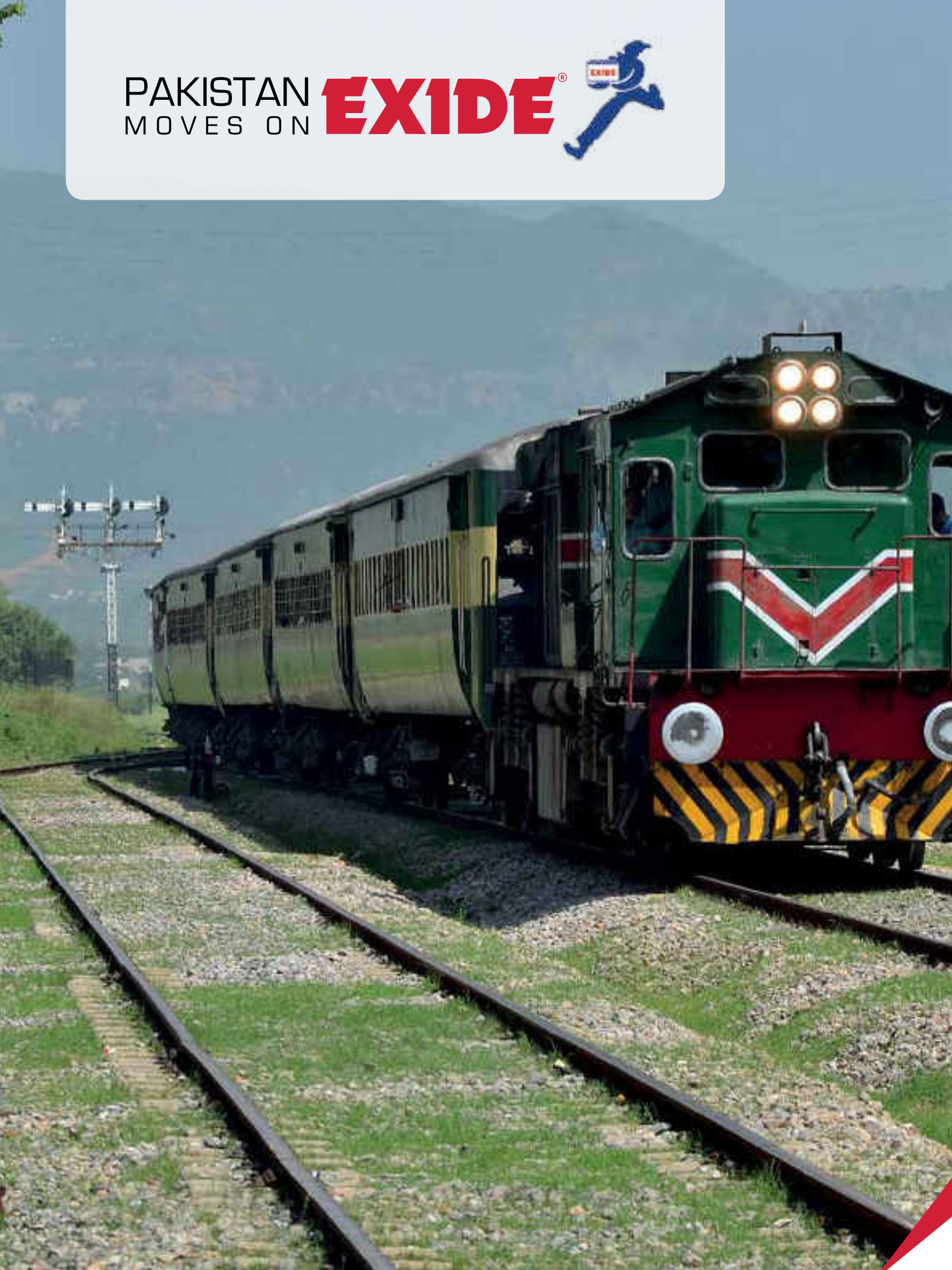
## Registered Office

A-44, Hill Street, Off.  
Manghopir Road, S.I.T.E., Karachi-  
Pakistan.  
Website: [www.exide.com.pk](http://www.exide.com.pk)  
E-mail: [exidepk@exide.com.pk](mailto:exidepk@exide.com.pk)

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# Notice of Annual General Meeting

Notice is hereby given that the Sixty Fourth Annual General Meeting of the shareholders of EXIDE Pakistan Limited will be held on Monday, the July 31, 2017 at 11.00 hours at Registered Office of the Company at A-44, Hill Street Manghopir Road, SITE, Karachi to transact the following business:

## ORDINARY BUSINESS:

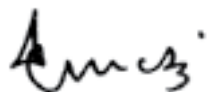
1. To read and confirm minutes of the Sixty Third Annual General Meeting of the shareholders of the Company held on Friday, August 19, 2016.
2. To receive and adopt the Audited Statements of Accounts for the year ended March 31, 2017 together with the Directors' and Auditors reports thereon.
3. To declare final dividend for the year ended March 31, 2017, as recommended by the Directors.
4. To appoint auditors for the year 2017-2018 and fix their remuneration.
5. To elect seven directors as fixed by the Board in accordance with the provisions of Section 159 of the Companies Act, 2017 for a three-year term commencing from June 18, 2017 The retiring directors are Messrs. Arif Hashwani, Arshad Shehzada, Altaf Hashwani, Hussain Hashwani, Muhammad Kamran Shehzad, Ayub Hameed, S. Haider Mehdi and S. M. Faiq..

## B. SPECIAL BUSINESS:

6. To approve remuneration of the Chief Executive and other Working Directors of the Company for the period from July 01, 2017 to June 30, 2020.

A statement under section 134(3) of the Companies Act, 2017 pertaining to the Special Business is being sent to the members with this notice.

By order of the Board



**S HAIDER MEHDI**  
Company Secretary

Karachi: June 29, 2017

## NOTES:

- a) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend and vote on his/her behalf. Proxies in order to be valid must be deposited with the Company not less than 48 hours before the time appointed for the meeting.
- b) The Share Transfer Books of the Company will remain closed from July 25, 2017 to July 31, 2017, both days inclusive.

- c) Shareholders are requested to immediately notify the Company any change in their address and also forward a photocopy of the Computerised National Identity Card if not yet furnished at the Office of our Registrar M/s. THK Associates (Private) Limited, 1st Floor,40-C, Block 6, P.E.C.H.S. Karachi 75400.
- d) CDC shareholders or their proxies are required to bring with them original Computerised National Identity Cards or Passports along with the participant's I.D. number and their account numbers at the time of attending the Annual General Meeting in order to authenticate their identity.

### **STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017**

This statement is annexed to the notice of the Sixty Fourth Annual General Meeting of the shareholders of EXIDE Pakistan Limited to be held on 31 July 2017 and sets out the material facts concerning the following Special Business to be transacted at the Meeting for approval of shareholders.

#### **1. REMUNERATION OF THE CHIEF EXECUTIVE AND THE OTHER WORKING DIRECTORS OF THE COMPANY**

A total amount of Rs.54.0 million will be proposed as the aggregate remuneration of the Chief Executive and the other Working Directors of the Company for the period from July 01, 2017 to June 30, 2020 in the form of following Resolution.

“RESOLVED that an aggregate sum of Rs.54.0 million (Rupees fifty four million only) be and is hereby approved as the Remuneration of the Managing Director/Chief Executive and the other Working Directors of the Company for the period from July 01, 2017 to June 30, 2020, covering their managerial remuneration, housing, utilities, bonus, provident fund and gratuity in addition to their entitlement to chauffeur driven company maintained cars, medical and hospitalisation expenses, official entertainment expenses, residential utilities, telephone and security expenses, leave fare assistance and other fringe benefits as per rules of the Company. The above amount includes the meeting fee to be paid to nominee Director for attending the Board of Directors meeting.”

Messrs. Arif Hashwani, Arshad Shehzada, S. Haider Mehdi are interested in this business to the extent of their respective remuneration.

شیر ہولڈرز سے درخواست ہے کہ اپنے کمپنی کے بتائے ہوئے پتے میں اگر کوئی تبدیلی ہے تو وہ کمپنی کے شیر رجسٹرار (Pvt.) THK Associates Ltd. جن کا پتہ 40-C, Block-6, P.E.C.H.S Society Karachi, 1<sup>st</sup> Floor پر اطلاع دیں۔

CDC شیر ہولڈرز اپنی پراسیسوں کو ان کی شناخت کی تصدیق کرنے کے لئے سالانہ اجلاس عام میں شرکت کے دوران شناختی کارڈ نمبر اور CDC کے اکاؤنٹس کی تفصیلات لانی ضروری ہے۔

کمپنی ایکٹ 2017 کے سیکشن نمبر 34 کے مطابق نوٹس برائے اسپیشل کاروبار برائے منظوری شیر ہولڈرز مندرجہ ذیل ہیں۔

مبلغ 40.5 ملین روپے کی قرارداد مندرجہ ذیل شکل کی صورت میں چیف ایگزیکٹو اور کام کرنے والے ڈائریکٹرز کے معاوضے اور مراعات کے طور پر تجویز کیا ہے۔ یہ معاوضہ اور مراعات تین سال کے لئے ہوگی جس کی مدت 1 جولائی 2017 سے 30 جون 2020 ہوگی۔

”قرار پایا کہ مبلغ 54.0 ملین روپے مورخہ 1 جولائی 2017 سے 30 جون 2020 تک کی مدت کے لئے کمپنی کے مینجنگ ڈائریکٹر/ چیف ایگزیکٹو اور دیگر ورکنگ ڈائریکٹرز کے معاوضے کے طور پر منظوری دی جاتی ہے۔ اس معاوضے کے علاوہ کمپنی کی طرف سے کارپس، بونس، پرائویڈنٹ فنڈ، گریجویٹی، علاج معالجے کے اخراجات، تفریح اخراجات، ٹیلیفون اور سیکیورٹی کے اخراجات، کمپنی کے قوانین کے مطابق ادا کئے جائیں گے۔“

جناب عارف ہاشوائی، ارشد شہزادہ اور ایس حیدر مہدی اپنے متعلقہ معاوضے کی حد تک اس اسپیشل کاروبار میں دلچسپی رکھتے ہیں۔



## سالانہ اجلاس عام کا نوٹس

اطلاع دی جاتی ہے کہ Exide Pakistan Limited چوسٹواں سالانہ اجلاس عام مورخہ 31 جولائی 2017 کو صبح 11 بجے کمپنی کے رجسٹرڈ دفتر واقع A-44 بل اسٹریٹ، منگھوپیر روڈ، سائٹ کراچی پر منعقد ہوگا۔ اس اجلاس میں مندرجہ ذیل امور زیر بحث لائے جائیں گے۔

### عام کاروبار:

- 19 اگست 2016 کو منعقد کیے گئے 63 ویں اجلاس کے منٹس پڑھنا اور تصدیق کرنا۔
- کمپنی کے سال 31 جولائی 2017 کے ایڈیٹڈ اکاؤنٹس اور اس پر آڈیٹر کی رپورٹ کی منظوری۔
- ڈائریکٹرز کی طرف سے منظور شدہ ڈیویڈنڈ برائے سال 31 جولائی 2017 کا اعلان و منظوری۔
- 18-2017 کے لیے آڈیٹرز کا تقرر اور ان کے معاوضے کی تقرری۔
- کمپنی ایکٹ 2017 کی دفعہ 159 کے مطابق تین سال کیلئے یعنی 18 جون 2017 سے 17 جون 2020 تک ڈائریکٹرز کا انتخاب۔ سبکدوش ہونے والے ڈائریکٹروں کے نام یہ ہیں۔ عارف ہاشوائی، ارشد شہزادہ، الطاف ہاشوائی، حسین ہاشوائی، کامران شہزادہ، ایوب حمید، حیدر مہدی اور سید محمد فائق ہیں۔

### خصوصی کاروبار:

- کمپنی کے مینجنگ ڈائریکٹر/چیف ایگزیکٹو اور دیگر ورکنگ ڈائریکٹرز کے معاوضے اور مراعات کی منظوری۔
- کمپنی ایکٹ 2017 کی شق نمبر 134 (تین) کے مطابق اسٹیبلشمنٹ کاروبار کے لئے نوٹس اس نوٹس کے ساتھ منسلک ہے۔

حسب حکم بورڈ

ہس حیدر مہدی

کمپنی سیکریٹری

کراچی 29 جون 2017

### نوٹ:

کوئی بھی ممبر سالانہ اجلاس عام میں شرکت اور ووٹ دینے کا حق کسی بھی کمپنی کے ممبر کو اپنی پراکسی کے طور پر مقرر کرنے کا حق رکھتا ہے۔ جائز پراکسی مینٹنگ کیلئے مقرر کردہ وقت سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرائی جاسکتی ہے۔

کمپنی کے شیئرز کی کتابیں مورخہ 25 جولائی 2017 سے 31 جولائی 2017 جن میں دونوں دن شامل ہیں بند رہیں گی۔





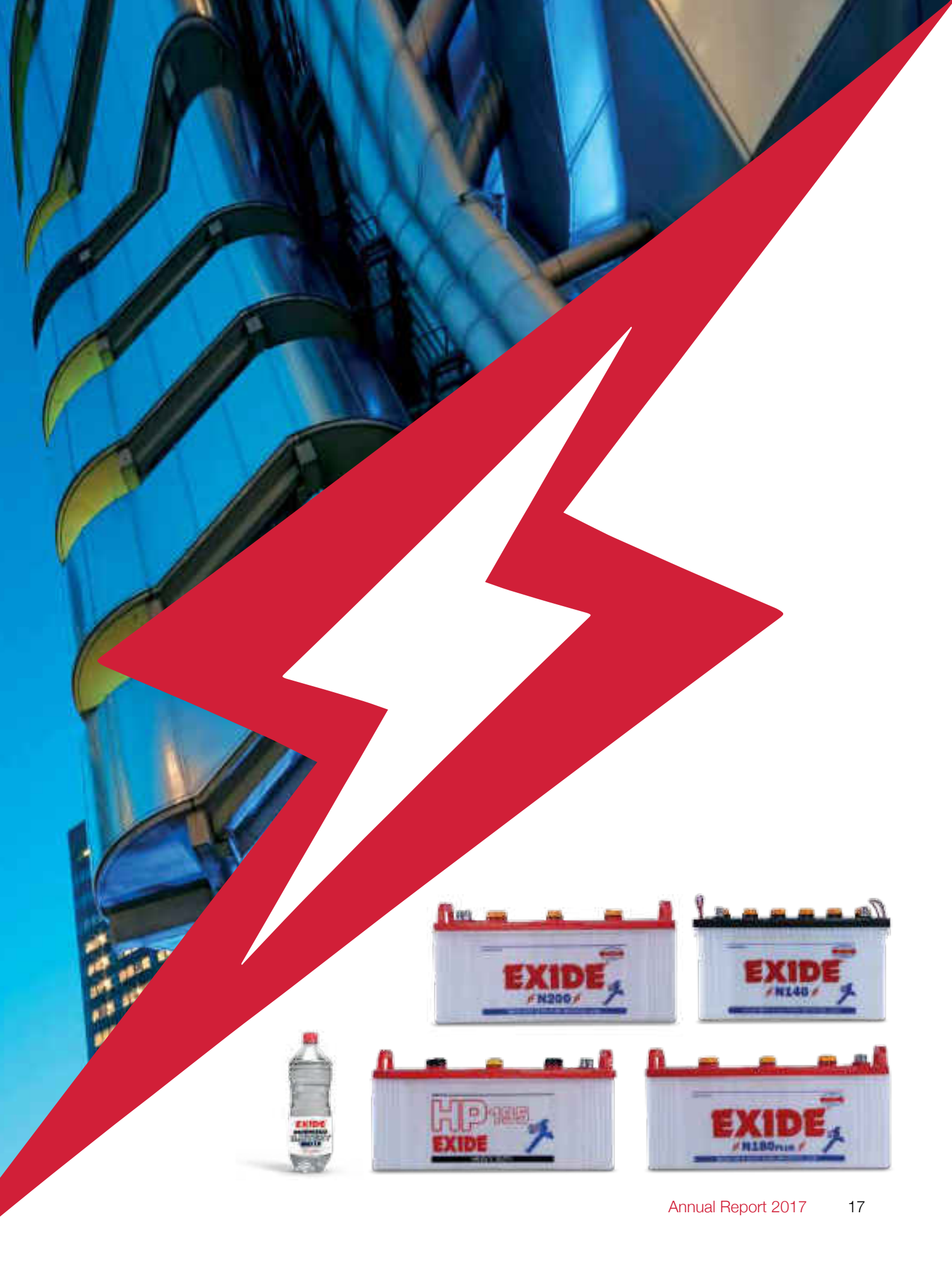
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# Chairman's Review

I am pleased to welcome you to the 64th Annual General Meeting of your Company and present on behalf of the Board of Directors, the Audited Statements of Accounts for the year ended 31st March 2017 along with my review on the performance of your Company.

## The Economy

Pakistan's economy continued to gather pace during the current fiscal year. According to the Pakistan Economic Survey 2016-2017 GDP growth was 5.3% for the current year. While the service sector surpassed its targeted growth, the industrial sector grew by 5.02% against 5.8% last year. Agriculture Sector grew by 3.46% compared with 0.27% last year. The economic outlook of the Country is bright and looks favorable on the back of improvement in the agriculture sector, rebound in industrial activities, and investment under China Pakistan Economic Corridor (CPEC).

The external debts and liabilities of Pakistan stood at US\$ 75.5 billion as of 31st March 2017, with Foreign Exchange Reserves at US\$ 20.8 billion. Current Account remained under pressure due to increase in imports, decline in export and foreign remittances. Workers remittance for the period Jul-April 2017 stood at US\$ 15.6 billion as against US\$ 16.04 billion for the same period last year; a decline of 2.8%. The current account deficit for the nine months increased to US\$ 7.25 billion. Net trade deficit for the period July-April 2017 was US\$ 25.9 billion as compared with US\$ 21.1 billion for the same period last year. Inflation in the country was 4% during July-April 2017 compared with 2.79% for the same period last year.

## The Industry

Growth of automotive sector in the preceding few years was instrumental in better capacity utilization for the battery industry. Sales of locally produced cars and LTV improved by 8.6 percent to 181,255 units in July-March 2017 as compared to 166,898 units sold during corresponding period of last year. Trucks and Busses sales improved by 36 percent. Farm tractors sales improved by 17.4 percent to 38,938 units sold in July-March 2017 as against 33,181 units sold in the same period a year ago. Sales of motorcycles and three wheelers improved by 23.9 percent, from 977,720 units to 1,211,456 units. The prices of refined and recycled lead increased during the year 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. During the year your company acquired an adjacent plot measuring approximately 2 acres to consolidate and further improve efficiencies of our manufacturing activities.

## Sales

Net Sales revenue of the Company increased by 10 percent from Rs.11.696 billion to Rs.12.909 billion on account of increase in sales volume and better sales mix

## Profitability

Gross profit for the year under review improved from Rs. 2.083 billion to Rs. 2.568 billion up by 23 percent due to improved margins. Gross profit ratio increased from 17.8% to 19.9% of NSV.

Selling and distribution expenses increased by 18 percent from Rs.1.035 billion to Rs.1.228 billion as a result of increased battery warranty claims, advertisement and sales promotion expenses. Administration and general expenses reduced by 3% from Rs.107 million to Rs.103 million. Operating profit increased by 31 percent from Rs.940.2 million to Rs. 1.236 billion. Financial cost decreased from Rs.174.0 million to Rs. 65.0 million due to better working capital planning and reduction in mark-up rates.



Profit before tax for the year under review increased from Rs.651.5 to Rs.1.061 billion; up 63 percent. Earnings per share increased to Rs.95.16 as compared with Rs. 54.66 recorded in the previous year. The current ratio stood at 1.54:1, while the breakup value of share was Rs.479.79 as on March 31, 2017.

