

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: November 29, 2018

A. F. Ferguson & Co.

Noman Abbas Sheikh.

The engagement partner on the audit resulting in this independent auditor's report is Noman Abbas Sheikh.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Conclusion

We do not express an audit opinion.

we would become aware of all significant matters that might be identified in an audit. Accordingly, International Standards on Auditing and consequently does not enable us to obtain assurance that

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly,

Scope of Review

We have reviewed the accompanying condensed interim statement of financial position of Exide Pakistan Limited as at September 30, 2018 and the related condensed interim statement of profit or loss, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of profit or loss and other comprehensive income for the three months ended September 30, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months ended September 30, 2018.

Introduction

Report on review of Interim Financial Statements

To the members of Exide Pakistan Limited

INDEPENDENT AUDITOR'S REVIEW REPORT

EXIDE PAKISTAN LIMITED

EXIDE PAKISTAN LIMITED

CHAIRMAN'S REVIEW

I am pleased to present on behalf of the Board of Director, un-audited condensed interim financial of your company duly reviewed for the half year ended September 30, 2018.

The Economy

Pakistan's trade deficit narrowed 1.61 percent to US\$ 8.87 billion during the first quarter of current financial year as regulatory duties reduced non-essential imports into country. Pakistan's exports have witnessed an increase of 4.6 per cent while imports grew by 6 per cent. The increase in imports is due to the big 40 per cent jump in the oil import bill, because of the rise in international oil prices. Therefore, the growth in imports over the next three quarters will hinge largely on what happens to oil prices, especially in the aftermath of US sanctions on Iran. The current account deficit for the first quarter FY19 slightly declined by 2.5 per cent to US\$ 3.665 billion, compared to US\$ 3.761 billion reflecting the impact of 13 per cent higher remittance during the same period of last year. Pakistan rupee's downside against the US dollar continued throughout the current calendar year, including the 8 per cent depreciation of rupees on October 9, to improve its exports but so far the outcome is the destabilization of exchange rate, which drastically reduced the purchasing power of the local currency is set to significantly increase inflation in the country. The SBP foreign exchange reserve are back to US\$ 7.7 billion, at the lowest level since 2013. This indicate an import cover of 1.25 month.

The present government since taking charge in August 2018 has been vocal to overcome the rising import bill and current account deficit which reached to alarming high level of US\$ 18.5 billion last year. After exhausting all available forums, the government finally decided to seek bailout package from the International Monetary Fund.

The industry

Growth of automotive sector in the preceding years was instrumental to better capacity utilization for the battery industry. Sale of locally produced Cars increased by 4 per cent to 72,563 units in July – October, 2018 as compared to 70,040 units sold during the corresponding period of last year. Truck and buses sale declined by 16 per cent from 3176 to 2663 units. Farm tractor sale declined by 8 per cent to 20,079 units from 21,757 units in the same period of last year. Sale of motor cycles and three wheelers declined by 4 per cent from 635,553 units to 612,803 units. Significant demand contraction in the auto sector is due to deteriorating macroeconomic environment, multiple price hikes since December 2017and impact of law requiring Car purchaser's to be tax filers.

Sale

Net Sales Revenue during the half year ended 30th September, 2018 decreased by 28.8 percent from Rs.6.637 billion to Rs.4.724 billion on account of decrease in Sale volume and extra discounts allowed to trade to fight severe market competition.

Profitability

As against 28.8 percent decrease in Net Sales Revenue, cost of sales decreased by 28.4 percent on account of increase in prices of virgin and recycled lead. Consequently, Gross Profit reduced from Rs.0.693 billion to Rs.0.469 billion. Operating Loss was Rs.55.6 million as against profit of Rs.191.8 million during the corresponding period of last year. Financial charges increased from Rs.64.2 million to Rs.96.7 million. Loss before tax for the half year under review was Rs.152.3 million as compared to profit of Rs.127.5 million recorded during the same period last year. Loss per share for the period under report was Rs.25.65 as against earning of Rs.12.07 recorded in the corresponding period of last year.

Future Prospects

It is anticipated that indigenous organized battery industry will face tough competition due to capacity expansion of existing battery plants, new entrants, inflow of imported batteries and changing market dynamics. Profitability during the remaining period of the current year will also be adversely impacted owing to higher discount, increase in prices of basis raw materials, utilities charges and devaluation of Pak Rupee. Nevertheless, your management is determined to avail full benefits of the opportunities by continued focus on quality, productivity, cost control and after sales services to improve its competitiveness.

