PAKISTAN
MOVES ON

EXIDE

Annual Report 2016

SUZUKI

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Audi

ORIENT AUTOMOTIVE INDUSTRIES (PVT) LTD

Mercedes-Benz

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Pakistan Moves On EXIDE
HEAVY DUTY
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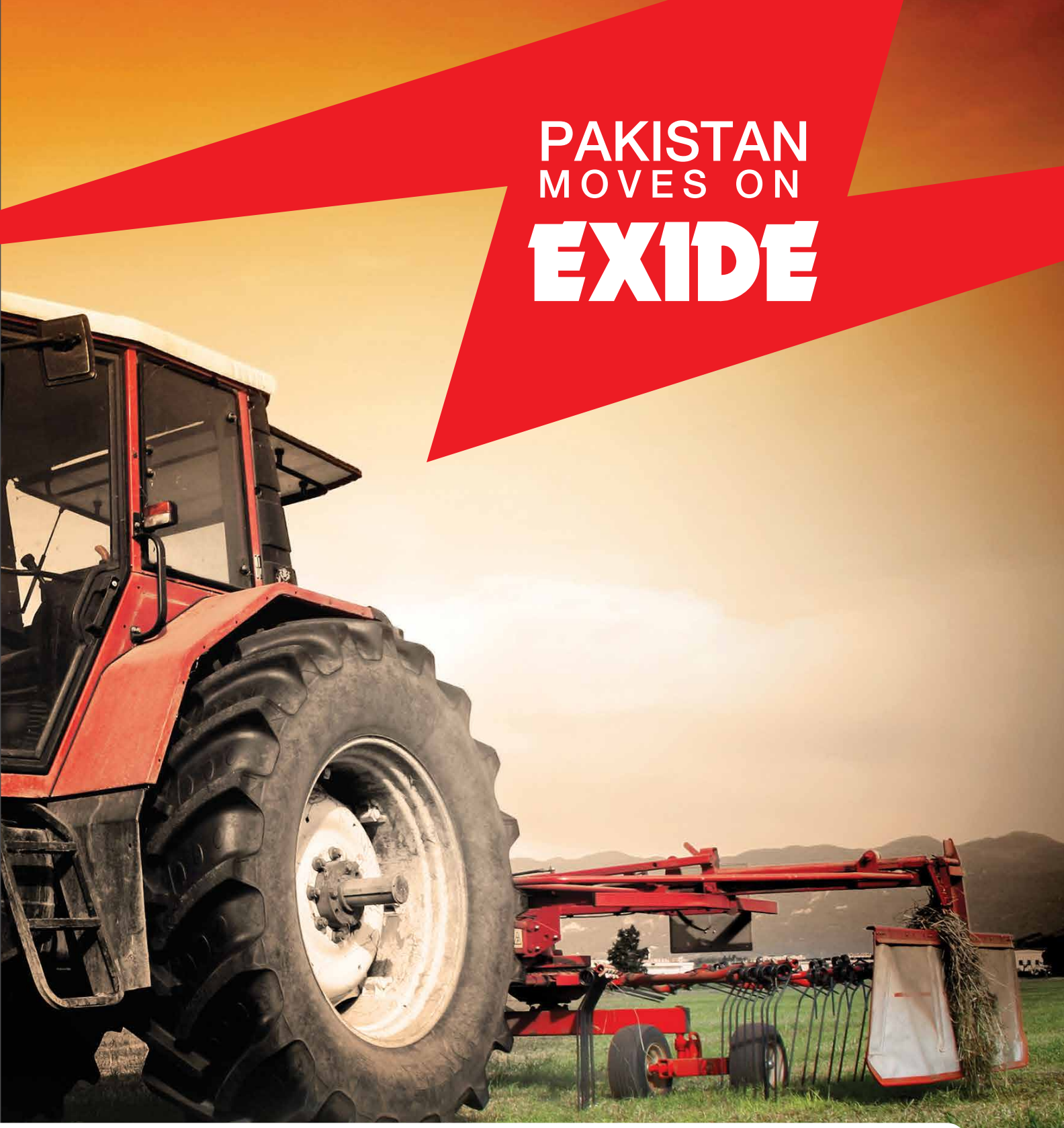
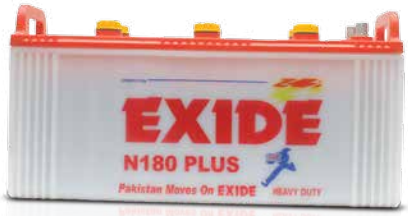
HEAVY DUTY

PAKISTAN MOVES ON EXIDE





SAGOU WASHING & DRYING MACHINE

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. Continous improvement in workmanship, process, productivity and elimination of wastage 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
E-mail: exidepk@exide.com.pk

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Notice of Annual General Meeting

Notice is hereby given that the Sixty Third Annual General Meeting of the shareholders of EXIDE Pakistan Limited will be held on Friday, the August 19, 2016 at 10.30 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 Second Annual General Meeting of the shareholders of the Company held on Monday, August 17, 2015.