### Future Prospects

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

### Acknowledgement

On my behalf and on behalf of the Board of Directors of your Company, I take this opportunity of acknowledging the devoted and sincere services of employees of all cadres of the Company. I am also grateful to our bankers, shareholders, The Furukawa Battery Company Limited (Japan), vendors, main dealers, retailers and valued customers including Fauji Fertilizer Bin Qasim Limited, the Original Equipment Manufacturers and the government organizations.



**ARIF HASHWANI**

Chairman

Karachi June 29, 2017



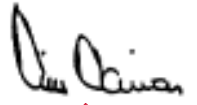


### مستقبل کے امکانات:

یہ متوقع ہے کہ مقامی منظم بیٹری صنعت پیداواری صلاحیتوں اور نئے بیٹری مینوفیکچرز در آمد اور اسمگل شدہ بیٹریوں کی وجہ سے اور مارکیٹ کی حرکیات کی وجہ سے سخت مقابلے کا سامنا کرے گی۔ لیکن آپ کی کمپنی کی انتظامیہ یقین دلاتی ہے کہ بیٹری کے معیار، پیداواری صلاحیت لاگت پر کنٹرول اور مسلسل توجہ مرکوز کرتے ہوئے اپنی مسابقت کو بہتر بناتے ہوئے مکمل فائدہ اٹھانے کا ارادہ رکھتی ہے۔

### اعتراف خدمات:

میری جانب سے اور آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے میں کمپنی کے تمام کیڈرز کے ملازمین کی مخلص خدمات کو تسلیم کرنے کا موقع لینا ہوں۔ میں کمپنی کے بینکوں، تخصص داروں، فرور کووا بیٹری کمپنی لمیٹڈ (جاپان)، تھوک اور خوردہ فروش حضرات، مین ڈیلرز، کمپنی کے سپلائرز، فوجی فریڈلانڈرز بن قاسم لمیٹڈ اور گاڑیوں کے پیداواری یونٹس اور سرکاری تنظیموں تسمب اپنے تمام گاہکوں کا بھی شکر گزار ہوں۔



عارف ہاشوانی  
چیئر مین

کراچی: 29 جون 2017

## چیسر مین کا جائزہ:

میں آپ کی کمپنی کے 64 ویں سالانہ جنرل میٹنگ میں آپکو خوش آمدید کہتا ہوں۔ میں اپنی اور موجودہ بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی مجموعی کارکردگی برائے سال 31 مارچ 2017 اور آڈیٹڈ اکاؤنٹس اور آرڈر پورٹ کا جائزہ پیش کر رہا ہوں۔

### معشیت:

موجودہ مالی سال کے دوران پاکستان کی معشیت تیزی سے ترقی کی راہ پر گامزن ہے۔ پاکستان کے اقتصادی سروے برائے 2016-17 کے مطابق شرح نمو 5.3 فیصد رہی۔ سروس سیکٹر نے اپنے ہدف سے زیادہ ترقی کی جبکہ صنعتی شعبے میں گزشتہ سال 5.8 فیصد کے مقابلے میں 5.02 فیصد اضافہ ہوا۔ زراعت کے شعبے میں 3.46 فیصد اضافہ ہوا جو گزشتہ سال 0.27 اضافہ تھا۔ ملک کا اقتصادی نقطہ نظر زراعت کے شعبے میں بہتری، صنعتی سرگرمیوں کی بحالی اور چین پاکستان اقتصادی راہداری کی وجہ سے بہت روشن ہے۔

سال 31 مارچ 2017 تک پاکستان کے بیرونی قرضہ جات اور واجبات 75.5 بلین امریکی ڈالر تھے۔ غیر ملکی ذخائر 20.8 بلین ڈالر رہے۔ درآمد میں اضافے اور برآمد میں کمی اور زر مبادلہ کے ترسیلات میں کمی کی وجہ سے موجودہ اکاؤنٹ دہاؤ میں ہے۔ جولائی تا اپریل 2017 کے دوران ترسیلات زر مبادلہ 16.04 بلین ڈالر سے کم ہو کر 15.6 ارب امریکی ڈالر تھی جو کہ 2.8% فیصد گزشتہ سال سے کم تھی۔ موجودہ اکاؤنٹ خسارہ 7.25 بلین امریکی ڈالر سے بڑھ گیا۔ نیٹ تجارتی خسارہ جو گزشتہ سال اسی مدت میں 21.1 بلین ڈالر سے بڑھ کر 25.9 بلین ڈالر رہا۔ جولائی تا مارچ 2017 افراط زر کی شرح 4 فیصد تھی۔

### صنعت:

پچھلے چند سالوں میں آٹو موٹو سیکٹر کی ترقی نے بیڑی کی صنعت کے لئے بہتر مواقع پیدا کیے۔ مقامی پیداوار شدہ کاروں اور درمیانہ درجے کی نقل و حرکت کی گاڑیوں کی فروخت 8.6 فیصد بڑھ کر 181,255 گاڑیاں تھی جو پچھلے سال جولائی تا مارچ 2016 میں 166,898 یونٹ فروخت ہوئی تھی۔

ٹرک اور بسوں کی فروخت میں 36 فیصد اضافہ ہوا۔ جولائی تا مارچ 2017 کے دوران زرعی ٹریکٹر کی فروخت 17.4 فیصد اضافے کے ساتھ 33,181 ٹریکٹر سے بڑھ کر 38,938 ٹریکٹر تھی۔ موٹر سائیکلوں اور تین پہیوں والی گاڑیوں کی فروخت 23.9 فیصد اضافے کے وجہ سے 977,720 یونٹ سے بڑھ کر 1,211,456 یونٹ ہو گئی۔ اسمال خالص اور ری سائیکل لیڈ کی قیمتوں میں اضافہ ہوا۔

### پروڈکشن:

پیداواری سرگرمیوں کی موثر طریقے سے منصوبہ بندی کی گئی اور اسے طلب اور رسد کے مطابق بنایا گیا اور پیداوار کے تمام مراحل پر معیار کے کنٹرول پر بھرپور طریقے سے عملدرآمد ہوا۔ پیداواری عمل کو مزید بہتر بنانے کے لئے آپ کی کمپنی نے اس سال کے دوران 2 ایلکٹرک ملحقہ پلاٹ خریدا ہے۔

### سیلز:

آپ کی کمپنی کی نیٹ سیلز آمدنی 10 فیصد اضافے کے بعد 11.696 بلین روپے سے بڑھ کر 12.909 بلین روپے رہی جسکی وجہ حجم میں اضافہ اور بہتر فروخت مرکب تھا۔

### منافع:

اسمال مجموعی منافع 2.083 بلین روپے سے بڑھ کر 2.568 بلین روپے رہا۔ مجموعی منافع کا تناسب NSV کا 17.8 فیصد سے بڑھ کر 19.9 فیصد ہو گیا۔

بیڑی گارنٹی کلیم کے اضافے، اشتہارات اور فروغ سیلز کے اخراجات کی وجہ سے فروخت اور تقسیم کے اخراجات 18 فیصد اضافے کے بعد 1.035 بلین روپے سے بڑھ کر 1.228 بلین روپے ہو گئے۔ انتظامی اور عمومی اخراجات 3 فیصد کمی کے بعد 107 بلین روپے سے 103 بلین روپے ہو گئے۔ آپریٹنگ منافع 31 فیصد اضافے کے ساتھ 940.2 بلین روپے سے بڑھ کر 1.236 ارب روپے ہو گیا۔ فنانس لاگت 174.0 بلین روپے سے کم ہو کر 65.0 بلین روپے ہو گئی جسکی وجہ بہتر کاروباری منصوبہ بندی اور منافع کی شرح میں کمی تھی۔

اسمال کے لئے محصولات سے پہلے منافع 63 فیصد اضافے کے باعث 651.5 بلین روپے سے بڑھ کر 1.061 بلین روپے رہا۔ فی حصص آمدنی 54.66 روپے سے بڑھ کر 95.16 روپے ہو گئی۔ موجودہ تناسب 1:1.54 رہا جبکہ حصص کی قدر ٹوٹ 31 مارچ 2017 کو 479.79 تھی۔

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# Directors' Report

The Directors of your Company have pleasure in submitting their report on audited statements of accounts for the year ended March 31, 2017.

	(Rupees' 000)
Profit before taxation	1,060,935
Taxation	<u>(321,679)</u>
Profit after taxation	739,256
Un-appropriated profit brought forward	<u>149,624</u>
	888,880
Transferred from surplus on revaluation of property, plan and equipment - Current year – net of tax	12,686
Re-measurement of defined benefit plan net of tax	<u>(8,004)</u>
Profit available for appropriation	893,562
Appropriations:	
Transfer to General Reserves	600,000
Proposed Cash Dividend @ 125% (Rs.12.50 Per share)	<u>97,108</u>
Un-appropriated profit carried forward	<u>196,454</u>
Earnings per share – Rs.	<u><u>95.16</u></u>

We confirm that:

- a) The financial statements have been drawn up in conformity with the requirements of the Companies Ordinance, 1984 and present fairly state of its affairs, operating results, cash flow and changes in equity.
- b) Proper books of accounts have been maintained in the manner required under Companies Ordinance, 1984.
- c) Appropriate accounting policies have been applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- d) International Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of the financial statements.
- e) The internal control system is being implemented and monitored.
- f) There are no significant doubts about the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as required by the listing regulations.
- h) The key operating and financial data of the past ten years is annexed to this report.
- i) Outstanding duties and taxes, if any, have been disclosed in the financial statements.



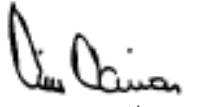
- j) The Chairman's Review dealing with the performance of the Company during the year ended March 31, 2017 future prospects and other matters of concern to the Company forms part of this report.
- k) Value of investments of provident and gratuity funds was Rs.156.6 million and Rs.80.5 million, respectively as on March 31, 2017.
- l) The number of board meetings held during the year 2016-17 was four. The attendance of the directors is as under:
- |                                |   |
|--------------------------------|---|
| 1. Mr. Arif Hashwani           | 4 |
| 2. Mr. Arshad Shehzada         | 4 |
| 3. Mr. Altaf Hashwani          | 3 |
| 4. Mr. Hussain Hashwani        | 3 |
| 5. Mr. Muhammad Kamran Shehzad | 4 |
| 6. Mr. Ayub Hameed             | 2 |
| 7. Mr. S. Haider Mehdi         | 4 |
| 8. Mr. S. M. Faiq              | 4 |
- m) Pattern of shareholding as at March 31, 2017 is annexed to this report.
- n) We confirm that Directors and CFO and their spouse and minor children have made no transactions of the Company's shares during the year.
- o) The Statement of Compliance with the Code of Corporate Governance is annexed to this report.
- p) The present Auditors M/s. A. F. Ferguson & Co., Chartered Accountants, retires and being eligible, offers themselves for the re-appointment.

**ARIF HASHWANI**  
Chairman

Karachi: June 29, 2017

- تصدیق کی جاتی ہے کے ڈائریکٹرز ، چیف فنانسینشل آفیسر ان کی شریک حیات اور نابالغ بچوں نے کمپنی کے شیئرز میں مالی سال 17-2016 میں کوئی لین دین نہیں کیا۔
- کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان اس رپورٹ سے منسلک ہے۔
- موجودہ آڈیٹر M/s. A.F. Ferguson & Co., Chartered Accountants جو اس سال ریٹائر ہوئے ہیں اور 18-2017 کے آڈیٹر کی اہلیت رکھتے ہوئے دوبارہ اس سال میں آڈیٹر کی تقرری کے لیے پیش کرتے ہیں۔

عارف ہاشوانی



چیئرمین

کراچی: 29 جون 2017

## ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2017 کو ختم ہونے والے سال کے لیے آڈیٹڈ اکاؤنٹس اور ان کی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

روپے ہزار میں	مالیاتی اصول
1,060,935	قبل از ٹیکس منافع
(321,679)	ٹیکس
739,256	بعد از ٹیکس منافع
149,624	غیر منقسم شدہ منافع کی منتقلی
888,880	
12,686	فکس ایسٹس کی دوبارہ ویلویوشن پر سرپلس برائے سال 2016-17
(8004)	خالص ایکچورنل آمدنی بعد از ٹیکس
893,562	تقسیم کے لئے منافع
600,000	جزل ریزرو میں منتقلی
97,108	مجوزہ منافع منقسمہ بحساب 12.50 پیسے فی شیئر (10 روپے برائے 2016)
196,454	غیر تقسیم شدہ منافع کی منتقلی
95.16	فی شیئر آمدنی

مالی حسابات کمپنیز آرڈیننس 1984 کے مطابق کے بالکل ایماندارانہ طور سے تیار کئے گئے ہیں جو کہ کمپنی کے آپریٹنگ ریزلٹس، کیش فلو اسٹیٹمنٹ اور ایکویٹی اسٹیٹمنٹ کے ساتھ شامل ہیں۔

- پراپر بکس آف اکاؤنٹس، کمپنی آرڈیننس 1984 کے مطابق مینٹین کی گئی ہیں۔
- بین الاقوامی رپورٹنگ معیارات، پاکستان میں قابل عمل کے طور پر مالی بیانات ان اکاؤنٹس کی تیاری میں شامل کیے گئے ہیں۔
- اندرونی کنٹرول کا نظام پورے سال نافذ کیا گیا اور اس کی نگرانی کی گئی۔
- کمپنی کے جاری رہنے کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔
- کارپوریٹ گورننس اور بہترین پریکٹس، لسٹنگ ریگولیشن سے کوئی بڑا فرق نہیں ہے۔
- ادا شدہ ٹیکس یا ڈیوٹی فنانشل اسٹیٹمنٹ میں بیان کی گئی ہیں۔
- چیئر مین کا جائزہ برائے کمپنی کی کارکردگی 31 مارچ 2017 اور مستقبل کے امکانات اور دیگر معاملات سے نمٹنے کا معاملہ اس رپورٹ کا حصہ ہے۔
- پروویڈنٹ اور گریجویٹی فنڈز کی مالیت 31 مارچ 2017 پر بالترتیب 156.6 ملین روپے اور 80.5 ملین روپے۔
- شیئر ہولڈرز پیڑن برائے 31 مارچ 2017 اس رپورٹ کے ساتھ منسلک ہے۔



# Statement of Compliance

with the Code of Corporate Governance for the year ended March 31, 2017.

This statement is being presented to comply with the Code of Corporate governance contained in Regulation No. 5.19.23 of The Pakistan Stock Exchange Regulations 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 directors representing minority interests on its Board of Directors. At present the Board includes

Category	Names
Independent Director	Mr. Ayub Hameed
Executive Directors	Mr. Arif Hashwani
	Mr. Arshad Shahzada
	Mr. S Haider Mehdi
Non-Executive Directors	Mr. Hussain Hashwani
	Mr. Muhammad Kamran Shehzad
	Mr. Altaf Hashwani
	Mr. S. M. Faiq

The independent Director meets the criteria of independence under clause 1(b) of the Code.

\* The number of Executive Directors on the Board exceeded the limit prescribed by the Code. The same will be rectified at the upcoming election of the Board of Directors to be held in July 2017.

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 none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non-banking Financial Institution or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board of Directors of the Company 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 and formulated 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 and conditions of employment of the CEO and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and 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.
9. The Board remained fully compliant with the provision with regard to their training program. Out of total of 8 Directors seven directors are exempt from training as mentioned in proviso to clause 5.19.7 of the Pakistan Stock Exchange Regulations. However, three other directors have already completed this training earlier.
10. No new appointments of Chief Financial Officer, Company Secretary and Head of Internal Audit have been made during the year. The Board, however, has approved their annual remuneration and terms and conditions of employment, as recommended by the Human Resources and Remuneration Committee of the Board.

11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the CEO and 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 Code.
15. The Board has formed an Audit Committee. It comprises three members, all of whom are non-executive Directors including the Chairman of the Committee who is also 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 and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee members for compliance.
17. The Board has formed a Human Resources and Remuneration Committee. It comprises two non-executive Directors and an Executive Director. A Non-Executive Director is Chairman of the Human Resources and Remuneration Committee.
18. The Board has set up an effective internal audit function. The staff of the Internal Audit department are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program 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 the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the 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 the company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
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 contained in the Code have been complied with.



ARIF HASHWANI  
Chairman  
June 29, 2017

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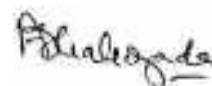
# Statement Under Section 237 (1)(E) of the Companies Ordinance, 1984

The Audited Statements of Accounts for the year ended March 31, 2017 of Chloride Pakistan (Private) Limited, wholly owned subsidiary of the Company, along with the Auditors' and Directors' Reports thereon are annexed to these accounts. The Company subscribed 15,380 and 3,500 and again 3,500 shares at par of Chloride Pakistan (Private) Limited, a wholly owned subsidiary of the Company during the year ended March 31, 1995, 1996 and 1999 respectively with the approval of the Directors. Since the production activities in Chloride Pakistan (Private) Limited could not be started so far, the net aggregate amount of revenue profits/losses are not reported hereunder.