ALTAF HASHWANI

ALTAF HASHWANI
Chairman
Karachi November 29, 2018

ARSHAD SHEHZADA
Chief Executive
S. HAIDER MEHDI
Chief Financial Officer

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Balance as at September 30, 2018	77,686	259	25,823	3,329,991	40,253	613,831	4,087,843
Transferred from revaluation surplus on property, plant and equipment - net of tax	-	-	-	-	10,962	(10,962)	-
Loss after taxation for the six months ended September 30, 2018	-	-	-	-	(199,263)	-	(199,263)
Transfer to revenue reserves made subsequent to the year ended March 31, 2018	-	-	-	-	-	-	-
Final dividend for the year ended March 31, 2018 declared subsequent to year end	-	-	-	-	-	-	-
Balance as at March 31, 2018	77,686	259	25,823	3,329,991	228,554	624,793	4,287,106
Balance as at September 30, 2017	77,686	259	25,823	3,329,991	296,570	496,889	4,227,218
Transferred from revaluation surplus on property, plant and equipment - net of tax	-	-	-	-	6,343	(6,343)	-
Profit after taxation for the six months ended September 30, 2017	-	-	-	-	93,773	-	93,773
Transfer to revenue reserves made subsequent to the year ended March 31, 2017	-	-	-	-	600,000	(600,000)	-
Final dividend for the year ended March 31, 2017 declared subsequent to year end	-	-	-	-	(97,108)	-	(97,108)
Balance as at March 31, 2017	77,686	259	25,823	2,729,991	893,562	503,232	4,230,553
Issued, General Reserve	Capital reserves	General Reserve	Revenue reserves	Unappropriated surplus on property, plant and	Revaluation		
share and paid-up capital arising on revenue reserve profit							
Total							

EXIDE PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018

EXIDE PAKISTAN LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND SIX MONTHS ENDED SEPTEMBER 30, 2018

- THE COMPANY AND ITS OPERATIONS**
Exide Pakistan Limited (the Company) is a limited liability 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 while facilities for chemicals and acid are located at S.I.T.E and Bin Qasim Karachi.
- BASIS OF PREPARATION**
 - Statement of compliance**
These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
 - Accounting convention**
These condensed interim financial statements have been prepared under the historical cost convention except that inventories are carried at lower of cost or net realisable value, land and buildings are stated at revalued amounts and certain staff retirement benefits are carried at present value.
 - These condensed interim financial statements do not include all information and disclosures required in the financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended March 31, 2018.**
 - Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**
There are certain new and amended standards and interpretations that are mandatory for the Company's accounting period beginning on or after April 1, 2018 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.
 - Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective in current period**
 - The following standards, amendments and interpretations with respect to approved accounting standards would be effective from the date mentioned below against the respective standards, amendments or interpretations:

Standards, Interpretations or Amendments	Effective date (accounting period beginning on or after)
- IFRS 9 - Financial Instruments	July 1, 2018
- IFRS 15 - Revenue from Contracts with Customers	July 1, 2018
- IFRS 16 - Leases	January 1, 2019

The standards highlighted above may impact the financial statements of the Company on adoption. The Management is currently in the process of assessing the impact on the financial statements of the Company.
 - There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting period beginning on or after April 1, 2019 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.
- SIGNIFICANT ACCOUNTING POLICIES**
The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended March 31, 2018.
- ACCOUNTING ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**
 - The preparation of these condensed interim financial statements in conformity with accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the annual audited financial statements for the year ended March 31, 2018.
 - The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended March 31, 2018.