2. To receive and adopt the Audited Statements of Accounts for the year ended March 31, 2016 together with the Directors' and Auditors reports thereon.

3. To declare final dividend for the year ended March 31, 2016, as recommended by the Directors.

4. To appoint auditors for the year 2016-2017 and fix their remuneration.

By order of the Board

S. Haider Mehdi
Company Secretary

Karachi: June 27, 2016

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 August 12, 2016 to August 19, 2016, 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, Ground Floor, state Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi 75530.

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.

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N140 PLUS
Pakistan Moves On EXIDE
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N180 PLUS
Pakistan Moves On EXIDE
EXIDE
NS240 PLUS
Pakistan Moves On EXIDE
EXIDE
N200
Pakistan Moves On EXIDE

ABINGTON HOUSE
ON THE HIGH LINE
LUXURY RENTALS
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Pakistan Moves On EXIDE
HEAVY DUTY

PAKISTAN
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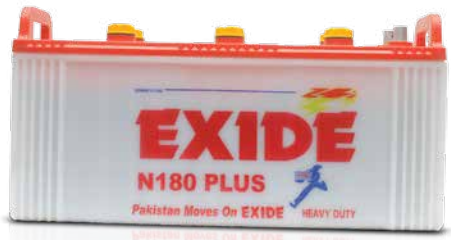

Chairman's Review

I am pleased to welcome you to the 63rd 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 2016 along with my review on the performance of your Company.

The Economy

Pakistan's economy during the year 2015-16 showed a sign of improvement with GDP growth at the rate of 4.71 percent compared to 4.24 percent recorded last year. However, the target of 5.5 percent was not achieved as agriculture and manufacturing sectors failed to register the targeted growth of 3.9 percent and 6.1 percent respectively, though service sector met its target of 5.7 percent. In fact, overall growth in the agriculture sector fell by 0.19 percent in 2015-16 due mainly to the failure of cotton crop and decline in rice and maize output. Country's current account deficit stood at US$ 1.6 billion during July-March 2016, a fall of 18.5 percent compared to the same period last year. The trade deficit posted an increase of 2.1 percent during July – April 2016 due to higher decline of 9.5 percent in exports than 4.7 percent in imports. The country's foreign exchange reserved reached all-time high of US$ 21.4 billion in May 2016.

CPI inflation declined to 2.8 percent during July-April 2016 down from 4.5 percent during the same period last year. Workers remittances rose by 5 percent to US$ 16 billion during the first 10 months of this fiscal year. Foreign Direct Investment improved to US$ 1.016 billion during July – April 2016 compared to US$ 964 million in the same period last year depicting an increase of 5 percent. The increased inflow of Dollars with lower outflow due to declining oil import bill resulted in the Rupee Dollar parity lingering within a band of Rs.101.85 to Rs.105.50.

The Industry

Growth of automotive sector in the preceding few years was instrumental to better capacity utilization for the battery industry. Sales of locally produced cars and LTV improved by 35 percent to 166,898 units in July-March 2016 as compared to 123,638 units sold during corresponding period of last year. Trucks and Buses sales improved by 42 percent. Farm tractors sales witnessed decline of 33 percent to 22,169 units sold in July-March 2016 against 33,181 units sold in the same period a year ago. Sales of motorcycles and three wheelers improved by 20 percent from 813,109 units to 977,720 units. The prices of refined and recycled lead decreased 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.

Sales

Net Sales revenue of the Company decreased to Rs.11.788 billion down by 10 percent compared with Rs.13.138 billion last year due to sluggish demand of batteries and improved availability from all battery manufacturers.

Profitability

Gross profit for the year under review improved from Rs.2.007 billion to Rs. 2.175 billion up by 8 percent due to improved margins. Gross profit ratio improved to 18.5 percent as compared to 15.3 percent last year due to reduction in cost of sales on account of decrease in raw material prices.