	Chloride Pakistan (Pvt) Ltd.
Extent of the interest of the holding Company (Exide Pakistan Limited) in the equity of its subsidiaries as at March 31, 2017	100%
The net aggregate amount of profits less losses of the subsidiary companies so far as these concern members of the holding company and have not been dealt with in the accounts of the holding company:	—
- for the year ended March 31, 2017;	—
- for the previous years but subsequent to the acquisition of the subsidiaries controlling interest by the holding company.	—
The net aggregate amount of profits less losses of the subsidiary companies so far as these have been dealt with or provision made for losses in the accounts of the holding company:	—
- for the year ended March 31, 2017;	—
- for the previous years, but subsequent to the acquisition of the controlling interest by the holding Company.	—



**Arif Hashwani**  
Chairman



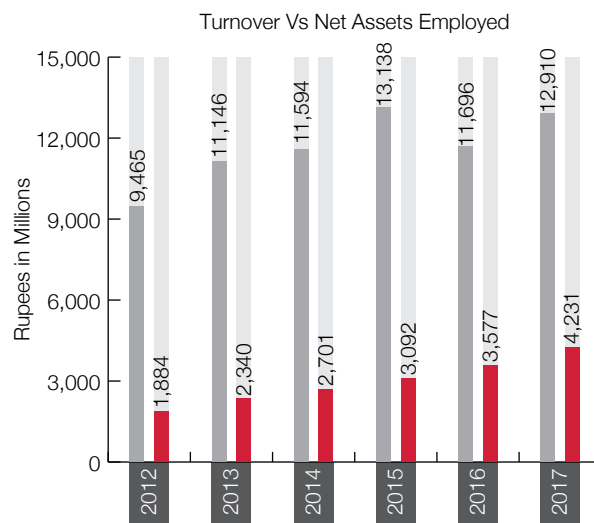
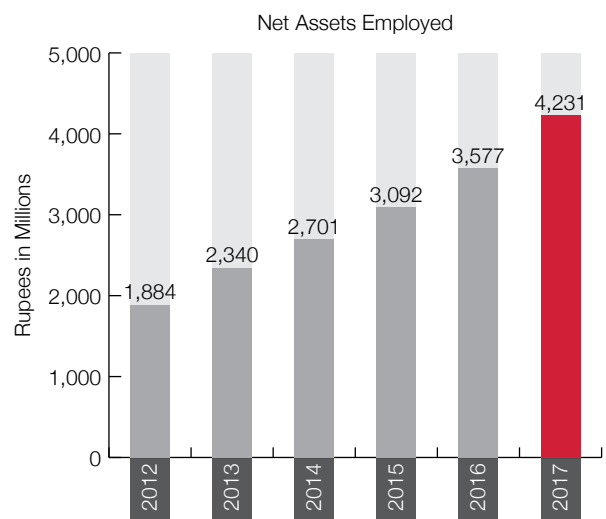
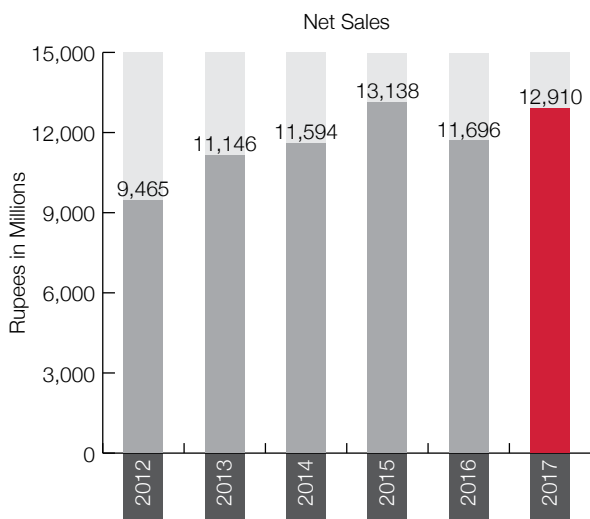
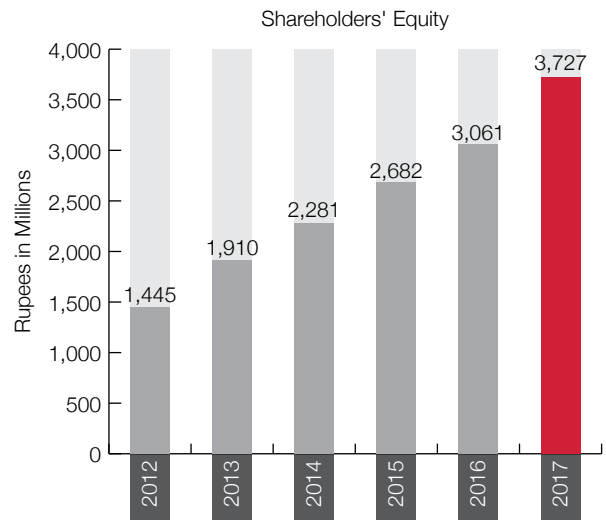
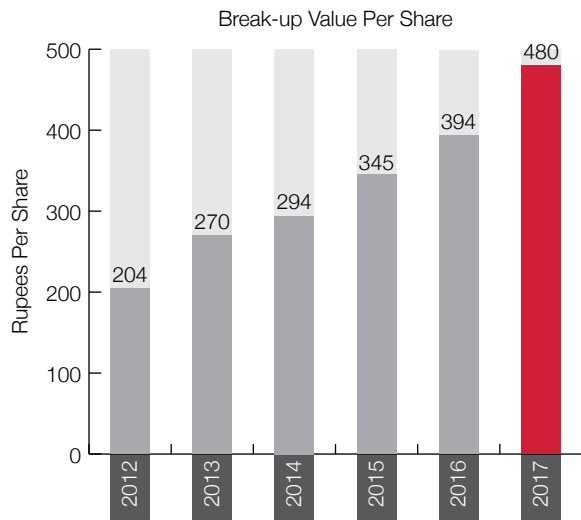
**Arshad Shehzada**  
Chief Executive Officer

# Performance Highlights

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	(Restated)									
	Rupees'000									
Net sales	3,022,276	5,630,385	6,189,135	7,711,452	9,465,724	11,145,295	11,593,822	13,138,079	11,695,892	12,909,940
Operating profit	192,253	264,524	382,502	558,215	658,025	791,779	699,880	871,707	825,706	1,125,900
Profit/(loss) before tax	143,154	182,003	303,554	429,726	500,926	753,452	603,457	617,481	651,542	1,060,935
Profit/(loss) after tax	94,358	118,206	197,287	276,390	320,145	485,856	401,092	447,685	424,616	739,256
Cash dividend	13,514	27,028	33,899	33,899	42,374	42,374	58,265	58,265	77,686	97,108
Cash dividend %	25	50	60	60	60	60	75	75	100	125
Stock dividend	-	-	-	14,125	-	7,062	-	-	-	-
Stock dividend %	-	-	-	25	-	10	-	-	-	-
Paid up share capital	54,057	54,057	56,499	56,499	70,624	70,624	77,686	77,686	77,686	77,686
Reserves & unappropriated profit	536,816	671,907	844,000	1,091,989	1,374,100	1,839,576	2,203,784	2,604,358	2,983,383	3,649,635
Share holders' equity	590,873	725,964	900,499	1,148,488	1,444,724	1,910,200	2,281,470	2,682,044	3,061,069	3,727,321
Surplus on revaluation of fixed assets	239,107	255,000	249,502	449,916	439,926	429,937	419,948	410,481	515,702	503,232
Tangible fixed assets	599,749	671,711	776,542	1,027,910	1,018,471	1,039,059	1,249,709	1,313,152	1,355,372	1,442,525
Net current assets	360,458	334,508	397,224	593,067	899,155	1,339,730	1,490,379	1,791,721	2,190,649	2,755,319
Net assets employed	929,980	1,000,964	1,150,001	1,598,404	1,884,650	2,340,137	2,701,418	3,092,525	3,576,771	4,230,553
	Rupees									
Earnings per share before tax	26.42	33.67	53.73	76.06	70.93	106.68	77.68	79.48	83.87	136.57
Earnings per share after tax	17.46	21.87	34.92	48.92	45.33	68.79	51.63	57.63	54.66	95.16
Share break-up value	109.31	134.30	159.38	203.28	204.57	270.48	293.68	345.24	394.03	479.79
Ratio of :	Percentage									
Operating profit to sales	6%	5%	6%	7%	7%	8%	6%	7%	7%	9%
Profit/(loss) before tax to sales	5%	3%	5%	6%	5%	7%	5%	5%	6%	8%
Profit/(loss) after tax to sales	3%	2%	3%	4%	3%	4%	3%	3%	4%	6%
Return/(loss) on equity	16%	16%	22%	24%	22%	25%	18%	17%	14%	20%
Return/(loss) on net assets employed	10%	12%	17%	17%	17%	21%	15%	15%	12%	17%

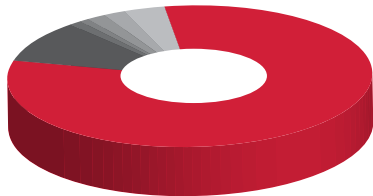
\* Effects of amendments made in the Fourth Schedule to the Companies Ordinance, 1984, have not been considered in performance highlights

# Performance Highlights



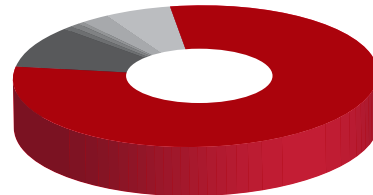
# Performance Highlights

## Cost and Expenses Analysis 2016



■ Cost of Goods Sold	81%
■ Selling and Distribution Expenses	10%
■ Administration Expenses	1%
■ Other Charges Including WPPF and WWF	1%
■ Financial Charges	1%
■ Taxation	2%
■ Net Profit	4%

## Cost and Expenses Analysis 2017



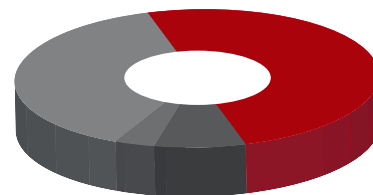
■ Cost of Goods Sold	80%
■ Selling and Distribution Expenses	10%
■ Administration Expenses	1%
■ Other Charges Including WPPF and WWF	1%
■ Financial Charges	0%
■ Taxation	2%
■ Net Profit	6%

## Sales Analysis 2016 Rupees in Millions



■ Gross Sales	14,812
■ Sales Tax and Special Exice Duty	2,415
■ Discounts	702
■ Net Sales	11,696

## Sales Analysis 2017 Rupees in Millions



■ Gross Sales	16,903
■ Sales Tax and Special Exice Duty	2,740
■ Discounts	1,253
■ Net Sales	12,910



# Review Report

to the Members on the Statement of Compliance with the 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 Exide Pakistan Limited (the Company) for the year ended March 31, 2017 to comply with the Code contained in Regulation No. 5.19 of the Listing Regulations of the Pakistan Stock Exchange Limited 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 with 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 the 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 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 the approval of the 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 price 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 March 31, 2017.

Further, we highlight below an instance of non-compliance with the requirements of the Code as reflected in the paragraph reference where this is stated in the Statement of Compliance:

Paragraph Reference	Description
1	During the year, the number of Executive Directors on the Board exceeded the limit prescribed by the Code.



Chartered Accountants

Dated: June 30, 2017

Karachi

# Auditors' Report

to the Members

We have audited the annexed balance sheet of Exide Pakistan Limited (the Company) as at March 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 accounts 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 accounts 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 March 31, 2017 and of the profit, its 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, was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.



Chartered Accountants  
Engagement Partner: Rashid A. Jafer  
Dated: June 30, 2017  
Karachi

SOURCES OF FUNDING FOR OPERATING ACTIVITIES

2006	2005
40,482	14,091
54,573	
2,433	52,177
<b>1,212</b>	<b>2,396</b>
9,798	10,860
<b>(8,586)</b>	<b>(8,464)</b>

COMMERCIAL REVENUE SOURCE

19,627	19,242
7,108	18,313
1,644	1,112
0	751
8	10
<b>28,387</b>	<b>39,428</b>

293	0
18,344	21,280
18,637	21,280
<b>1,164</b>	<b>9,684</b>

expenses  
activities

are before the revenues and expenses.

ABOVE OPERATING RESULT FINANCIAL REPORT

	2006 \$000	2005 \$000
	1,164	9,684
	27,250	0
	<b>28,414</b>	<b>9,684</b>

ordinary activities  
2006/07

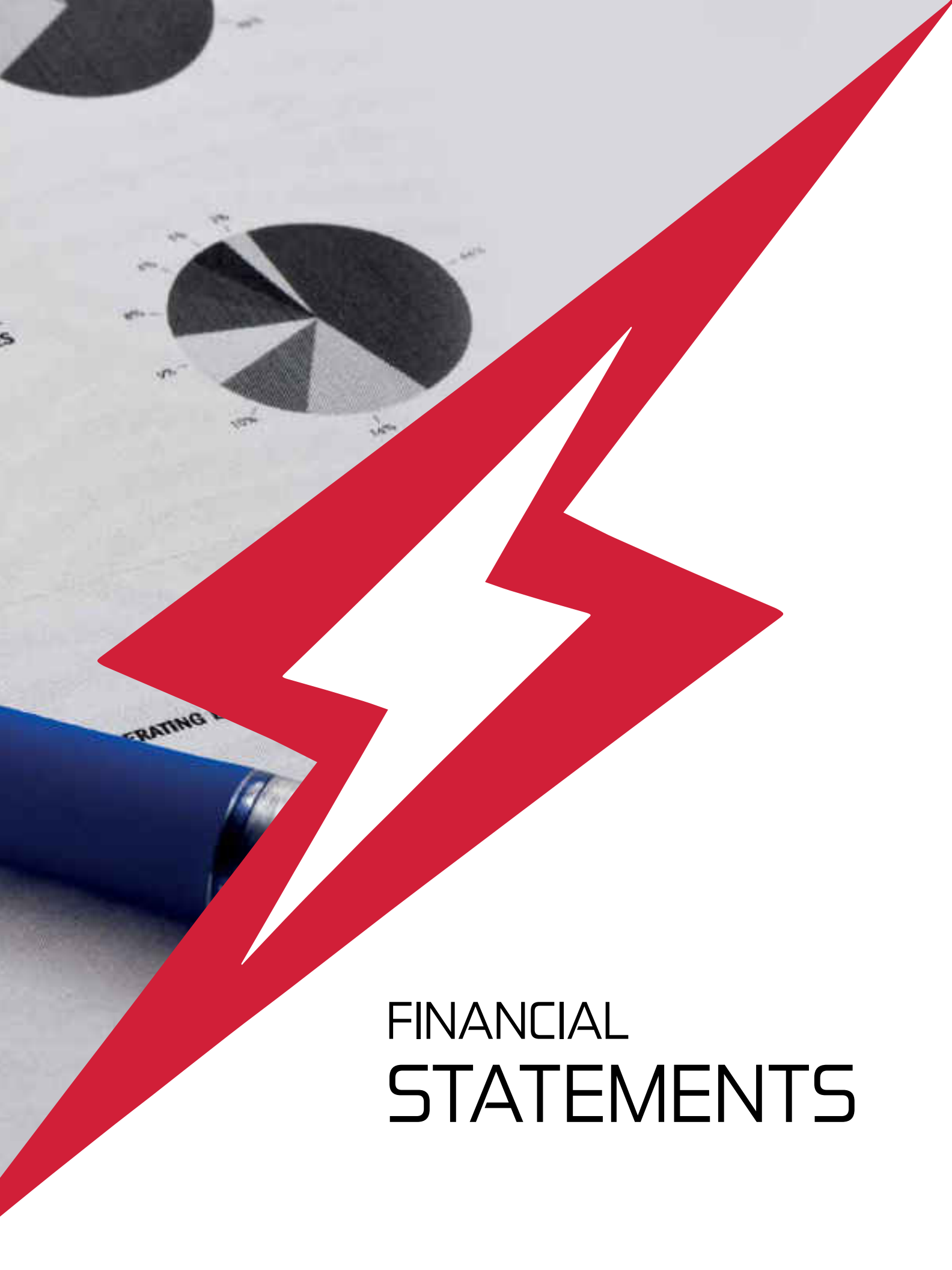
as per Audited  
Income Statement

DISCUSSION

cash held at the end of the Financial Year was significantly impacted by the early receipt of \$27.25m of 2006/07 grant. If this event did not occur then overall cash would have occurred in 2005/06.

	2006 \$000	2005 \$000
	59,373	61,881
		0





# FINANCIAL STATEMENTS



# Balance Sheet

as at March 31, 2017

	Note	2017	2016
		----- (Rupees '000) -----	
<b>SHARE CAPITAL &amp; RESERVES</b>			
Authorised share capital 18,000,000 (2016:18,000,000) ordinary shares of Rs 10 each		180,000	180,000
Issued, subscribed and paid-up share capital	5	77,686	77,686
Capital reserve		259	259
Revenue reserves		2,729,991	2,379,991
Reserve arising on amalgamation - net		25,823	25,823
Unappropriated profit		893,562	577,310
		3,727,321	3,061,069
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX</b>	6	503,232	515,702
<b>NON - CURRENT LIABILITIES</b>			
Deferred tax liability - net	7	3,097	7,201
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	1,991,805	1,596,786
Accrued profit	9	32,638	31,954
Short-term borrowings	10	3,117,456	2,569,132
		5,141,899	4,197,872
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
		9,375,549	7,781,844

The annexed notes 1 to 45 form an integral part of these financial statements.

Note **2017** 2016  
 ----- (Rupees '000) -----

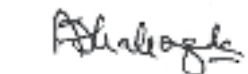
**NON - CURRENT ASSETS**

Property, plant and equipment	12	1,442,525	1,355,372
Long-term investment	13	224	224
Long-term loans	14	844	808
Long-term deposits	15	34,738	36,919
		<b>1,478,331</b>	<b>1,393,323</b>

**CURRENT ASSETS**

Spares	16	106,962	127,418
Stock-in-trade	17	3,866,881	2,770,081
Trade debts	18	2,331,845	2,510,293
Loans and advances	19	30,678	26,629
Trade deposits, short-term prepayments and other receivables	20	44,312	34,144
Taxation recoverable		498,644	520,599
Cash and bank balances	21	1,017,896	399,357
		<b>7,897,218</b>	<b>6,388,521</b>
		<b>9,375,549</b>	<b>7,781,844</b>

  
 Arif Hashwani  
 Chairman

  
 Arshad Shehzada  
 Chief Executive Officer

# Profit and Loss Account

For the year ended March 31, 2017

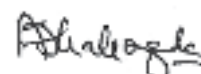
	Note	2017	2016
		----- (Rupees '000) -----	
Net sales	22	12,909,940	11,695,892
Cost of sales	23	(10,342,279)	(9,613,108)
Gross profit		2,567,661	2,082,784
Selling and distribution expenses	24	(1,228,058)	(1,035,219)
Administration and general expenses	25	(103,834)	(107,389)
		1,235,769	940,176
Other income	26	5,727	4,093
		1,241,496	944,269
Other operating charges	27	(115,596)	(118,563)
<b>Operating profit</b>		1,125,900	825,706
Finance cost	28	(64,965)	(174,164)
<b>Profit before taxation</b>		1,060,935	651,542
Taxation - net	29	(321,679)	(226,926)
<b>Profit after taxation</b>		739,256	424,616
		----- (Rupees) -----	
<b>Earnings per share (EPS)</b>	30	95.16	54.66

Appropriations have been reflected in the statement of changes in equity.

The annexed notes 1 to 45 form an integral part of these financial statements.



Arif Hashwani  
Chairman



Arshad Shehzada  
Chief Executive Officer

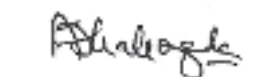
# Statement of Comprehensive Income

For the year ended March 31, 2017

	Note	2017	2016
		----- (Rupees '000) -----	
<b>Profit for the year</b>		<b>739,256</b>	424,616
<b>Other comprehensive Income:</b>			
<b>Items that will not be reclassified to profit and loss</b>			
<b>Components of comprehensive income reflected in equity</b>			
- Remeasurements of defined benefit plan	31.1.2	(11,434)	3,798
- Deferred tax on remeasurements of defined benefit plan		3,430	(1,177)
		(8,004)	2,621
<b>Total comprehensive income for the year</b>		<b>731,252</b>	<b>427,237</b>

The annexed notes 1 to 45 form an integral part of these financial statements.

  
Arif Hashwani  
Chairman

  
Arshad Shehzada  
Chief Executive Officer



# Cash Flow Statement

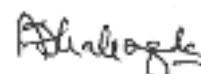
For the year ended March 31, 2017

Note	2017	2016
	----- (Rupees '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from / (used in) operations	36 741,665	(159,807)
Financial charges paid	(64,281)	(208,586)
Taxes paid	(300,182)	(285,597)
Decrease / (increase) in long-term deposits	2,181	(3,530)
(Increase) / decrease in long-term loans	(36)	274
<b>Net cash generated from / (used in) operating activities</b>	<b>379,347</b>	<b>(657,246)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for capital expenditure	(236,967)	(62,348)
Proceeds from disposal of operating fixed assets	5,380	2,776
<b>Net cash used in investing activities</b>	<b>(231,587)</b>	<b>(59,572)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(77,545)	(57,487)
<b>Net cash used in financing activities</b>	<b>(77,545)</b>	<b>(57,487)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>70,215</b>	<b>(774,305)</b>
Cash and cash equivalents at the beginning of the year	(2,169,775)	(1,395,470)
<b>Cash and cash equivalents at the end of the year</b>	<b>37 (2,099,560)</b>	<b>(2,169,775)</b>

The annexed notes 1 to 45 form an integral part of these financial statements.