	(Unaudited) September 30, 2018	(Audited) March 31, 2018							
	(Rupees '000)	(Rupees '000)							
5	PROPERTY, PLANT AND EQUIPMENT								
Operating fixed assets	5.1 & 5.2	1,450,585	1,501,590						
Capital work-in-progress	5.3	95,080	115,608						
Intangible assets		10,996	14,662						
		1,556,661	1,631,860						
5.1	The following additions have been made to operating fixed assets during the six months ended September 30, 2018:								
		(Rupees' 000)	(Rupees' 000)						
	Particulars	Leasehold land	Buildings leasehold land	Plant and machinery	Furniture and fixtures	Office equipment and appliances	Vehicles	Total Mar-Sep 2018	Total Mar-Sep 2017
	Additions	2,013	22,227	1,119	5,087	31,614	209,676		
5.2	The net book value of operating fixed assets disposed of during the six months ended September 30, 2018 amounted to Rs. 3.185 million (September 30, 2017: Rs. 3.774 million).								
5.3	Capital work-in-progress								
	Plant and machinery							95,080	115,608
5.3.1	The following additions have been made to capital work-in-progress during the six months ended September 30, 2018:								
								(Rupees' 000)	(Rupees' 000)
	Buildings on leasehold land	2,013						2,013	1,336
	Plant and machinery	4,699						4,699	147,254
	Furniture and fixtures	1,119						1,119	1,271
	Office equipment and appliances	1,168						1,168	2,464
	Vehicles	5,087						5,087	9,540
								15,066	161,865
5.3.2	The following transfers have been made from capital work-in-progress during the six months ended September 30, 2018:								
	Buildings on leasehold land	2,013						2,013	131,537
	Plant and machinery	22,227						22,227	64,864
	Furniture and fixtures	1,119						1,119	1,271
	Office equipment and appliances	1,168						1,168	2,464
	Vehicles	5,087						5,087	9,540
								31,614	209,676
6	STOCK-IN-TRADE								
Raw and packing materials and components (including goods-in-transit of Rs 214 million (March 31, 2018: Rs 364 million))								1,843,523	1,136,753
Work-in-process								1,079,875	706,272
Finished goods								3,485,363	2,905,842
Less: provision against slow moving and obsolete stock-in-trade	6.1							(31,258)	(29,458)
								3,449,105	2,266,384
6.1	Provision against slow moving and obsolete stock-in-trade								
Opening balance								29,458	27,320
Provision made during the period / year								1,800	2,138
Closing balance								31,258	29,458
7	TRADE DEBTS - unsecured								
Considered									
- good								2,171,157	3,146,701
- doubtful								47,782	44,528
Less: provision against doubtful trade debts	7.1							(47,782)	(44,528)
								2,171,157	3,146,701
7.1	Provision against doubtful trade debts								
Opening balance								44,528	38,407
Provision made during the period / year								3,254	6,171
Reversals made during the period / year								(50)	(50)
Closing balance								47,782	44,528

EXIDE PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE THREE MONTHS AND SIX MONTHS ENDED SEPTEMBER 30, 2018

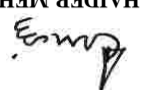
Note	Batteries			Chemicals			Total		
	Three months ended September 30, 2018	Six months ended September 30, 2018	Three months ended September 30, 2017	Three months ended September 30, 2018	Six months ended September 30, 2018	Three months ended September 30, 2017	Three months ended September 30, 2018	Six months ended September 30, 2018	Three months ended September 30, 2017
Net sales	1,686,364	4,555,991	2,113,049	6,488,948	91,780	167,975	76,945	147,559	1,778,144
Cost of sales	1,565,694	4,112,882	1,971,595	5,816,831	78,686	142,000	68,544	127,044	1,645,370
Gross profit	119,680	443,109	141,494	672,117	13,094	25,975	8,401	20,515	132,774
Selling and distribution expenses	168,511	411,835	54,275	425,141	1,004	2,040	1,247	2,477	169,515
Administrative and general expenses	27,637	61,657	24,090	48,896	1,371	2,281	1,136	1,135	29,008
Workers' profit participation fund	196,148	473,692	78,365	475,037	2,375	4,321	2,382	3,612	198,523
Workers' welfare fund	(76,488)	(30,583)	63,129	197,080	10,719	21,654	6,019	16,903	11,324
Other operating income									
Operating (loss) / profit	(64,425)	4,789	73,548	219,047	(64,425)	4,789	73,548	219,047	(64,425)
Finance cost	-	-	4,398	6,863	-	-	4,398	6,863	-
(Loss) / profit before taxation	(64,425)	4,789	73,548	219,047	(64,425)	4,789	73,548	219,047	(64,425)
Taxation - net	(65,749)	(8,929)	69,148	213,983	(65,749)	(8,929)	69,148	213,983	(65,749)
(Loss) / profit after taxation	11,324	13,718	4,400	5,064	11,324	13,718	4,400	5,064	11,324
Earnings per share (basic and diluted)	(20.93)	(26.65)	3.14	12.07	(20.93)	(26.65)	3.14	12.07	(20.93)

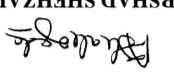
The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


ARIF HASHWANI
Director


ARSHAD SHEHZADA
Chief Executive


S. HAIDER MEHDI
Chief Financial Officer


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Chief Financial Officer


ARSHAD SHEHZADA
Chief Executive


ARIF HASHWANI
Director

		(Loss) / profit for the period		Other comprehensive income for the period		Total comprehensive (loss) / income for the period	
Three months ended	September 30, 2018	(162,598)	(199,263)	-	-	(162,598)	(199,263)
Six months ended	September 30, 2017	93,773	24,416	-	-	93,773	24,416
		------(Rupees '000)-----					