Selling and distribution expenses increased to Rs.1,127.6 million from Rs.926.1 million as a result of increased battery warranty claims, advertisement and sales promotion expenses. Administration and general expenses remained at par with last year. Operating profit decreased by 5 percent to Rs.825.7 million from Rs.871.7 million recorded last year. Financial cost decreased from Rs.254.2 million to Rs. 174.2 million due to decline in mark-up rates.

Profit before tax for the year under review increased from 617.5 million to Rs.651.5 up by 6 percent. Earnings

per share decreased to Rs.54.66 as compared with Rs. 57.63 recorded in the previous year as a result of higher taxation. The current ratio stood at 1.52:1, while the breakup value of share was Rs.394.03 as on March 31, 2016

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 27, 2016

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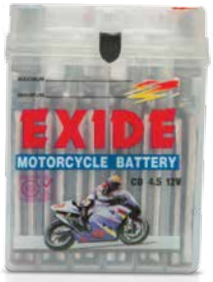

Directors' Report

The Directors of your Company have pleasure in submitting their report on audited statements of accounts for the year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

	(Rupees' 000)
Profit before taxation	651,542
Taxation	(226,926)
Profit after taxation	424,616
Un-appropriated profit brought forward	140,020
	564,636
Transferred from surplus on revaluation of property, plan and equipment	
- Current year – net of tax	10,053
Re-measurement of defined benefit plan net of tax	2,621
Profit available for appropriation	577,310
Appropriations:	
Transfer to General Reserves	350,000
Proposed Cash Dividend @ 100% (Rs.10 Per share)	77,686
Un-appropriated profit carried forward	149,624
Earnings per share – Rs.	54.66

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, 2016 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.155.993 million and Rs.81.290 million, respectively as on March 31, 2016.

l) The number of board meetings held during the year 2015-16 was four. The attendance of the directors is as under:

1.	Mr. Arif Hashwani	1
2.	Mr. Arshad Shehzada	4
3.	Mr. Altaf Hashwani	4
4.	Mr. Hussain Hashwani	4
5.	Mr. Muhammad Kamran Shehzad	4
7.	Mr. Ayub Hameed	2
8.	Mr. S. Haider Mehdi	4
9..	Mr. S. M. Faiq	4

m) Pattern of shareholding as at March 31, 2016 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) During the year the Board arranged orientation courses for the Directors and one Director has obtained the certificate of Directors Training Course from the Pakistan Institute of Corporate Governance.

q) 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 27, 2016

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

For the year ended March 31, 2016.

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in the Listing Regulations of the Pakistan Stock Exchange Limited 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 Directors	Mr. Ayub Hameed
Executive Directors	Mr. Arshad Shahzada (CEO) Mr. Arif Hashwani Mr. Syed Haider Mehdi
Non-Executive Directors	Mr. Altaf Hashwani Mr. Hussain Hassan Ali Hashwani** Mr. Kamran Shahzad Mr. Syed Mohammad Faiq

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

**With effect from March 1, 2016, Mr. Hussain Hassan Ali Hashwani has become non-executive director.

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 member of a stock exchange, has been declared as a defaulter by the stock exchange.

4. No casual vacancy occurred on the Board during the period under review.

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, overall corporate strategy 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, other executive and non-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. During the year the Board arranged orientation courses for the Directors. During the year one Director has obtained the certificate of Directors Training Course from the Pakistan Institute of Corporate Governance.

10. No new appointments of Chief Financial Officer, Company Secretary and the Head of Internal Audit have been made during the year and the Board has approved their annual remuneration and terms and conditions of employment.

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 Chief Executive Officer and the Chief Financial Officer before approval of the Board.

13. The Directors, Chief Executive Officer 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 of 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 for compliance.

17. The Board has formed a Human Resource and Remuneration Committee. It comprises one non-executive Director, one executive Director and an Independent Director. The Executive Director is the Chairman of the Human Resource 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 of programme 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 International Federation of Accountants (IFAC) guidelines on the 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 the directors, employees and stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23. We confirm that all other material principles enshrined in the Code have been complied

Arif Hashwani
Chairman

June 27, 2016

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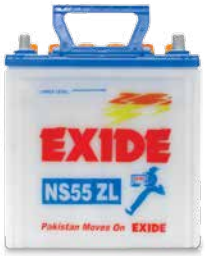

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Statement Under Section 237 (1)(E) of the Companies Ordinance, 1984

The Audited Statements of Accounts for the year ended March 31, 2016 of Chloride Pakistan (Private) Limited, wholy 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, 2016	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, 2016;	–
- 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, 2016;	–
- 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