Arif Hashwani  
Chairman



Arshad Shehzada  
Chief Executive Officer

# Statement of Changes in Equity

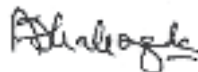
For the year ended March 31, 2017

	Issued, subscribed and paid-up share capital	Capital reserve	Revenue reserves	Reserve arising on amalgama- tion - net	Unappro- priated profit	Total
	----- (Rupees '000) -----					
<b>Balance at April 1, 2015</b>	77,686	259	2,079,991	25,823	498,285	2,682,044
Final dividend for the year ended March 31, 2015 declared subsequent to year end	-	-	-	-	(58,265)	(58,265)
Transfer to revenue reserves made subsequent to the year ended March 31, 2015	-	-	300,000	-	(300,000)	-
Profit after taxation for the year ended March 31, 2016	-	-	-	-	424,616	424,616
<b>Other comprehensive income for the year</b>						
Remeasurements of defined benefit plan	-	-	-	-	3,798	3,798
Tax on remeasurements of defined benefit plan	-	-	-	-	(1,177)	(1,177)
	-	-	-	-	2,621	2,621
Transferred from surplus on revaluation of property, plant and equipment - net of tax (note 6)	-	-	-	-	10,053	10,053
<b>Balance as at March 31, 2016</b>	77,686	259	2,379,991	25,823	577,310	3,061,069
Final dividend for the year ended March 31, 2016 declared subsequent to year end	-	-	-	-	(77,686)	(77,686)
Transfer to revenue reserves made subsequent to the year ended March 31, 2016	-	-	350,000	-	(350,000)	-
Profit after taxation for the year ended March 31, 2017	-	-	-	-	739,256	739,256
<b>Other comprehensive income for the year</b>						
Remeasurements of defined benefit plan	-	-	-	-	(11,434)	(11,434)
Tax on remeasurements of defined benefit plan	-	-	-	-	3,430	3,430
	-	-	-	-	(8,004)	(8,004)
Transferred from surplus on revaluation of property, plant and equipment - net of tax (note 6)	-	-	-	-	12,686	12,686
<b>Balance as at March 31, 2017</b>	<b>77,686</b>	<b>259</b>	<b>2,729,991</b>	<b>25,823</b>	<b>893,562</b>	<b>3,727,321</b>

Appropriations of dividend and transfer between reserves made subsequent to the year ended March 31, 2017 are disclosed in note 43 to these financial statements.

The annexed notes 1 to 45 form an integral part of these financial statements.

  
Arif Hashwani  
Chairman

  
Arshad Shehzada  
Chief Executive Officer

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 1 THE COMPANY AND ITS OPERATIONS

Exide Pakistan Limited (the Company) is a public limited company and is incorporated in Pakistan. The address of its registered office is A-44, Hill Street, Manghopir Road, S.I.T.E, Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange. The Company is engaged in the manufacturing and sale of batteries, chemicals and acid. Manufacturing facilities for batteries are located at S.I.T.E Karachi and HUB Balochistan while facilities for chemicals and acid are located at S.I.T.E and Bin Qasim Karachi.

## 2 Basis of preparation

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984, or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Companies Ordinance 1984 or the directives issued by the SECP prevail.

### 2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except that certain properties are stated at revalued amounts and certain staff retirement benefits are carried at present value.

### 2.3 New and amended standards and interpretations to published approved accounting standards that are effective in the current year

The following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on or after January 1, 2016 and are considered to be relevant to the Company's financial statements:

IAS 1, 'Presentation of financial statements' aims to improve presentation and disclosure in financial reports by emphasising the importance of understandability, comparability and clarity in presentation.

The amendments provide clarification on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that the Notes do not need to be presented in a particular order.
- Other Comprehensive Income (OCI) - arising from investments accounted for under the Equity method - the share of the OCI arising from equity - accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

The above do not have any significant impact on these financial statements.

## 2.4 New and amended standards and interpretations to published approved accounting standards that are not yet effective in the current year

2.4.1 There are certain new and amended standards and interpretations to published approved accounting standards that are mandatory for accounting periods beginning on or after April 1, 2017 but are considered not to be relevant or will not have any significant effect on the Company's financial statements and are therefore not detailed here.

2.4.2 The Companies Act, 2017 (the Act) has been enacted on May 30, 2017, superseding the Companies Ordinance, 1984. The Act does not impact the financial statements of the company for the year ended March 31, 2017.

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. 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. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Estimation for impairment in respect of trade debts (note 4.6 and note 18);
- ii) Provision for battery warranty claims (note 4.9 and note 8.4);
- iii) Provision for obsolete inventory (note 4.4, note 4.5, note 16 and note 17);
- iv) Estimates of liability in respect of staff retirement gratuity (note 4.11 and note 31);
- v) Provision for taxation (note 4.13 and note 29); and
- vi) Estimates of useful life and depreciation rates of operating fixed assets (note 4.1 and 12.1);

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

### 4.1 Property, plant and equipment

#### 4.1.1 Operating fixed assets

Leasehold land and buildings on leasehold land are stated at revalued amounts less accumulated depreciation and accumulated impairment losses (if any). Plant and machinery, furniture and fixtures, office equipment and appliances and vehicles are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the profit and loss account as and when incurred except major repairs which are capitalized.



# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

Depreciation on all property, plant and equipment is charged using the straight line method in accordance with the rates specified in note 12.1 to these financial statements and after taking into account residual values, (if significant). The revalued amount of leasehold land is amortised equally over the lease period. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each balance sheet date.

Depreciation on additions is charged from the month in which the assets become available for use, while on disposals depreciation is charged upto the month of disposal.

Any surplus arising on revaluation of property, plant and equipment is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment (net of deferred taxation) is transferred directly to unappropriated profit.

Gains / losses on disposal of property, plant and equipment are charged to the profit and loss account, except that the related surplus on revaluation of property, plant and equipment (net of deferred taxation) is transferred directly to unappropriated profit.

## 4.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses (if any). All expenditure connected to the specific assets incurred during installation and construction period is carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

## 4.2 Intangible assets

Computer software acquired by the Company are stated at cost less accumulated amortisation. Cost represents the expense incurred to acquire the software licence and bring them to use. The cost of computer software is amortised over the estimated useful life i.e. 2 years.

Cost associated with maintaining computer software is charged to the profit and loss account.

## 4.3 Financial instruments

### 4.3.1 Financial assets

#### 4.3.1.1 Classification

The management determines the appropriate classification of its financial assets in accordance with the requirements of International Accounting Standard 39 (IAS 39), "Financial Instruments: Recognition and Measurement" at the time of purchase of financial assets and re-evaluates this classification on a regular basis. The financial assets of the Company are categorised as follows:

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

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss'.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise of trade debts, loans and advances, deposits, cash and bank balances and other receivables in the balance sheet.

## c) Held to maturity

These are financial assets with fixed or determinable payments and fixed maturity which the Company has positive intent and ability to hold to maturity.

## d) Available for sale financial assets

Financial assets intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in equity prices, are classified as 'available for sale'. Available for sale financial instruments are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables (b) held to maturity (c) financial assets at fair value through profit or loss.

### 4.3.1.2 Initial recognition and measurement

All financial assets are recognised at the time the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the profit and loss account.

### 4.3.1.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

#### a) Financial assets at fair value through profit or loss' and 'available for sale'

'Financial assets at fair value through profit or loss' are marked to market using the closing market rates and are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit and loss account in the period in which these arise.

'Available for sale' financial assets are marked to market using the closing market rates and are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognised in other comprehensive income.

#### b) 'Loans and receivables' and 'held to maturity'

Loans and receivables and held to maturity financial assets are carried at amortised cost.

### 4.3.1.4 Impairment

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## a) Assets carried at amortised cost

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit and loss account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating) the reversal of the previously recognised impairment loss is recognised in the profit and loss account.

## b) Assets classified as 'available for sale'

Impairment loss in respect of available for sale assets is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of these assets.

If any evidence for impairment exists, the cumulative loss is removed from equity and recognised in the profit and loss account. For investments, other than equity instruments, the increase in fair value in a subsequent period thereby resulting in reversal of impairment is reversed through the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account.

### 4.3.2 Investment in subsidiary company

Investment in subsidiary company is stated at cost less impairment, if any, for any diminution in its value.

### 4.3.3 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

### 4.3.4 Derecognition

Financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised at the time when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the profit and loss account.

### 4.3.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

## 4.4 Spares

These are valued at lower of cost determined using the weighted average method and the net realisable value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

Provision is made in the financial statements for obsolete and slow moving spares based on management's best estimate regarding their future usability.

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

## 4.5 Stock-in-trade

Raw and packing material and components, work-in-process and finished goods are valued at lower of cost, determined using the weighted average method and the net realisable value. Cost in relation to components, work-in-process and finished goods, represents direct cost of materials, direct wages and an appropriate portion of production overheads and the related duties where applicable. Items in transit are valued at cost comprising invoice values plus other charges incurred thereon.

Provision is made in the financial statements for obsolete and slow moving stock based on management's best estimate regarding their future usability.

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

## 4.6 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful receivables which is determined based on management's review of outstanding amounts and previous repayment pattern. Balances considered bad and irrecoverable are written off.

## 4.7 Borrowings and borrowing costs

Borrowings are recognised initially at fair value and are subsequently carried at amortized cost.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of those that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

## 4.8 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost, which is the fair value of consideration to be paid in the future for goods and services whether or not billed to the Company.

## 4.9 Provision for battery warranty claims

The Company provides after sales warranty for its products for a specified period. Accrual is made in the financial statements for this warranty based on previous trends and is determined using the management's best estimate.

## 4.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.



# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 4.11 Staff retirement benefits

### The Company operates:

- (a) An approved funded gratuity plan covering all eligible employees. A separate fund is being maintained by the Company for employees of Automotive Battery Company Limited (now merged with and into the Company). Annual contributions to the funds are made based on actuarial recommendations. The most recent actuarial valuation was carried out for the year ended March 31, 2017 using the Projected Unit Credit Method. Amounts arising as a result of 'Remeasurements', representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the balance sheet immediately, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur; and
- (b) approved contributory provident funds for all eligible employees;

Staff retirement benefits are payable to staff on completion of the prescribed qualifying period of service under these funds / scheme.

## 4.12 Employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned.

## 4.13 Taxation

### *Current*

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits, rebates and exemptions available, if any. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the current year.

### *Deferred*

Deferred taxation is recognised using the balance sheet liability method on all major temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The Company also recognises deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard 12, 'Income Taxes'. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the balance sheet date.

## 4.14 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 4.15 Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. The resulting impairment loss is taken to the profit and loss account except for the impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

## 4.16 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include cash and cheques in hand, balances with banks in current and deposit accounts and short-term finances with original maturities of three months or less.

## 4.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be measured reliably. Revenue is measured at fair value of consideration received or receivable on the following basis :

- Sales are recognised as revenue on dispatch of goods to customers.
- Profit on deposit accounts with banks and other operating income are recognised as revenue on accrual basis.

## 4.18 Proposed dividends and transfers between reserves

Dividends declared and transfers between reserves made subsequent to the balance sheet date are considered as non-adjusting events and are recognised in the financial statements in the period in which such dividends are declared / transfers are made.

## 4.19 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. As the operations of the Company are predominantly carried out in Pakistan, information relating to geographical segment is not considered relevant.

The Company accounts for segment reporting using the business segments as the primary reporting format based on the Company's practice of reporting to the management on the same basis.

Assets, liabilities, capital expenditures and other balances that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets, liabilities, capital expenditures and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 4.20 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

## 4.21 Foreign currency transactions

Transactions in foreign currencies are translated to Pakistani Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange approximating those at the balance sheet date. Exchange gains / losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to the profit and loss account.

## 4.22 Basic and diluted earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

## 5 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2017 ------(Number of shares)-----	2016		2017 ------(Rupees '000)-----	2016
359,248	359,248	Ordinary shares of Rs 10 each issued as fully paid in cash	3,592	3,592
20,894	20,894	Ordinary shares of Rs 10 each issued for consideration other than cash	209	209
7,144,309	7,144,309	Ordinary shares of Rs 10 each issued as fully paid bonus shares	71,443	71,443
244,167	244,167	Ordinary shares of Rs 10 each issued to minority shareholders of Automotive Battery Company Limited	2,442	2,442
<u>7,768,618</u>	<u>7,768,618</u>		<u>77,686</u>	<u>77,686</u>

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 5.1 Shares held by the related parties of the Company

### Name of the shareholders

	2017	2016
	-----Number of shares-----	
Mr. Arif Hashwani	500	500
Mr. Hussain Hashwani	1,250,601	1,250,601
Mr. Altaf Hashwani	1,412,945	1,412,945
Mr. S. Haider Mehdi	652	652
Syed Muhammad Faiq	87	87
Ms. Sana Arif Hashwani	1,593,053	1,593,053
Ms. Zaver Hashwani	1,594,087	1,592,837
Mr. Ayub Hameed	100	100
Mr. Arshad Shehzada	13	13

## 6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX

This represents surplus arising on revaluation of leasehold land and buildings, net of deferred tax thereon.

	2017	2016
	----- (Rupees '000) -----	
Surplus on revaluation of operating fixed assets as at April 1	522,388	416,094
Surplus arising on revaluation during the year	-	116,840
Transferred to unappropriated profits:		
- surplus relating to incremental depreciation charged during the year - net of deferred tax	(12,686)	(10,053)
Related deferred tax liability	(647)	(493)
Surplus on revaluation of operating fixed assets as at March 31	509,055	522,388
Less: related deferred tax liability on:		
- revaluation as at April 1	6,686	5,613
- surplus arising on revaluation during the year	-	1,742
- adjustment due to change in tax rate	(216)	(176)
- incremental depreciation charged during the year transferred to the profit and loss account	(647)	(493)
	5,823	6,686
	503,232	515,702



# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

	Note	2017	2016
------(Rupees '000)-----			
<b>7</b>			
<b>DEFERRED TAX LIABILITY - NET</b>			
<b>Deferred tax liability arising on taxable temporary differences due to:</b>			
- Accelerated tax depreciation		61,877	77,567
- Surplus on revaluation of buildings on leasehold land	6	5,823	6,686
- Remeasurement of defined benefit obligations		3,430	-
- Provision for gratuity		5,977	7,247
<b>Deferred tax assets arising on deductible temporary differences due to:</b>			
- Provision for slow moving stock		(8,196)	(8,077)
- Provision for spares		(3,560)	(3,417)
- Provision for bad debts		(11,522)	(9,785)
- Provision for battery warranty claims		(50,732)	(61,843)
- Remeasurement of defined benefit obligations		-	(1,177)
		<b>3,097</b>	<b>7,201</b>
<b>8</b>			
<b>TRADE AND OTHER PAYABLES</b>			
Creditors		461,579	743,368
Bills payable		613,079	301,266
Accrued liabilities	8.1 & 8.2	560,402	291,771
Advances from customers		27,173	15,888
Workers' Profits Participation Fund	8.3	2,022	-
Workers' Welfare Fund		33,871	15,805
Provision for battery warranty claims	8.4	169,108	143,904
Unclaimed dividends		3,182	3,041
Payable to provident fund		1,564	1,368
Royalty payable		11,934	11,470
Sales tax payable		90,006	60,891
Others	8.5	17,885	8,013
		<b>1,991,805</b>	<b>1,596,786</b>

**8.1** This includes an amount of Rs 5.733 million (2016: Rs 3.754 million) in respect of employees compensated absences.

**8.2** This includes an amount of Rs 32.745 million (2016: Rs 29.145 million) in respect of rent payable to Zaver Enterprises - related party.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

	Note	2017	2016
		------(Rupees '000)-----	
<b>8.3 Workers' Profits Participation Fund</b>			
Balance at April 1		(424)	737
Allocation for the year	27	56,978	35,123
		<u>56,554</u>	<u>35,860</u>
Interest on funds utilised in the Company's business	28	134	172
		<u>56,688</u>	<u>36,032</u>
Less: Amount paid during the year		(54,666)	(36,456)
Balance at March 31		<u>2,022</u>	<u>(424)</u>
<b>8.4 Provision for battery warranty claims</b>			
Balance at April 1		143,904	107,976
Charge for the year	24	629,732	520,356
Claims paid		(604,528)	(484,428)
Balance at March 31		<u>169,108</u>	<u>143,904</u>
<b>8.5</b>			
This includes an amount of Rs 0.018 million (2016: Rs 0.025 million) payable to the subsidiary company, Chloride Pakistan (Private) Limited (CPL)			
	Note	2017	2016
		------(Rupees '000)-----	
<b>9 ACCRUED PROFIT</b>			
Profit accrued on:			
- Running musharakah		23,631	16,350
- Istisna		9,007	15,604
		<u>32,638</u>	<u>31,954</u>
<b>10 SHORT-TERM BORROWINGS</b>			
<b>From banking companies - secured</b>			
- Running musharakah	10.1	2,317,509	1,209,186
- Istisna		799,947	1,359,946
		<u>3,117,456</u>	<u>2,569,132</u>
<b>10.1</b>			
The facilities for Running musharakah and Istisna have been obtained from various banks in order to meet working capital and import requirements. These facilities amounted to Rs 5,183 million (2016: Rs 4,433 million) and carry profit at rates ranging from 6.04% to 7.26% (2016: 6.64% to 8.98%) and are repayable latest by July 15, 2017. The arrangements are secured by pari passu and joint hypothecation charge over the company's present and future stock-in-trade and trade debts.			

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 11 CONTINGENCIES AND COMMITMENTS

### Contingencies

- 11.1 Automotive Battery Company Limited (which has been merged with Exide Pakistan Limited) had claimed carry over of tax holiday losses beyond the tax holiday period for set off against the profits of taxable period. The tax benefit claimed by the company amounted to approximately Rs 24 million. This was adjudicated by the Income Tax Appellate Tribunal in the Company's favour and on a reference application for assessment years 1988-89, 1989-90 and 1990-91 by the Income Tax Department, the Tribunal referred the question of law to the Honorable Sindh High Court, which upheld the order of the Tribunal vide its judgment dated 27 January 2006. The Tax Department has filed a further appeal before the Supreme Court of Pakistan against the judgment of the High Court which is currently pending. Based on the legal advice from the Company's lawyers and in view of the initial success upto the High Court level, the Company expects the final outcome to be in its favour and accordingly provision has not been made in these financial statements in respect of this amount.
- 11.2 The Company received notice from the Directorate of Intelligence and Investigation – Federal Board of Revenue (FBR), Lahore on April 15, 2011. In the said notice it was alleged that the Company had purchased goods from certain dummy / fake suppliers who got themselves registered with the Regional Tax Officers at Lahore, Faisalabad and Karachi and issued fake sales tax invoices to the Company and accordingly the Company has claimed illegal / inadmissible input tax adjustment amounting to Rs 157.297 million for the period from July 2005 to February 2011. As a result the name of the Company was included as an accused person in the First Information Report (FIR) No. 04/2011 dated March 26, 2011 registered by the Additional Director, Intelligence and Investigation – FBR, Lahore.

The management of the Company is of the view that the Company always purchases taxable goods from active taxpayers only as per the guidelines of the FBR in order to claim valid input tax under section 7 of the Sales Tax Act, 1990 (Act). The management is also of the view that on the 15th calendar day of the following month the Company electronically files its Sales Tax Returns and the web portal of FBR accepts input tax claim for only active tax payers. The dummy/fake suppliers as alleged in the FIR were active at the time of purchase of goods and were filing their sales tax returns which was accepted by the web portal of FBR. This made the Company believe that it was safe and legitimate to conclude that the alleged suppliers at the time of supplying taxable goods to the Company were making their output tax payments. The Company had no other means of confirmation. The Company further explained that the payments to these alleged dummy suppliers were made through crossed cheques after physical receipt of goods in order to comply with the requirement of Section 73 of the Act. Income tax was deducted at source under section 153 of the Income Tax Ordinance, 2001.

The Company has, therefore, filed a Constitutional Petition in the Honorable Sindh High Court (the Court) and prayed to quash the FIR against the Company and declare the notice illegal. The Court has restrained the tax authorities from proceeding with the matter and the notices issued by the tax authorities have been stayed. The department filed an appeal in the Honorable Supreme Court of Pakistan against interim injunction order passed by a learned Division Bench of the Honorable Sindh High Court. The department's appeal was rejected by the Honorable Supreme Court of Pakistan. Majority of alleged accused persons challenged the said FIR in the Lahore High Court, However, The Lahore High Court has quashed the said FIR no. 04/2011. The management of the Company is confident that in view of the explanations given in the above paragraph the matter will be decided in favour of the Company and, accordingly, the Company will not be exposed to any loss on account of this action.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

**11.3** The Company received notice No 10(1)/IRAO(IANDI)/IR/2014/553 on January 28, 2014 from the Inland Revenue Audit Officer, Directorate of Intelligence and Investigation, Karachi. In the said notice the authority pointed out variances in imports, local purchases and sales as per sales tax return and income tax return. The authority also raised observations in respect of payment of sales tax @ 1% in the event output tax is lower than the input tax and relied upon SRO 660 (1/2007). The directorate directed investigative audit of the Company for the last 5 years.

The Company responded through legal counsel i.e. Fazle Ghani Advocates through letter dated February 18, 2014. Since the authority was not satisfied with the response of the Company and insisted upon submission of various information and audit as stated above, the Company therefore, filed a constitutional petition in the Honourable Sindh High Court through Messrs Fazle Ghani Advocates and challenged the authority of Investigation and Intelligence Department of FBR, for correction of the information and investigative audit. The Honourable High Court has granted an interim order and directed the authority to stop any action against the Company, and the said interim order is operating.

**11.4** Through the Finance Act 2017, Section 5A of the Income Tax Ordinance, 2001 has been amended. Through the revised provision a tax equal to 7.5 percent of accounting profit for the year will be levied on every public company, other than a scheduled bank and modaraba, if there is no distribution of cash dividend or bonus shares of atleast 40 percent of accounting profit after tax for the year. However, the management is of the view that this amendment is opposed to the principles of economic growth and has, therefore, decided to challenge the amendment in the Honorable Sindh High Court. Accordingly, provision amounting to Rs 79.57 million has not been made in these financial statements in respect of the additional tax liability.

## Commitments

Note      **2017**      2016  
------(Rupees '000)-----

### 11.5 Commitments in respect of:

Capital expenditure contracted for but not incurred	<b>6,462</b>	2,229
Letters of credit	<b>534,585</b>	390,891
Letters of guarantee	<b>59,819</b>	84,141

### 12 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	12.1	<b>1,258,825</b>	1,316,226
Capital work-in-progress	12.6	<b>183,700</b>	39,146
Intangible assets	12.7	-	-
		<b>1,442,525</b>	<u>1,355,372</u>

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

12.1 The following is a statement of operating fixed assets:

	2017						Total
	Leasehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment and appliances	Vehicles	
	----- Rupees '000 -----						
<b>At April 1, 2016</b>							
Cost / revalued amount	570,297	66,236	1,450,830	15,754	28,199	104,581	2,235,897
Accumulated depreciation	(401)	-	(821,354)	(9,608)	(22,381)	(65,927)	(919,671)
<b>Net book value</b>	<b>569,896</b>	<b>66,236</b>	<b>629,476</b>	<b>6,146</b>	<b>5,818</b>	<b>38,654</b>	<b>1,316,226</b>
Additions / transfers from CWIP	-	-	53,909	2,246	2,968	33,290	92,413
Disposals:							
Cost	-	-	-	-	(1,247)	(7,912)	(9,159)
Depreciation	-	-	-	-	1,247	4,663	5,910
Depreciation charge for the year	(11,405)	(6,237)	(108,154)	(1,499)	(3,241)	(16,029)	(146,565)
Closing net book value	<b>558,491</b>	<b>59,999</b>	<b>575,231</b>	<b>6,893</b>	<b>5,545</b>	<b>52,666</b>	<b>1,258,825</b>
<b>At March 31, 2017</b>							
Cost / revalued amount	570,297	66,236	1,504,739	18,000	29,920	129,959	2,319,151
Accumulated depreciation	(11,806)	(6,237)	(929,508)	(11,107)	(24,375)	(77,293)	(1,060,326)
<b>Net book value</b>	<b>558,491</b>	<b>59,999</b>	<b>575,231</b>	<b>6,893</b>	<b>5,545</b>	<b>52,666</b>	<b>1,258,825</b>
Depreciation rate % per annum	1 - 2	5 - 10	10 - 20	10 - 20	10 - 20	10 - 20	

	2016						Total
	Leasehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment and appliances	Vehicles	
	----- Rupees '000 -----						
<b>At April 1, 2015</b>							
Cost / revalued amount	510,000	84,689	1,333,634	14,147	26,968	98,272	2,067,710
Accumulated depreciation	(41,124)	(24,883)	(721,252)	(8,636)	(19,327)	(56,872)	(872,094)
<b>Net book value</b>	<b>468,876</b>	<b>59,806</b>	<b>612,382</b>	<b>5,511</b>	<b>7,641</b>	<b>41,400</b>	<b>1,195,616</b>
Additions / transfers from CWIP	-	9,388	117,196	1,961	1,231	10,962	140,738
<b>Adjustments due to revaluation in</b>							
Cost or revaluation	(50,923)	(33,461)	-	-	-	-	(84,384)
Accumulated depreciation	50,923	33,461	-	-	-	-	84,384
Surplus on revaluation during the year	111,220	5,620	-	-	-	-	116,840
Disposals:							
Cost	-	-	-	(354)	-	(4,653)	(5,007)
Depreciation	-	-	-	354	-	3,889	4,243
Depreciation charge for the year	(10,200)	(8,578)	(100,102)	(1,326)	(3,054)	(12,944)	(136,204)
Closing net book value	<b>569,896</b>	<b>66,236</b>	<b>629,476</b>	<b>6,146</b>	<b>5,818</b>	<b>38,654</b>	<b>1,316,226</b>
<b>At March 31, 2016</b>							
Cost / revalued amount	570,297	66,236	1,450,830	15,754	28,199	104,581	2,235,897
Accumulated depreciation	(401)	-	(821,354)	(9,608)	(22,381)	(65,927)	(919,671)
<b>Net book value</b>	<b>569,896</b>	<b>66,236</b>	<b>629,476</b>	<b>6,146</b>	<b>5,818</b>	<b>38,654</b>	<b>1,316,226</b>
Depreciation rate % per annum	1 - 2	5 - 10	10 - 20	10 - 20	10 - 20	10 - 20	



# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

- 12.2** Leasehold land and buildings on leasehold land of the Company were last revalued in March 2016 by Shahani & Co., independent valuation consultants, on the basis of present market values. The revaluation resulted in a net surplus of Rs 116.840 million over the written down values of Rs 518.893 million which had been incorporated in the books of the Company on March 31, 2016. Out of the revaluation surplus resulting from all the revaluations carried out to date, an amount of Rs 509.055 million (2016: 522.388 million) remains undepreciated as at March 31, 2017.

Had there been no revaluation, the book value of leasehold land and buildings on leasehold land would have been as follows:

	2017	2016
	------(Rupees '000)-----	
Leasehold land	65,765	67,679
Buildings on leasehold land	40,585	46,065

- 12.3** Included in cost of fixed assets - own use are fully depreciated items which are still in use aggregating to Rs. 471.055 million (2016: Rs. 446.076 million).

- 12.4** Particulars of operating fixed assets disposed of, having net book value exceeding Rs 50,000, or to related parties during the year are as follows:

	Cost	Accu- mulated deprecia- tion	Net Book value	Sale pro- ceeds	Mode of disposals / settlement	Particulars of buyers	Location
	----- (Rupees '000) -----						
<b>Vehicles</b>							
Suzuki Cultus	1,039	433	606	779	Company Policy	Mr. Azhar Zaman Khan (Employee)	Karachi
Honda City	1,374	1,374	-	611	Company Policy	Mr. S. Zulqarnain Shah (Employee)	Karachi
Suzuki Mehran	560	457	103	292	Company Policy	Mr. M. Ashraf (Employee)	Multan
Suzuki Alto	800	400	400	733	Company Policy	Mr. Salahuddin (Employee)	Sukkur
Honda City	1,522	609	913	1,157	Company Policy	Mr. Arif Kaimkhani (Employee)	Karachi
Suzuki Cultus	1,034	448	586	765	Company Policy	Mr. Tariq Khan (Employee)	Karachi
Suzuki Cultus	1,039	398	641	800	Company Policy	Mr. Faisal Riaz Malik (Employee)	Karachi
<b>2017</b>	<b>7,368</b>	<b>4,119</b>	<b>3,249</b>	<b>5,137</b>			
2016	4,583	3,868	715	2,561			

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

- 12.5** The Company allocates depreciation charge to cost of sales, selling and distribution expense and administration and general expenses. Amounts allocated during the year are as follows:

	Note	2017	2016
		----- (Rupees '000) -----	
<b>Depreciation</b>			
Cost of sales	23	139,237	129,394
Selling and distribution expenses	24	2,931	2,724
Administration and general expenses	25	4,397	4,086
		<u>146,565</u>	<u>136,204</u>

- 12.6 Capital work-in-progress**

Plant and machinery		31,506	17,153
Advance against purchase of land		130,201	-
Advances to suppliers / contractors		21,993	21,993
		<u>183,700</u>	<u>39,146</u>

- 12.7** This represents fully amortised intangibles having cost of Rs. 7.331 million (2016: Rs. 7.331 million).

- 13 LONG-TERM INVESTMENT**
- |  | Percentage holding | 2017                      | 2016 |
|--|--------------------|---------------------------|------|
|  |                    | ----- (Rupees '000) ----- |      |

**Investment in related party - at cost**

**Subsidiary company - Unquoted**

22,350 (2016: 22,350) ordinary shares of Rs 10 each held in Chloride Pakistan (Private) Limited, a private limited company incorporated in Pakistan

100%	<u>224</u>	<u>224</u>
------	------------	------------

- 13.1** Chloride Pakistan (Private) Limited (CPL) has not yet commenced production. The auditors of CPL have included an emphasis of matter paragraph in their report on the matter highlighting that the financial statements have not been prepared on a going concern basis and consequently all the assets appearing in the financial statements have been measured at their realisable values and the liabilities are reported at amounts not less than those at which these are expected to be settled.

- 13.2** The Securities and Exchange Commission of Pakistan vide letter No. EMD/233/433/2002-1535 dated June 22, 2017 has granted exemption to the Company from the preparation of consolidated financial statements. The audited balance sheet as at March 31, 2017 and the profit and loss account for the year ended March 31, 2017 of CPL are as follows:

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

	2017	2016
	------(Rupees '000)-----	
<b>BALANCE SHEET</b>		
<b>Current assets</b>		
Receivable from Exide Pakistan Limited - holding Company	18	25
Cash and bank balance	19	10
<b>Current liability</b>		
Accrued expenses	(82)	(75)
	(45)	(40)
<b>Financed by:</b>		
Share capital	224	224
Accumulated loss	(894)	(839)
	(670)	(615)
Loan from a director - subordinated	625	575
	(45)	(40)
<b>PROFIT AND LOSS ACCOUNT</b>		
<b>Expenses</b>		
Legal and professional charges	(14)	(19)
Bank charges	-	(1)
Auditors' remuneration		
- Audit fees	(34)	(34)
- Out of pocket expenses	(6)	(6)
	(40)	(40)
<b>Loss before tax</b>	(54)	(60)
Tax	-	-
<b>Loss for the year</b>	(54)	(60)

13.3 The financial statements of the subsidiary company are available for inspection at the Company's registered office and would be available to the members on request without any cost.

	Note	2017	2016
		------(Rupees '000)-----	
<b>14 LONG-TERM LOANS (considered good - unsecured)</b>			
Due from:			
Executives	14.1, 14.2 & 14.3	1,197	641
Employees	14.1	922	1,021
		2,119	1,662
Less: receivable within one year	19	(1,275)	(854)
		844	808

14.1 Loans to executives and employees are provided for the purchase of motor vehicles and other general purposes in accordance with the terms of their employment. These loans are un-secured, interest free and are repayable over varying periods upto a maximum period of five years.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

		2017	2016
		------(Rupees '000)-----	
<b>14.2</b>	<b>Reconciliation of carrying amount of loans to Executives</b>		
	Opening balance	641	677
	Disbursements during the year	1,035	392
	Repayments during the year	(479)	(428)
	Closing balance	<u>1,197</u>	<u>641</u>
<b>14.3</b>	The maximum aggregate amount due from Executives at the end of any month during the year was Rs 1.197 million (2016: Rs 0.641 million).		
<b>15</b>	<b>LONG-TERM DEPOSITS</b>		
	Utilities	19,008	18,389
	Others	15,730	18,530
		<u>34,738</u>	<u>36,919</u>
<b>16</b>	<b>SPARES</b>		
	Spares (including in transit of Rs. 0.97 million (2016: Rs. 0.27 million))	94,769	111,846
	Stores	24,060	26,596
	Less: provision for slow moving and obsolete spares	(11,867)	(11,024)
		<u>106,962</u>	<u>127,418</u>
<b>16.1</b>	<b>Provision for slow moving and obsolete spares</b>		
	Opening balance	11,024	10,492
	Charge during the year	843	532
	Closing balance	<u>11,867</u>	<u>11,024</u>
<b>17</b>	<b>STOCK-IN-TRADE</b>		
	Raw and packing materials and components (including goods-in-transit of Rs 626 million (2016: Rs 430 million))	1,551,855	1,159,902
	Work-in-process	513,418	523,680
	Finished goods	1,828,928	1,112,555
		<u>3,894,201</u>	<u>2,796,137</u>
	Less: Provision for slow moving and obsolete stock-in-trade	(27,320)	(26,056)
		<u>3,866,881</u>	<u>2,770,081</u>
<b>17.1</b>	<b>Provision for slow moving and obsolete stock-in-trade</b>		
	Opening balance	26,056	5,020
	Charge during the year	1,264	21,036
	Closing balance	<u>27,320</u>	<u>26,056</u>
<b>17.2</b>	Raw materials and components amounting to Rs 114.051 million (2016 Rs 45.983 million ) were held by Precision Polymers (Private) Limited, Wakil Enterprises and Mesia Inc. who under an arrangement with the Company, manufacture plastic containers, lids and vent plugs for the Company.		

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

	Note	2017	2016
		----- (Rupees '000) -----	
<b>18 TRADE DEBTS - unsecured</b>			
Considered			
- good		2,331,845	2,510,293
- doubtful		38,407	31,564
		<u>2,370,252</u>	<u>2,541,857</u>
Less: Provision for impairment in trade debts	18.1	(38,407)	(31,564)
		<u>2,331,845</u>	<u>2,510,293</u>
<b>18.1 Provision for impairment</b>			
Balance at April 1		31,564	24,630
Provision made during the year	27	6,843	8,452
		<u>38,407</u>	<u>33,082</u>
Less: amount reversed during the year	26	-	(1,518)
Balance at March 31		<u>38,407</u>	<u>31,564</u>

**18.2** As at March 31, 2017, Rs 724.084 million (2016: Rs 545.621 million) of the gross trade debts are over due out of which Rs 38.407 million are impaired and provided for. These balances relate to various customers for whom there is no recent history of default. The age analysis of these trade debts is as follows:

	Note	2017	2016
		----- (Rupees '000) -----	
By 1 month		421,355	190,901
1 to 6 months		161,271	225,123
Over 6 months		141,458	129,597
		<u>724,084</u>	<u>545,621</u>
<b>19 LOANS AND ADVANCES - (considered good - unsecured)</b>			
Loans due from - employees and executives			
- current portion of long term loans to employees	14	1,275	854
Advances to			
- employees	19.1	113	94
- suppliers		29,290	25,681
		<u>30,678</u>	<u>26,629</u>

**19.1** Advances to employees are given to meet business expenses and are settled as and when expenses are incurred.

	Note	2017	2016
		----- (Rupees '000) -----	
<b>20 TRADE DEPOSITS, SHORT-TERM PREPAYMENTS AND OTHER RECEIVABLES</b>			
Short-term prepayments		5,415	7,950
Insurance claims		6,304	4,959
Receivable from defined benefit plans	20.1	31,358	19,582
Workers' Profits Participation Fund	8.3	-	424
Others		1,235	1,229
		<u>44,312</u>	<u>34,144</u>



# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 20.1 Receivable from defined benefit plans

	2017			2016		
	EXIDE	ABCL	Total	EXIDE	ABCL	Total
	(Rupees '000)					
Balance at April 1	(15,918)	(3,664)	(19,582)	(15,358)	(3,765)	(19,123)
Charge for the year	(19,768)	(3,005)	(22,773)	1,533	2,379	3,912
Other comprehensive income	7,299	4,135	11,434	(1,520)	(2,278)	(3,798)
Contributions paid	(437)	-	(437)	(573)	-	(573)
Closing net	(28,824)	(2,534)	(31,358)	(15,918)	(3,664)	(19,582)

20.2 Automotive Battery Company Limited (ABCL) was merged with Exide Pakistan Limited (Exide) in accordance with the scheme of amalgamation approved by the Honorable High Court of Sindh on March 11, 2009. The said amalgamation was effective from March 31, 2008. However, the resulting amalgamation did not affect the staff retirement funds operated by both the companies as a result of which separate funds are being operated for the employees of both companies.

## 21 CASH AND BANK BALANCES

	2017	2016
	(Rupees '000)	
With banks - current accounts	239,056	60,308
Cheques in hand	778,553	338,753
Cash in hand	287	296
	<b>1,017,896</b>	<b>399,357</b>

## 22 SALES

Note	Batteries		Chemicals		Company	
	2017	2016	2017	2016	2017	2016
	(Rupees '000)					
Sales	16,574,343	14,444,374	328,482	367,639	16,902,825	14,812,013
Sales tax	2,692,034	2,361,111	47,728	53,418	2,739,762	2,414,529
Discounts to distributors and customers	1,253,123	701,592	-	-	1,253,123	701,592
	<b>3,945,157</b>	<b>3,062,703</b>	<b>47,728</b>	<b>53,418</b>	<b>3,992,885</b>	<b>3,116,121</b>
Net sales	<b>12,629,186</b>	<b>11,381,671</b>	<b>280,754</b>	<b>314,221</b>	<b>12,909,940</b>	<b>11,695,829</b>

22.1 Battery sales include export sales amounting to Rs 16.972 million (2016: Rs. 30.775 million).

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 23 COST OF SALES

Note	Batteries		Chemicals		Company	
	2017	2016	2017	2016	2017	2016
	(Rupees '000)					
<b>Raw and packing materials consumed</b>						
Opening stock	1,147,870	1,133,826	12,032	33,501	1,159,902	1,167,327
Purchases	10,086,913	8,647,593	169,569	182,487	10,256,482	8,830,080
	<b>11,234,783</b>	<b>9,781,419</b>	<b>181,601</b>	<b>215,988</b>	<b>11,416,384</b>	<b>9,997,407</b>
Closing stock	(1,526,085)	(1,147,870)	(25,770)	(12,032)	(1,551,855)	(1,159,902)
	<b>9,708,698</b>	<b>8,633,549</b>	<b>155,831</b>	<b>203,956</b>	<b>9,864,529</b>	<b>8,837,505</b>
Salaries, wages and benefits	23.1 343,397	321,217	30,210	25,000	373,607	346,217
Spares consumed	61,654	70,515	-	3,184	61,654	73,699
Rent, rates and taxes	49,994	43,235	440	358	50,434	43,593
Fuel, power and water	357,608	358,516	35,873	40,001	393,481	398,517
Insurance	21,326	26,471	2,601	446	23,927	26,917
Repairs and maintenance	64,214	85,937	6,953	6,949	71,167	92,886
Depreciation	12.5 136,294	125,937	2,943	3,457	139,237	129,394
General expenses	63,767	61,040	6,587	5,539	70,354	66,579
Opening stock of work-in-process	521,214	437,088	2,466	2,713	523,680	439,801
Closing stock of work-in-process	(511,522)	(521,214)	(1,896)	(2,466)	(513,418)	(523,680)
	<b>10,816,644</b>	<b>9,642,291</b>	<b>242,008</b>	<b>289,137</b>	<b>11,058,652</b>	<b>9,931,428</b>
Opening stock of finished goods	1,106,669	790,793	5,886	3,442	1,112,555	794,235
	<b>11,923,313</b>	<b>10,433,084</b>	<b>247,894</b>	<b>292,579</b>	<b>12,171,207</b>	<b>10,725,663</b>
Closing stock of finished goods	(1,824,210)	(1,106,669)	(4,718)	(5,886)	(1,828,928)	(1,112,555)
	<b>10,099,103</b>	<b>9,326,415</b>	<b>243,176</b>	<b>286,693</b>	<b>10,342,279</b>	<b>9,613,108</b>

23.1 Salaries, wages and benefits include Rs 7.088 million (2016: Rs 6.673 million) in respect of staff retirement benefits.

## 24 SELLING AND DISTRIBUTION EXPENSES

Note	Batteries		Chemicals		Company	
	2017	2016	2017	2016	2017	2016
	(Rupees '000)					
Salaries, wages and benefits	24.1 72,689	48,675	528	487	73,217	49,162
Repairs and maintenance	1,430	1,059	-	-	1,430	1,059
Royalty	11,934	11,470	-	-	11,934	11,470
Advertising	111,012	128,987	-	-	111,012	128,987
Sales promotion	31,086	12,413	-	-	31,086	12,413
Rent, rates and taxes	18,762	11,367	-	-	18,762	11,367
Insurance	22,107	23,483	-	-	22,107	23,483
Printing and stationery	1,663	834	-	-	1,663	834
Carriage and forwarding	263,055	225,367	4,677	5,235	267,732	230,602
Battery warranty claims	8.4 629,732	520,356	-	-	629,732	520,356
Travelling, conveyance and entertainment	16,267	14,739	-	-	16,267	14,739
Depreciation	12.5 2,867	2,651	64	73	2,931	2,724
Postage, telegram, telephone and telex	2,651	1,982	-	-	2,651	1,982
General expenses	37,403	25,910	131	131	37,534	26,041
	<b>1,222,658</b>	<b>1,029,293</b>	<b>5,400</b>	<b>5,926</b>	<b>1,228,058</b>	<b>1,035,219</b>

24.1 Salaries, wages and benefits include Rs 1.391 million (2016: Rs 0.890 million) in respect of staff retirement benefits.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 25 ADMINISTRATION AND GENERAL EXPENSES

	Note	Batteries		Chemicals		Company	
		2017	2016	2017	2016	2017	2016
----- (Rupees '000) -----							
Salaries, wages and benefits	25.1	66,306	64,030	1,471	1,753	67,777	65,783
Repairs and maintenance		5,495	5,981	122	164	5,617	6,145
Legal and professional charges		2,600	2,627	58	72	2,658	2,699
Rent, rates and taxes		124	75	3	2	127	77
Insurance		1,411	1,620	31	44	1,442	1,664
Depreciation	12.5	4,302	3,977	95	109	4,397	4,086
Printing and stationery		1,781	1,696	40	46	1,821	1,742
Travelling, conveyance and entertainment		9,916	13,259	220	363	10,136	13,622
Communication and postage		2,411	3,053	53	84	2,464	3,137
General expenses		7,235	8,209	160	225	7,395	8,434
		<b>101,581</b>	<b>104,527</b>	<b>2,253</b>	<b>2,862</b>	<b>103,834</b>	<b>107,389</b>

25.1 Salaries, wages and benefits include Rs 1.288 million (2016: Rs 1.335 million) in respect of staff retirement benefits.

## 26 OTHER INCOME

Note 2017 2016  
----- (Rupees '000) -----

Profit on margin deposits		3,278	227
Gain on disposal of operating fixed assets		2,131	2,012
Reversal of provision for impairment in trade debts	18.1	-	1,518
Scrap sales		318	336
		<b>5,727</b>	<b>4,093</b>

## 27 OTHER OPERATING CHARGES

Auditors' remuneration	27.1	5,867	5,345
Workers' Profits Participation Fund	8.3	56,978	35,123
Workers' Welfare Fund		21,652	15,805
Donations	27.2	425	418
Provision for impairment in trade debts	18.1	6,843	8,452
Provision against slow moving and obsolete spares	16.1	843	532
Provision against slow moving and obsolete stock in trade	17.1	1,264	21,036
Bank charges		9,596	11,575
Exchange loss		12,128	20,277
		<b>115,596</b>	<b>118,563</b>

### 27.1 Auditors' remuneration

Audit fee		1,539	1,399
Tax advisory services		2,677	2,726
Fee for the review of half yearly financial information		490	420
Special reports and certifications, audit of provident and gratuity funds		825	500
Out of pocket expenses		336	300
		<b>5,867</b>	<b>5,345</b>

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

27.2 Donations were not made to any donee in which the Company or a director or his spouse had any interest.

	Note	2017	2016
		------(Rupees '000)-----	
<b>28 FINANCE COST</b>			
Interest on Workers' Profit Participation Fund	8.3	134	172
Profit on			
- Short-term running musharakah		50,205	73,144
- Short-term Istisna		14,626	100,848
		<u>64,965</u>	<u>174,164</u>
<b>29 TAXATION - NET</b>			
Current - for the year		353,007	265,728
- for prior years		(30,870)	3,783
Deferred - net		(3,888)	(41,408)
Remeasurement of defined benefit obligations to be routed through OCI		3,430	(1,177)
		<u>(458)</u>	<u>(42,585)</u>
		<u>321,679</u>	<u>226,926</u>
<b>29.1 Relationship between tax expenses and accounting profit</b>			
Accounting profit before tax		1,060,935	651,542
Tax rate		31%	32%
Tax on accounting profit		328,890	208,493
<b>Tax effect of differences relating to:</b>			
- tax for prior years		(30,870)	3,783
- depreciation charged in the financial statements on leasehold land		3,535	3,264
- export sales		(602)	(960)
- super tax		31,620	23,766
- others		(10,894)	(11,420)
Tax expense for the current year		<u>321,679</u>	<u>226,926</u>

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 30 EARNINGS PER SHARE (EPS)

Earnings per share has been computed by dividing profit after taxation for the year by the weighted average number of shares outstanding during the year as follows:

	2017	2016
	------(Rupees '000)-----	
Profit after taxation attributable to ordinary shareholders	<u>739,256</u>	<u>424,616</u>
	----- Number of shares -----	
Weighted average number of ordinary shares outstanding during the year	<u>7,768,618</u>	<u>7,768,618</u>
	------(Rupees)-----	
Earnings per share (EPS)	<u>95.16</u>	<u>54.66</u>

30.1 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2017 and 2016 which would have any effect on the earnings per share if the option to convert is exercised.

## 31 DEFINED BENEFIT AND DEFINED CONTRIBUTION PLANS

### 31.1 Defined benefit plan - Staff retirement gratuity plan

#### General description

As mentioned in note 4.11 (a), the Company operates an approved funded gratuity plan covering all eligible employees. The latest actuarial valuation of the plan has been carried out as at March 31, 2017 and expense has been recorded based on this latest actuarial valuation report. Presently, separate funds are operating for the employees of Exide Pakistan Limited (Exide) and Automotive Battery Company Limited (ABCL) respectively.

#### Principal actuarial assumptions

The following significant assumptions have been used for valuation of this scheme.

	2017		2016	
	Exide	ABCL	Exide	ABCL
a. Valuation discount rate	8.00%	8.00%	7.75%	7.75%
b. Salary increase rate	8.00%	8.00%	7.75%	7.75%
c. Expected rate of return on plan assets	8.00%	8.00%	7.75%	7.75%

d. Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables with one year age set back.

The Gratuity scheme exposes the entity to the following risks:



# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

## Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plans.

## Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

## Risk of insufficiency of assets

This is managed by making regular contribution to the Fund as advised by the actuary.

## Withdrawal risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

### 31.1.1 The amount recognised in the balance sheet is determined as follows: (note 20.1)

Note	----- 2017 -----			----- 2016 -----		
	EXIDE	ABCL	Total	EXIDE	ABCL	Total
	----- (Rupees '000) -----					
Present value of defined benefit obligation	33,668	15,508	49,176	43,122	18,586	61,708
Less: fair value of plan assets	(62,492)	(18,042)	(80,534)	(59,040)	(22,250)	(81,290)
	<u>(28,824)</u>	<u>(2,534)</u>	<u>(31,358)</u>	<u>(15,918)</u>	<u>(3,664)</u>	<u>(19,582)</u>

### 31.1.2 Plan assets comprise of the following:

	----- 2017 -----			
	(Rupees '000)	Percentage composition	(Rupees '000)	Percentage composition
	-----EXIDE-----		-----ABCL-----	
Debt instruments	45,516	73%	-	-
Mutual Funds	15,089	24%	1,840	10%
Equity instruments	394	1%	349	2%
Cash at bank	1,493	2%	15,853	88%
	<u>62,492</u>	<u>100%</u>	<u>18,042</u>	<u>100%</u>

	----- 2016 -----			
	(Rupees '000)	Percentage composition	(Rupees '000)	Percentage composition
	-----EXIDE-----		-----ABCL-----	
Debt instruments	47,021	80%	19,323	87%
Mutual Funds	10,401	18%	1,324	6%
Equity instruments	303	1%	269	1%
Cash at bank	1,315	2%	1,334	6%
	<u>59,040</u>	<u>100%</u>	<u>22,250</u>	<u>100%</u>

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

	2017						
	Present value of obligation	Fair value of plan assets	Sub-total	Present value of obligation	Fair value of plan assets	Sub-total	Total
	Exide			ABCL			
	(Rupees in '000)						
At April 1	43,122	(59,040)	(15,918)	18,586	(22,250)	(3,664)	(19,582)
Current service cost	3,294	-	3,294	2,745	-	2,745	6,039
Interest expense / (income)	3,020	(4,378)	(1,358)	1,291	(1,575)	(284)	(1,642)
Past service cost	(21,704)	-	(21,704)	(5,466)	-	(5,466)	(27,170)
	27,732	(63,418)	(35,686)	17,156	(23,825)	(6,669)	(42,355)
Remeasurements:							
- Return on plan assets, excluding amounts included in interest expense	-	-	-	-	-	-	-
- Gain from change in demographic assumptions	-	-	-	-	-	-	-
- Loss from change in financial assumptions	-	-	-	-	-	-	-
- Experience adjustment	11,479	(4,180)	7,299	2,211	1,924	4,135	11,434
	11,479	(4,180)	7,299	2,211	1,924	4,135	11,434
Contribution	-	(437)	(437)	-	-	-	(437)
Benefit payments	(5,543)	5,543	-	(3,859)	3,859	-	-
At March 31	33,668	(62,492)	(28,824)	15,508	(18,042)	(2,534)	(31,358)
	2016						
	Present value of obligation	Fair value of plan assets	Sub-total	Present value of obligation	Fair value of plan assets	Sub-total	Total
	Exide			ABCL			
	(Rupees in '000)						
At April 1	41,334	(56,692)	(15,358)	16,072	(19,837)	(3,765)	(19,123)
Current service cost	3,368	-	3,368	881	-	881	4,249
Interest expense / (income)	3,680	(5,127)	(1,447)	1,474	(1,822)	(348)	(1,795)
Past service cost	(388)	-	(388)	1,846	-	1,846	1,458
	47,994	(61,819)	(13,825)	20,273	(21,659)	(1,386)	(15,211)
Remeasurements:							
- Return on plan assets, excluding amounts included in interest income	-	-	-	-	-	-	-
- (Gain) / loss from change in demographic assumptions	-	-	-	-	-	-	-
- (Gain) / loss from change in financial assumptions	-	-	-	-	-	-	-
- Experience adjustment	(1,764)	244	(1,520)	(1,417)	(861)	(2,278)	(3,798)
	(1,764)	244	(1,520)	(1,417)	(861)	(2,278)	(3,798)
Contribution	-	(573)	(573)	-	-	-	(573)
Benefit payments	(3,108)	3,108	-	(270)	270	-	-
At March 31	43,122	(59,040)	(15,918)	18,586	(22,250)	(3,664)	(19,582)

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 31.1.3 Charge for defined benefit plan

	2017			2016		
	EXIDE	ABCL	Total	EXIDE	ABCL	Total
	(Rupees '000)					
Current service cost	3,294	2,745	6,039	3,368	881	4,249
Interest expense	(1,358)	(284)	(1,642)	(1,447)	(348)	(1,795)
Past service cost	(21,704)	(5,466)	(27,170)	(388)	1,846	1,458
	(19,768)	(3,005)	(22,773)	1,533	2,379	3,912

## 31.1.4 The sensitivities of the defined benefit obligation to changes in the weighted principal assumptions are as under:

	2017					
	Impact on defined benefit obligation - Increase / (decrease)			Impact on defined benefit obligation - Increase / (decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	In percentage					
	Exide			ABCL		
Discount rate	1.0%	(5.53%)	6.01%	1.0%	(6.24%)	6.95%
Salary increase rate	1.0%	3.99%	(3.56%)	1.0%	5.66%	(5.13%)
Withdrawal rate	10.0%	0.14%	(0.14%)	10.0%	(4.57%)	(0.07%)

	Increase by 1 year in assumption		Decrease by 1 year in assumption	
	Exide	ABCL	Exide	ABCL
	(Rupees '000)			
Life expectancy / withdrawal rate	33,689	33,648	15,515	15,500

	2016					
	Impact on defined benefit obligation - Increase / (decrease)			Impact on defined benefit obligation - Increase / (decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	In percentage					
	Exide			ABCL		
Discount rate	1.00%	(6.28%)	7.13%	1.00%	(6.77%)	7.64%
Salary increase rate	1.00%	0.56%	(6.73%)	1.00%	8.02%	(7.22%)
Withdrawal rate	10.0%	-	-	10.0%	-	-

	Increase by 1 year in assumption		Decrease by 1 year in assumption	
	Exide	ABCL	Exide	ABCL
	(Rupees '000)			
Life expectancy / withdrawal rate	43,122	43,122	18,586	18,586

The above sensitivities analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the balance sheet.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

**31.1.5** The weighted average duration of the defined benefit obligation is 5.68 and 6.60 years in Exide and ABCL respectively.

**31.1.6** Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

At March 31, 2017	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	----- (Rupees '000) -----				
Gratuity Exide	6,032	3,546	9,348	41,183	60,109
Gratuity ABCL	2,731	305	3,541	22,483	29,060
Total	8,763	3,851	12,889	63,666	89,169

**31.1.7 Historical information**

	2017	2016	2015	2014	2013
	----- (Rupees '000) -----				
Defined benefit obligation Exide	33,668	43,122	41,334	38,146	35,175
Defined benefit obligation ABCL	15,508	18,586	16,072	16,482	14,520
	49,176	61,708	57,406	54,628	49,695
Fair value of plan assets Exide	(62,492)	(59,040)	(56,692)	(55,409)	(49,075)
Fair value of plan assets ABCL	(18,042)	(22,250)	(19,837)	(18,419)	(15,086)
	(80,534)	(81,290)	(76,529)	(73,828)	(64,161)
Surplus	(31,358)	(19,582)	(19,123)	(19,200)	(14,466)
Remeasurement (gain) / loss on obligation Exide	11,479	(1,764)	(2,369)	(1,074)	(2,527)
Remeasurement (gain) / loss on obligation ABCL	2,211	(1,417)	(3,372)	261	(1,276)
	13,690	(3,181)	(5,741)	(813)	(3,803)
Gain / (loss) on plan assets Exide	4,180	(244)	(3,319)	3,182	224
Gain / (loss) on plan assets ABCL	(1,924)	861	(781)	(52)	58
	2,256	617	(4,100)	3,130	282

**31.1.8** Funding levels are monitored on an annual basis and are based on actuarial recommendations. Gratuity cost comprising the service cost and the net interest cost for the next year works out to Rs. 0.444 million and Rs. 0.312 million for Exide and ABCL respectively as per the actuarial valuation report of the Company as of March 31, 2017.

**31.1.9** The disclosures made in notes 31.1 to 31.1.8 are based on the information included in the actuarial valuation report of the Company as of March 31, 2017.

**31.2 Defined contribution plan - provident fund**

An amount of Rs 5.651 million (2016: Rs 4.986 million) has been charged during the year in respect of contributory provident fund maintained by the Company.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Directors		Executives		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	----- (Rupees '000) -----							
<b>Short-term employee benefits</b>								
Managerial remuneration	1,537	1,472	5,457	6,123	14,046	7,164	21,040	14,759
Bonus	-	-	757	869	475	644	1,232	1,513
Leave pay	102	95	128	113	661	241	891	449
Housing, utilities and reimbursable expenses	1,643	1,069	3,609	4,174	7,984	9,012	13,236	14,255
Medical expenses	132	294	243	350	1,405	1,217	1,780	1,861
<b>Retirement benefits</b>								
Defined benefit plan	-	-	455	521	251	284	706	805
Defined contribution plan	-	-	546	788	527	342	1,073	1,130
	<b>3,414</b>	<b>2,930</b>	<b>11,195</b>	<b>12,938</b>	<b>25,349</b>	<b>18,904</b>	<b>39,958</b>	<b>34,772</b>
<b>Number of persons</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>9</b>	<b>8</b>	<b>12</b>	<b>12</b>

32.1 The chief executive and directors are provided with free use of Company maintained cars and residential telephones in accordance with their entitlement. Certain executives are also provided with Company maintained cars.

### 32.2 Remuneration to other directors

Aggregate amount charged in the financial statements for fee to directors was Rs 0.12 million (2016: Rs 0.10 million).

## 33 TRANSACTIONS WITH RELATED PARTIES

	Subsidiary company		Key management personnel		Other related parties	
	2017	2016	2017	2016	2017	2016
	----- (Rupees '000) -----					
Expenses charged to	7	5	-	-	-	-
Transactions with key management personnel:						
- Salaries	-	-	25,654	23,744	-	-
- Defined benefit plan - post employment benefits	-	-	538	582	-	-
- Defined contribution plan	-	-	587	862	-	-
- Sale of motor vehicle having cost of Rs. 1.374 million (2016: Rs Nil and book value of Rs. Nil) for	-	-	611	-	-	-
Rent expense	-	-	-	-	42,460	38,860
Expenses charged in respect of staff contribution plan	-	-	-	-	5,651	4,986
Expenses charged in respect of staff defined benefit plan	-	-	-	-	(22,773)	3,912

The Company has related party relationships with its associates, subsidiary company namely Chloride Pakistan (Private) Limited, employee benefit plans and key management personnel. Transactions with related parties essentially entail rent expense and transactions with key management personnel.



# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

Consideration for services is determined with mutual agreement considering the level of services provided. Expenses charged by / to the Company are determined on actual cost basis. Particulars of remuneration to key management personnel are disclosed in note 32 to these financial statements.

Balances outstanding with related parties as at the year end have been disclosed in the relevant balance sheet notes.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

Particulars of transactions with workers' profit participation fund and staff retirement benefit plans are disclosed in note 8.3 and 20.1 to these financial statements.

## 34 PROVIDENT FUND RELATED DISCLOSURES

The Company operates three provident funds:

- i) Staff Provident Fund
- ii) Senior Staff Provident Fund
- iii) Staff Provident Fund - Automotive Battery Company Limited

The following information is based on un-audited financial information of the Funds as at March 31, 2017 and 2016:

	2017	2016
	------(Rupees '000)-----	
Size of the funds - Total assets	158,185	157,361
Fair value of investments	156,621	155,993
	------(Percentage)-----	
Percentage of investments made	99%	99%

34.1 The cost of above investments amounted to Rs. 127.062 million (2016: Rs 129.897 million).

	2017	2016
	------(Rupees '000)-----	
34.2 The break-up of fair value of investments is as follows:	156,621	155,993

	2017	2016	2017	2016
	-----Percentage-----		------(Rupees '000)-----	
Shares - listed	0.9%	0.7%	1,359	1,068
Cash and bank deposits	3.9%	5.1%	6,161	7,935
Government securities	65.2%	70.9%	102,102	110,592
Mutual funds - listed	30.0%	23.3%	46,999	36,398
	<u>100.0%</u>	<u>100.0%</u>	<u>156,621</u>	<u>155,993</u>

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

**34.3** The investments of the 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.

## **35 PRODUCTION CAPACITY**

The actual production capacity of the battery plant cannot be determined as it depends on the proportion of different types of batteries produced which varies in relation to the consumer demand. The actual production during the year was according to market demand. The installed capacity of the chemical plants is 33,000 MT (2016: 33,000 MT) per annum whereas actual production during the year was 29,305 MT (2016: 28,005 MT).

<b>36 CASH GENERATED FROM / (USED IN) OPERATIONS</b>	Note	2017	2016
		------(Rupees '000)-----	
Profit before taxation		1,060,935	651,542
<i>Adjustments for non cash charges and other items:</i>			
Depreciation		146,565	136,204
Gain on disposal of operating fixed assets		(2,131)	(2,012)
Profit expenses		64,965	174,164
Provision for impairment in trade debts - net		6,843	6,934
Provision for slow moving and obsolete spares - net		843	532
Provision for slow moving and obsolete stock-in-trade		1,264	21,036
Working capital changes	36.1	(537,619)	(1,148,207)
		<u>741,665</u>	<u>(159,807)</u>
<b>36.1 Working capital changes</b>			
<i>(Increase) / decrease in current assets:</i>			
Spares		19,613	(16,878)
Stock-in-trade		(1,098,064)	(394,774)
Trade debts		171,605	(1,181,958)
Loans and advances		(4,049)	14,777
Trade deposits, short-term prepayments and other receivables		(21,602)	1,492
		<u>(932,497)</u>	<u>(1,577,341)</u>
<i>Increase in trade and other payables</i>			
		<u>394,878</u>	<u>429,134</u>
		<u>(537,619)</u>	<u>(1,148,207)</u>

## **37 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:

	Note	2017	2016
		------(Rupees '000)-----	
Cash and bank balances	21	1,017,896	399,357
Short-term borrowings	10	(3,117,456)	(2,569,132)
		<u>(2,099,560)</u>	<u>(2,169,775)</u>

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 38 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	Note	Batteries		Chemicals		Company	
		2017	2016	2017	2016	2017	2016
------(Rupees '000)-----							
Net Sales	22	12,629,186	11,381,671	280,754	314,221	12,909,940	11,695,892
Cost of sales	23	(10,099,103)	(9,326,415)	(243,176)	(286,693)	(10,342,279)	(9,613,108)
Gross profit		2,530,083	2,055,256	37,578	27,528	2,567,661	2,082,784
Selling and distribution expenses	24	(1,222,658)	(1,029,293)	(5,400)	(5,926)	(1,228,058)	(1,035,219)
Administration and general expenses	25	(101,581)	(104,527)	(2,253)	(2,862)	(103,834)	(107,389)
Other operating income		318	336	-	-	318	336
Unallocated other operating income	38.7	-	-	-	-	5,409	3,757
	26					5,727	4,093
Unallocated other operating charges	38.7 & 27		-	-	-	(115,596)	(118,563)
Operating profit		1,206,162	921,772	29,925	18,740	1,125,900	825,706
38.1 Segment assets		7,623,059	6,616,124	169,466	181,184	7,792,525	6,797,308
38.2 Unallocated assets	38.7					1,583,024	984,536
						9,375,549	7,781,844
38.3 Segment liabilities		807,370	519,663	13,924	8,453	821,294	528,116
38.4 Unallocated liabilities	38.7					4,323,702	3,676,957
						5,144,996	4,205,073
38.5 Capital expenditure		231,814	60,686	5,153	1,662	236,967	62,348
38.6 Depreciation expense		143,378	132,573	3,187	3,631	146,565	136,204

38.7 Certain liabilities, assets, other operating income and other operating charges of the Company cannot be allocated to a specific segment. Accordingly, these amounts have been classified as unallocated.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 39 FINANCIAL INSTRUMENTS BY CATEGORY

### 39.1 Financial assets and financial liabilities

	2017	2016
	------(Rupees '000)-----	
<i>Financial assets</i>		
<b>Loans and receivables</b>		
Long-term investment	224	224
Loans and advances	31,522	27,437
Long-term deposits	34,738	36,919
Trade debts	2,331,845	2,510,293
Trade deposits and other receivables	38,897	26,194
Cash and bank balances	1,017,896	399,357
	<b>3,455,122</b>	<b>3,000,424</b>
<i>Financial liabilities</i>		
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	1,838,733	1,504,201
Accrued profit	32,638	31,954
Short-term borrowings	3,117,456	2,569,132
	<b>4,988,827</b>	<b>4,105,287</b>

## 40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities are exposed to a variety of financial risks namely credit risk and concentration of credit risk, liquidity risk and market risk. The Company finances its operations through equity, borrowings and management of working capital with a view to monitor an appropriate mix between various sources of finance to minimise risk. The Company has established adequate procedures to manage each of these risks as explained below.

### 40.1 Credit risk and concentration of credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

Credit risk arises from bank balances and credit exposures to customers, including trade debts. The financial assets of the Company that are subject to credit risk amounted to Rs 3,454.898 million (2016: Rs 3,000.200 million).

Out of the total bank balance of Rs 239.059 million (2016: Rs 399.357 million) placed with banks maintained in current accounts, amounts aggregating Rs 233.038 million (2016: Rs 392.063 million) have been placed with banks having short-term credit rating of A1+. Whereas the remaining amounts are placed with banks having minimum short term credit rating of A1. Management, after giving due consideration to their strong financial standing, does not expect non-performance by these counter parties on their obligations to the company.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

The most significant financial asset exposed to credit risk is the trade debts of the company. For trade debts, individual credit limits are assigned to customers based on the recommendations from respective business unit heads keeping in view their payment history, financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. The concentration of credit risk lies in the top 15 (2016: 15) customers which constitute 20% (2016: 23%) of the company's trade debts.

The breakup of amounts due from customers other than related parties as disclosed in note 18 to these financial statements is presented below:

	2017	2016
	------(Rupees '000)-----	
<b>Due from customers other than related parties</b>		
Direct customers	167,222	166,712
Distributors	2,203,030	2,375,145
	<u>2,370,252</u>	<u>2,541,857</u>

Out of Rs 2,370.252 million (2016: Rs 2,541.857 million), the company has provided Rs 38.407 million (2016: Rs 31.564 million) as amounts being doubtful. The age profile of trade debts overdue and impaired to the extent of Rs. 38.407 million has been disclosed in note 18.2 to these financial statements.

## 40.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The company aims to maintain flexibility in funding by keeping committed credit lines open.

The maturity profile of the company's liabilities based on contractual maturities is disclosed in note 40.3.2 of these financial statements.

## 40.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of foreign currency risk and interest rate risk and other price risks.

### 40.3.1 Foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company primarily has foreign currency exposures in US Dollars and Japanese Yen. The Company manages its exposures against foreign exchange risk by entering into foreign exchange contracts where considered necessary. The details of balances are as follows:

	2017	2016
	------(Amount' 000)-----	
<b>Bills payable</b>		
US Dollar	5,657	2,724
Japanese Yen	14,918	18,119
GB Pound	20	-
Euro	50	-



# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

As at March 31, 2017, if the Pakistani Rupee had weakened / strengthened by 1% against US Dollar, Japanese Yen, GB Pound and Euro with all other receivables held constant, profit before taxation for the year would have been higher / lower by Rs 6.141 million (2016: Rs 3.013 million).

## 40.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Sensitivity analysis for variable rate instruments

Presently, the company has KIBOR based short - term running musharakah and Istisna loan arrangement from certain banks that expose the Company to cash flow interest rate risk. In case of increase / decrease in KIBOR by 100 basis points on March 31, 2017, with all other variables held constant, the net assets and net income for the year would have been lower / higher by Rs 28.433 million (2016: Rs 28.189 million).

The movement in the liability under short term finance and short-term loan arrangements and KIBOR rates are expected to change over time. Therefore, the sensitivity analysis prepared as at March 31, 2017 is not necessarily indicative of the effect on the Company's net assets due to future movement in interest rates.

Sensitivity to interest /profit rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period. The company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

The company is exposed to interest / profit rate risk in respect of the following:

Effective interest rate (in percentage)	-----2017-----						Total
	Interest / profit bearing			Non interest / profit bearing			
	Maturity up to one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
	----- (Rupees '000) -----						
<b>On balance sheet financial instruments</b>							
<b>Financial assets</b>							
<b>Loans and receivables</b>							
Long-term investment	-	-	-	-	224	224	224
Loans and advances	-	-	-	30,678	844	31,522	31,522
Long-term deposits	-	-	-	-	34,738	34,738	34,738
Trade debts	-	-	-	2,331,845	-	2,331,845	2,331,845
Trade deposits and other receivables	-	-	-	38,897	-	38,897	38,897
Cash and bank balances	-	-	-	1,017,896	-	1,017,896	1,017,896
	-	-	-	3,419,316	35,806	3,455,122	3,455,122
<b>Financial liabilities</b>							
<b>Financial liabilities at amortised cost</b>							
Trade and other payables	-	-	-	1,838,733	-	1,838,733	1,838,733
Accrued profit	-	-	-	32,638	-	32,638	32,638
Short-term borrowings	3,117,456	-	3,117,456	-	-	-	3,117,456
	3,117,456	-	3,117,456	1,871,371	-	1,871,371	4,988,827
<b>On balance sheet gap</b>	<b>(3,117,456)</b>	<b>-</b>	<b>(3,117,456)</b>	<b>1,547,945</b>	<b>35,806</b>	<b>1,583,751</b>	<b>(1,533,705)</b>
<b>Off-balance sheet financial instruments</b>							
Commitments in respect of capital expenditure	-	-	-	6,462	-	6,462	6,462
Commitments in respect of Letter of credit	-	-	-	534,585	-	534,585	534,585
Outstanding bank guarantees	-	-	-	59,819	-	59,819	59,819
	-	-	-	600,866	-	600,866	600,866

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For the year ended March 31, 2017

Effective interest rate (in percentage)	2016						Total
	Interest / profit bearing			Non interest / profit bearing			
	Maturity up to one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
	(Rupees '000)						
<b>On balance sheet financial instruments</b>							
<b>Financial assets</b>							
Long-term investment	-	-	-	-	224	224	224
Loans and advances	-	-	-	26,629	808	27,437	27,437
Long-term deposits	-	-	-	-	36,919	36,919	36,919
Trade debts	-	-	-	2,510,293	-	2,510,293	2,510,293
Trade deposits and other receivables	-	-	-	26,194	-	26,194	26,194
Cash and bank balances	-	-	-	399,357	-	399,357	399,357
	-	-	-	2,962,473	37,951	3,000,424	3,000,424
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	1,504,201	-	1,504,201	1,504,201
Accrued profit	-	-	-	31,954	-	31,954	31,954
Short-term borrowings	6.64 - 8.98	2,569,132	-	2,569,132	-	-	2,569,132
		2,569,132	-	2,569,132	1,536,155	-	1,536,155
						1,536,155	4,105,267
<b>On balance sheet gap</b>		(2,569,132)	-	(2,569,132)	1,426,318	37,951	1,464,269
							(1,104,863)
<b>Off-balance sheet financial instruments</b>							
Commitments in respect of capital expenditure	-	-	-	2,229	-	2,229	2,229
Commitments in respect of Letter of credit	-	-	-	390,891	-	390,891	390,891
Outstanding bank guarantees	-	-	-	84,141	-	84,141	84,141
	-	-	-	477,261	-	477,261	477,261

## Price risk

The company is not exposed to any price risk as it does not hold any significant investments exposed to price risk.

## 40.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or periodically repriced.

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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 (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Currently there are no financial assets or financial liabilities which are measured at their fair value in the balance sheet.

## 41 CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus net debt.

	2017	2016
	------(Rupees '000)-----	
Total borrowings	3,117,456	2,569,132
Less: Cash and bank balances	1,017,896	399,357
Net debt	2,099,560	2,169,775
Total equity	3,727,321	3,061,069
	<u>5,826,881</u>	<u>5,230,844</u>
<b>Gearing ratio</b>	<b>36.03%</b>	41.48%

## 42 NUMBER OF EMPLOYEES

	2017	2016
Number of employees at March 31		
- Permanent	438	442
- Contractual	32	33
Average number of employees during the year		
- Permanent	440	446
- Contractual	32	34

## 43 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in their meeting held on June 29, 2017 have proposed a final cash dividend for the year ended March 31, 2017 of Rs 12.50 per share (2016: Rs 10 per share). In addition, the Board of Directors have also announced appropriation of Rs 600 million (2016: Rs 350 million) to revenue reserves. These appropriations will be approved in the forthcoming Annual General Meeting. The financial statements for the year ended March 31, 2017 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

# Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2017

## 44 GENERAL AND CORRESPONDING FIGURES

Amounts have been rounded to the nearest thousand rupees unless otherwise stated. Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. There were no significant reclassifications / restatements to these financial statements during the year except as mentioned below:

Reclassification from Balance Sheet	Reclassification to Balance Sheet	2016 Rupees in '000
Long-Term Deposits - Utilities	Long-Term Deposits - Others	5,350
Cash And Bank Balances - With Banks (Current Accounts)	Cash And Bank Balances - Cheques in Hand	318,424
Trade and other payables - Provision for battery warranty claims	Trade and other payables - Accrued liabilities	55,588

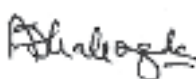
  

Reclassification from Profit and Loss Account	Reclassification to Profit and Loss Account	2016 Rupees in '000
Selling And Distribution Expenses - Battery Warranty Claims	Sales - Discounts to distributors and customers	92,424

## 45 DATE OF AUTHORISATION

These financial statements were authorised for issue on June 29, 2017 by the Board of Directors of the Company.

  
Arif Hashwani  
Chairman

  
Arshad Shehzada  
Chief Executive Officer

# Pattern of Shareholding

As on 31 March 2017

NO. OF SHAREHOLDERS	HAVING SHARES		SHARES HELD	PERCENTAGE
	From	To		
1159	1	100	33645	0.4331
362	101	500	91580	1.1788
120	501	1000	82356	1.0601
62	1001	5000	121341	1.5619
2	5001	10000	12840	0.1653
2	15001	20000	33104	0.4261
2	45001	50000	97189	1.2510
1	95001	100000	96290	1.2395
1	105001	110000	106040	1.3650
1	110001	115000	114582	1.4749
1	180001	185000	182420	2.3482
1	425001	430000	427499	5.5029
1	515001	520000	519264	6.6841
1	1250001	1255000	1250601	16.0981
1	1410001	1415000	1412944	18.1878
2	1590001	1595000	3186923	41.0230
1719	Company Total		7768618	100.0000

# Categories of Shareholders

As on 31 March 2017

Particulars	No of Folio	Balance Share	Percentage
DIRECTORS, CEO, & CHILDREN	11	5851938	75.3279
NIT & ICP	3	519429	6.6862
BANKS, DFI & NBF	2	347	0.0045
INSURANCE COMPANIES	3	609929	7.8512
MUTUAL FUNDS	6	157669	2.0296
GENERAL PUBLIC (LOCAL)	1648	312001	4.0162
GENERAL PUBLIC (FOREIGN)	21	4862	0.0626
OTHERS	14	180586	2.3246
JOINT STOCK COMPANIES	6	16624	0.2140
FOREIGN COMPANIES	3	114623	1.4755
CHARITABLE TRUST	1	12	0.0002
MODARABAS	1	598	0.0077
<b>Company Total</b>	<b>1719</b>	<b>7768618</b>	<b>100.0000</b>

Folio No	Name	Code	Balance Held	Percentage
000000000916	MRS SANA HASHWANI	001	217	0.0028
000000001026	SYED HAIDER MEHDI	001	638	0.0082
000000001190	MR ALTAF HASHWANI	001	1	0.0000
000000001733	MR SYED HAIDER MEHDI	001	14	0.0002
003277005882	ARIF HASHWANI	001	500	0.0064
003277007548	HUSSAIN HASHWANI	001	1250601	16.0981
003277007974	ALTAF HASHWANI	001	1412944	18.1878
003277012059	ARSHAD SHAHZADA	001	13	0.0002
003277070721	SYED MUHAMMAD FAIQ	001	87	0.0011
003277086852	SANA ARIF HASHWANI	001	1592836	20.5035
003277086965	ZAVER HASHWANI	001	1594087	20.5196
000000000360	INVESTMENT CORPN OF PAKISTAN	003	19	0.0002
000000001349	M/S INVESTMENT CORPORATION OF PAKISTAN	003	146	0.0019
014902000021	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	003	519264	6.6841
000083000036	IDBL (ICP UNIT)	004	48	0.0006
003889000028	NATIONAL BANK OF PAKISTAN	004	299	0.0038
002683000023	STATE LIFE INSURANCE CORP. OF PAKISTAN	005	427499	5.5029
003228034562	UNITED INSURANCE COMPANY OF PAKISTAN LIMITED	005	10	0.0001
003277002538	EFU LIFE ASSURANCE LTD	005	182420	2.3482
003277004962	FIRST ALNOOR MODARABA	006	220	0.0028










# Categories of Shareholders








As on 31 March 2017

Folio No	Name	Code	Balance Held	Percentage
003525064045	NH CAPITAL FUND LTD	006	29	0.0004
005645000024	CDC - TRUSTEE PICIC INVESTMENT FUND	006	48290	0.6216
005777000029	CDC - TRUSTEE PICIC GROWTH FUND	006	96290	1.2395
012120000028	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	006	7300	0.0940
013607000028	CDC - TRUSTEE PICIC STOCK FUND	006	5540	0.0713
000000000417	KHADIM ALI SHAH BUKHARI & CO	010	68	0.0009
000000001301	M/S HABIB BROTHERS (PVT) LTD	010	304	0.0039
000000001544	M/S MUTUAL TRDG. CO. (PVT) LTD.	010	595	0.0077
000000001822	ZAVER ENTERPRISE	010	106040	1.3650
000935039063	ELIXIR CAPITAL (PVT) LIMITED	010	3000	0.0386
003277045148	TRUSTEES MRS.KHORSHED H.DINSHAW &MR. HOSHANG N.E.DINSHAW C.TR	010	1061	0.0137
003277078335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	010	48899	0.6294
003277082127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	010	1716	0.0221
003277089566	LIBERTY MILLS LIMITED	010	17000	0.2188
003525087235	MAPLE LEAF CAPITAL LIMITED	010	1	0.0000
003525089724	SUNRAYS TEXTILE MILLS LIMITED	010	160	0.0021
004457000045	FDM CAPITAL SECURITIES (PVT) LIMITED	010	1500	0.0193
005736000015	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	010	42	0.0005
016410000029	ABA ALI HABIB SECURITIES (PVT) LIMITED	010	200	0.0026
000000000348	HOSHANG DINSHAW (PVT) LTD	011	24	0.0003
000000000811	PERIN DINSHAW (PVT) LTD	011	17	0.0002
000000000812	PERIN DINSHAW (PVT) LTD-MQURESH	011	35	0.0005
003277001225	HASHOO HOLDINGS (PVT) LTD	011	16104	0.2073
003277044333	FATEH TEXTILE MILLS LTD.	011	359	0.0046
003525057191	SARFRAZ MAHMOOD (PRIVATE) LTD	011	85	0.0011
000000000795	NOMURA BANK (LUXEMBOURG) SA	012	5	0.0001
000000001053	TEMPLETON GLOBAL STRATEGY SICAV	012	36	0.0005
000000001292	M/S FURUKAWA BATTERY CO LTD	012	114582	1.4749
000000001818	GHULAMAN-E-ABBAS EDUCATIONAL & MEDICAL TRUST	013	12	0.0002
000000001289	M/S FIRST UDL MODARABA	014	598	0.0077



**Key features:**

-  Licensed Entities Verification
-  Scam meter\*
-  Jamapunji games\*
-  Tax credit calculator\*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator (based on live feed from KSE)
-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Securities and Exchange  
Commission of Pakistan

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\*Mobile apps are also available for download for android and ios devices

# Form of Proxy

Exide Pakistan Limited  
A-44, Hill Street, Manghopir Road,  
S.I.T.E., Karachi.

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
being a member of Exide Pakistan Limited and a holder of \_\_\_\_\_  
Ordinary Shares as per Share Register Folio Number \_\_\_\_\_  
hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him \_\_\_\_\_  
of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at  
the Sixty Fourth Annual General Meeting of the Company to be held on July 31, 2017 and at any adjournment  
thereof.

Signature this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Signature on  
Revenue  
Stamp

\_\_\_\_\_  
Signature of Proxy

Signature should agree with  
the specimen signature  
registered with the Company

# فارم برائے پراسی

سالانہ اجلاس عام

میں/ہم \_\_\_\_\_ سکٹہ \_\_\_\_\_ ضلع \_\_\_\_\_ بحیثیت ممبر ایکسائیڈ پاکستان لیمیٹڈ، بذریعہ ہذا کمپنی کے ممبر  
\_\_\_\_\_ سکٹہ \_\_\_\_\_ کو، اور اس کی عدم موجودگی کی صورت میں دوسرے ممبر \_\_\_\_\_ سکٹہ \_\_\_\_\_  
کو اپنی جگہ 31 جولائی 2017 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام یا کسی ملتوی شدہ اجلاس میں شرکت کرنے اور ووٹ دینے کیلئے اپنا  
پراسی مقرر کرتا/کرتی ہوں/کرتے ہیں۔

مورخہ \_\_\_\_\_ 2017 کو درج ذیل گواہان کی موجودگی میں دستخط کئے گئے۔

۱۔ دستخط \_\_\_\_\_ نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_ CNIC یا پاسپورٹ نمبر \_\_\_\_\_  
۲۔ دستخط \_\_\_\_\_ نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_ CNIC یا پاسپورٹ نمبر \_\_\_\_\_

فولیو / CDC اکاؤنٹ نمبر

10/- روپے کے ریونیو ٹکٹ پر دستخط

یہ دستخط کمپنی میں رجسٹرڈ نمونے کے دستخط کے مطابق ہونا چاہئیں

اہم ہدایات:

- ہر لحاظ سے مکمل اور دستخط شدہ پراسی فارم، کمپنی کے رجسٹرڈ آفس A-44 سائٹ کراچی میں اجلاس شروع ہونے کے وقت سے کم از کم 48 گھنٹے پہلے لازمی طور پر پہنچ جانا چاہئے۔
- کوئی ایسا شخص پراسی مقرر نہیں کیا جاسکتا جو کمپنی کا ممبر نہ ہو، البتہ کارپوریشن کسی غیر ممبر کو پراسی مقرر کر سکتی ہے۔
- اگر کوئی شخص ایک سے زیادہ پراسی مقرر کرے اور پراسی کی ایک سے زیادہ دستاویز جمع کرائے تو ایسی تمام دستاویز مسترد کردی جائیں گی۔

CDC اکاؤنٹ ہولڈرز / کارپوریشن اکائیوں کیلئے ہدایات

درج بالا کے علاوہ درج ذیل شرائط پوری ہونا بھی لازمی ہے:

- پراسی فارم پر دو گواہان کے دستخط مع ان کے نام، پتے اور CNIC نمبر درج ہونا لازمی ہے۔
- پراسی فارم کے ہمراہ مستفید ہونے والے ممبر (Beneficial Owner) اور پراسی کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپی منسلک ہونا لازمی ہے۔
- پراسی کو اجلاس میں شرکت کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- کارپوریٹ اکائی کی صورت میں پراسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نمونے کے دستخط (اگر پہلے سے جمع نہ کرائے گئے ہوں) کمپنی کے پاس جمع کرانا ضروری ہے۔

**CHLORIDE**

PAKISTAN (PRIVATE) LIMITED

**FINANCIAL  
STATEMENTS**

# Corporate Profile

## Board Of Directors

Arif Hashwani	Chairman
Altaf Hashwani	Chief Executive
S. Haider Mehdi	

## Company Secretary

S. Haider Mehdi

## Banker

Habib Bank Limited

## Auditors

Tariq Abdul Ghani Maqbool & Co.

## Solicitors

Orr, Dignam & Co.

## Registered Office

A-44, Hill Street, Off. Manghopir Road,  
S.I.T.E., Karachi - 75700.



# Directors' Report

The Directors have pleasure in presenting their Report for the year ended March 31, 2017.

## Accounts:

The Audited Accounts of the Company for the year ended March 31, 2017 are annexed, together with the Auditors' Report thereon.

## Results:

Production activities could not be started due to the withdrawal of various incentives by the Government from the Industrial Estate of Hattar and as such, loss appearing in the Profit and Loss Account attributes to amortization of preliminary expense incurred in the previous years and professional charges and audit fees.

## Appointment of Auditors:

The present auditors, Messrs: Tariq Abdul Ghani Maqbool & Co., Chartered Accountants, retire and being eligible, have offered themselves for re-appointment.

## Holding Company:

The Company is wholly owned subsidiary of Exide Pakistan Limited.

On behalf of the Board



Altaf Hashwani  
Chief Executive

Karachi: June 19, 2017

# Auditors' Report to the Members

We have audited the annexed balance sheet of Chloride Pakistan (Private) Limited (the Company) as at March 31, 2017 and the related profit and loss account, statement of comprehensive income, statement of cash flows 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.

## Management Responsibility for the Financial Statements

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.

## Auditor's Responsibility

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:

## Opinion

- i) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- ii) in our opinion:
  - a) the balance sheet, profit and loss account and the statement of comprehensive income together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
  - b) the expenditure incurred during the year was for the purpose of the Company's business; and
  - c) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

- iii) 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, statement of cash flows 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 March 31, 2017 and of the loss, total comprehensive loss, its cash flows and changes in equity for the year then ended; and
- iv) In our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

#### Other Matters

- a) We draw attention to note 3.1 to the financial statements, which states that these financial statements have not been prepared on a going concern basis as the Company was not able to commence its operations since inception from March 20, 1994 till March 31, 2017. Accordingly, the carrying value of the assets as at March 31, 2017 are presented at the estimated net realisable values and all liabilities are presented at estimated settlement amounts. Our opinion is not qualified in respect of this matter.
- b) The financial statements of the Company as of March 31, 2016 were audited by another auditors whose report dated June 22, 2016 expressed an unqualified opinion on those statements.

*Tariq Abdul Ghani Maqbool & Co.*  
Chartered Accountants *Ym*

Audit Engagement Partner: Younus Mohiuddin

Date: June 19, 2017

Karachi.

# Balance Sheet

as at March 31, 2017

	Note	2017	2016
		----- (Rupees) -----	
<b>ASSETS</b>			
<b>Current Assets</b>			
Receivable from Exide Pakistan Limited	5	17,861	24,711
Cash and bank balances	6	19,221	10,289
		<u>37,082</u>	<u>35,000</u>
<b>TOTAL ASSETS</b>		<b>37,082</b>	<b>35,000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized Capital</b>			
10,000,000 (2016: 10,000,000) ordinary shares of Rs.10/- each		<u>100,000,000</u>	<u>100,000,000</u>
<b>Share capital</b>			
Accumulated losses	7	223,800	223,800
		<u>(893,687)</u>	<u>(839,297)</u>
		<u>(669,887)</u>	<u>(615,497)</u>
<b>Current Liabilities</b>			
Accrued and other liabilities	8	81,969	75,497
Loan from Director- unsecured	9	625,000	575,000
		<u>706,969</u>	<u>650,497</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37,082</b>	<b>35,000</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10	-	-

The annexed notes 1 to 14 form an integral part of these financial statements.



Altaf Hashwani  
Chief Executive



Arif Hashwani  
Director

# Profit and Loss Account

For the year ended March 31, 2017

	2017	2016
	----- (Rupees) -----	
Revenue	-	-
Direct expenses	-	-
<b>Gross profit/ (loss)</b>	-	-
<b>Administrative and general expenses:</b>		
Legal and professional charges	14,350	19,600
Auditors' remuneration	40,000	40,000
Bank charges	40	746
	<b>(54,390)</b>	<b>(60,346)</b>
<b>Loss before taxation</b>	<b>(54,390)</b>	<b>(60,346)</b>
Taxation	-	-
<b>Loss after taxation</b>	<b>(54,390)</b>	<b>(60,346)</b>
<b>Loss per share- Basic (Rupees)</b>	<b>(2.43)</b>	<b>(2.70)</b>

The annexed notes 1 to 14 form an integral part of these financial statements.



Altaf Hashwani  
Chief Executive



Arif Hashwani  
Director

# Statement of Comprehensive Income

For the year ended March 31, 2017

	2017	2016
	----- (Rupees) -----	-----
Loss after taxation	(54,390)	(60,346)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(54,390)</b>	<b>(60,346)</b>

The annexed notes 1 to 14 form an integral part of these financial statements.



Altaf Hashwani  
Chief Executive



Arif Hashwani  
Director



# Cash Flow Statement


For the year ended March 31, 2017

Note	2017	2016
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(54,390)	(60,346)
Adjustment for non-cash items	-	-
<b>Cash flow from operating activities before working capital changes</b>	<b>(54,390)</b>	<b>(60,346)</b>
<b>Working capital changes:</b>		
Receivable from Exide Pakistan Limited	6,850	4,600
Accrued and other liabilities	6,472	(35,272)
Loan from Director- unsecured	50,000	90,000
<b>Net cash generating from operating activities</b>	<b>63,322</b>	<b>59,328</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>8,932</b>	<b>(1,018)</b>
Cash and cash equivalents at beginning of the year	10,289	11,307
<b>Cash and cash equivalents at end of the year</b>	<b>19,221</b>	<b>10,289</b>
6		

The annexed notes 1 to 14 form an integral part of these financial statements.



Altaf Hashwani  
Chief Executive



Arif Hashwani  
Director

# Statement of Changes in Equity

For the year ended March 31, 2017

	Share capital	Accumulated loss (Rupees)	Total
<b>Balance as at March 31, 2015</b>	223,800	(778,951)	(555,151)
Total comprehensive loss for the year	-	(60,346)	(60,346)
<b>Balance as at March 31, 2016</b>	223,800	(839,297)	(615,497)
Total comprehensive loss for the year	-	(54,390)	(54,390)
<b>Balance as at March 31, 2017</b>	<b>223,800</b>	<b>(893,687)</b>	<b>(669,887)</b>

The annexed notes 1 to 14 form an integral part of these financial statements.



Altaf Hashwani  
Chief Executive



Arif Hashwani  
Director

# Notes to the Financial Statements

For the year ended March 31, 2017

## 1. STATUS AND NATURE OF BUSINESS

The Company was incorporated on March 20, 1994 as a Private Limited Company to take the benefit of tax exemption in Hattar. However, the exemption was taken off after its incorporation and therefore the Company did not commence its operations. The principal activity of the Company is to manufacture and market automotive batteries and industrial cells. The registered office of the Company is situated at A-44 Hill Street Mangopir Road, S.I.T.E Karachi.

## 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) issued by the Institute of Chartered Accountants of Pakistan and provision of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

## 3. BASIS OF PREPARATION

### 3.1 Basis of measurement

These financial statements have not been prepared on a going concern basis as the Company was not able to commence its operations since inception from March 20, 1994 till March 31, 2017. Accordingly, the carrying value of the assets as at March 31, 2017 are presented at the estimated net realisable values and all liabilities are presented at estimated settlement amounts.

### 3.2 Functional and presentation currency

These financial statements have been prepared in Pak Rupees, which is the Company's functional currency and rounded off to the nearest rupee.

### 3.3 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates, judgments and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. The estimates made during the year include judgments made in respect of financial instruments (note 13).

### 3.4 New / revised Accounting Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2017:

# Notes to the Financial Statements

For the year ended March 31, 2017

- IFRS 2 “Share-based Payments” - Classification and Measurement of Share-based Payments transactions (Amendments) [Effective for annual periods beginning on or after 1 January 2018]
- IFRS 4 “Insurance Contracts”: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments) [Effective for annual periods beginning on or after 1 January 2018]
- IAS 7 “Financial Instruments”: Disclosures - Disclosure Initiative - (Amendment) [Effective for annual periods beginning on or after 1 January 2017]
- IFRIC 22 “Foreign Currency Transactions and Advance Consideration”. [Effective for annual periods beginning on or after 1 January 2018]
- IAS 12 “Income Taxes” - Recognition of Deferred Tax Assets for Unrealized losses (Amendments) [Effective for annual periods beginning on or after 1 January 2017]
- IAS 40 “Investment Property”: Transfer of Investment Property (Amendments) [Effective for annual periods beginning on or after 1 January 2018]

The above amendments are not likely to have an impact on Company’s financial statements.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below:

### 4.1 Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand, current account held with Habib Bank Limited.

### 4.2 Taxation

The charge for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account tax credit and tax rebates realizable, if any. No charge for current tax has been recognized as the Company has incurred loss in the current year.

Deferred tax is recognised using balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

No deferred tax asset was recognized as the financial statements are not prepared on a going concern basis.

### 4.3 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities are taken to profit and loss account currently.

# Notes to the Financial Statements

For the year ended March 31, 2017

## 4.4 Non-derivative Financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, deposits, other receivables and cash and cash equivalents. The Company derecognizes the financial assets when it ceases to be a party to such contractual provisions of the instruments.

## 4.5 Financial liabilities

All financial liabilities are initially recognised at fair value plus directly attributable cost (if any) and subsequently measured at amortised cost.

## 4.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to setoff the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 4.7 Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

	2017	2016
	----- (Rupees) -----	
<b>5. RECEIVABLE FROM EXIDE PAKISTAN LIMITED</b>		
- Holding Company		
Balance as on April 01,	24,711	29,311
Legal and professional charges paid on behalf of the Company	(6,850)	(4,600)
Balance as at March 31,	<u>17,861</u>	<u>24,711</u>
<b>5.1</b>		
The Company is exposed to credit risk on account of this receivable. However, it is expected that such amount would be recovered, as and when required.		
	2017	2016
	----- (Rupees) -----	
<b>6. CASH AND BANK BALANCES</b>		
Cash in hand	276	276
Cash at bank in current account	18,945	10,013
	19,221	10,289
<b>7. SHARE CAPITAL</b>		
22,380 (2016: 22,380) ordinary shares of Rs. 10/- each fully paid in cash	<u>223,800</u>	223,800

# Notes to the Financial Statements

For the year ended March 31, 2017

7.1 As at March 31, 2017, M/s. Exide Pakistan Limited holds 22,350 (2016: 22,350) ordinary shares of Rs. 10/- each.

## 8. ACCRUED AND OTHER LIABILITIES

Audit fee payable	40,000	40,000
Professional fee payable	7,500	25,000
Withholding tax payable	4,012	-
Others	30,457	10,497
	81,969	75,497

## 9. LOAN FROM DIRECTOR- UNSECURED

This represents interest free loan received from Mr. Arif Hashwani (a director of the Company). The loan has no fixed repayment terms and is subordinated to all the liabilities of the Company. Therefore, the Company is not significantly exposed to liquidity risk in respect of this amount.

## 10. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 31 March 2017.

## 11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise M/s. Exide Pakistan Limited (Holding Company) and Mr. Arif Hashwani (Director) of the Company. All transactions with related parties entered on agreed basis. Detail of transactions with related parties have been disclosed in note 5 and 9.

## 12. STAFF STRENGTH

The Company has no employee and is run by its Directors without any remuneration.

## 13. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### 13.1 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placement or other arrangements, to fulfil their obligations.

The Company believes that the credit risk is minimum as financial assets only comprise of balances with bank and receivable from Exide Pakistan Limited.

The maximum exposure to credit risk at the year end date is the carrying amount of financial assets as set out below;

	Note	2017	2016
		(Rupees)	(Rupees)
Receivable from Exide Pakistan Limited	5	17,861	24,711
Bank balances	6	18,945	10,013



# Notes to the Financial Statements

For the year ended March 31, 2017

## Bank balances

Credit risk from balances with banks are managed by placing surplus funds with financial institutions having sound external credit rating.

The credit quality of Company's bank balances can be assessed with reference of external credit ratings as follows:

	Rating Agency	Rating Short term	Rating Long term
Habib Bank Limited	JCR-VIS	A-1+	AAA

## 13.2 Liquidity risk

The Company has only financial liability relating to accrued expense in the current year which has contractual maturity of upto one month:

On balance sheet financial liability	Note	2017	2016
		----- (Rupees) -----	
Accrued expenses		81,969	75,497

## 13.3 Capital risk

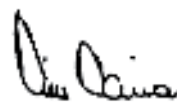
The management of the Company manages the capital by injecting funds in the form of subordinated loan from director of the Company. The management of the Company is committed to inject further funds in the Company, (if required) in future periods.

## 14. DATE OF AUTHORISATION

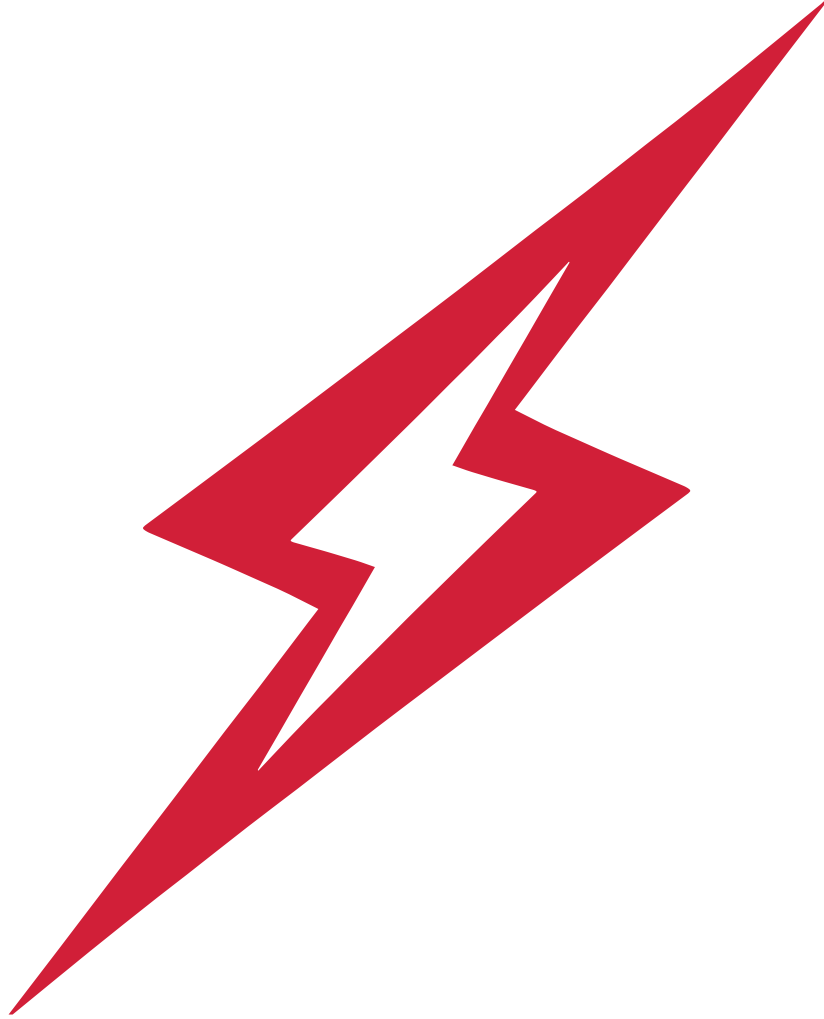
These financial statements were authorised for issue by the Board of Directors in their meeting held on June 19, 2017.



Altaf Hashwani  
Chief Executive




Arif Hashwani  
Director




**EXIDE<sup>®</sup>**  
**PAKISTAN LTD.**

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