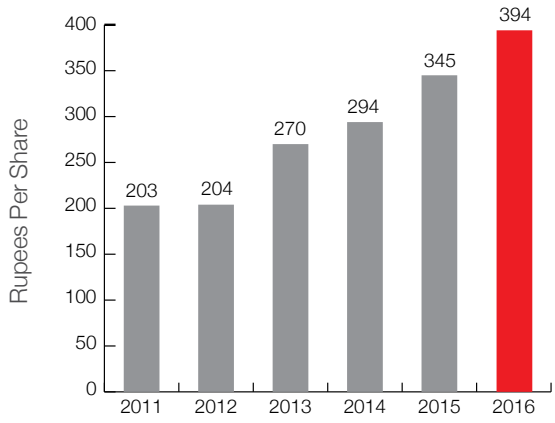
Performance Highlights

EXIDE PAKISTAN LIMITED	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
					(Restated)					
					Rupees'000					
Net sales	1,931,459	3,022,276	5,630,385	6,189,135	7,711,452	9,465,724	11,145,295	11,593,822	13,138,079	11,788,316
Operating profit	172,774	192,253	264,524	382,502	558,215	658,025	791,779	699,880	871,707	825,706
Profit/(loss) before tax	139,859	143,154	182,003	303,554	429,726	500,926	753,452	603,457	617,481	651,542
Profit/(loss)after tax	91,642	94,358	118,206	197,287	276,390	320,145	485,856	401,092	447,685	424,616
Cash dividend	13,514	13,514	27,028	33,899	33,899	42,374	42,374	58,265	58,265	77,686
Cash dividend %	25	25	50	60	60	60	60	75	75	100
Stock dividend	-	-	-	-	14,125	-	7,062	-	-	-
Stock dividend %	-	-	-	-	25	-	10	-	-	-
Paid up share capital	54,057	54,057	54,057	56,499	56,499	70,624	70,624	77,686	77,686	77,686
Reserves & unappropriated profit	450,964	536,816	671,907	844,000	1,091,989	1,374,100	1,839,576	2,203,784	2,604,358	2,983,383
Share holders' equity	505,021	590,873	725,964	900,499	1,148,488	1,444,724	1,910,200	2,281,470	2,682,044	3,061,069
Surplus on revaluation of fiexed assests	244,115	239,107	255,000	249,502	449,916	439,926	429,937	419,948	410,481	515,702
Tangible fixed assests	502,357	599,749	671,711	776,542	1,027,910	1,018,471	1,039,059	1,249,709	1,313,152	1,355,372
Net current assests	273,655	360,458	334,508	397,224	593,067	899,155	1,339,730	1,490,379	1,791,721	2,190,649
Net assets employed	809,136	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
					Rupees					
Earnings per share before tax	25.87	26.42	33.67	53.73	76.06	70.93	106.68	77.68	79.48	83.87
Earnings per share after tax	16.95	17.46	21.87	34.92	48.92	45.33	68.79	51.63	57.63	54.66
Share break-up value	93	109.31	134.30	159.38	203.28	204.57	270.48	293.68	345.24	394.03
Ratio of :					Percentage					
Operating profit to sales	9%	6%	5%	6%	7%	7%	8%	6%	7%	7%
Profit/(loss)before tax to sales	7%	5%	3%	5%	6%	5%	7%	5%	5%	6%
Profit/(loss)after tax to sales	5%	3%	2%	3%	4%	3%	4%	3%	3%	4%
Return/(loss) on equity	18%	16%	16%	22%	24%	22%	25%	18%	17%	14%
Return/(loss) on net assests employed	11%	10%	12%	17%	17%	17%	21%	15%	15%	12%

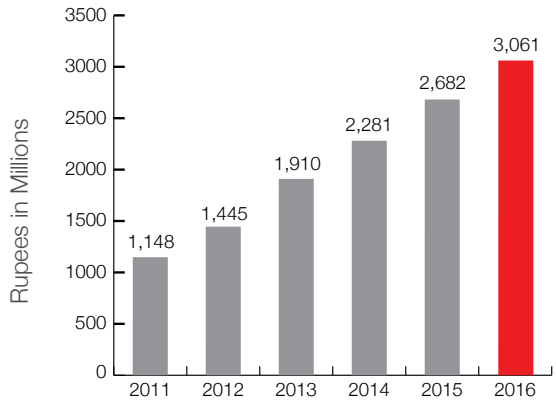
* Effects of amendments made in the Fourth Schedule to the Companies Ordiance,1984,have not been condidered in performance higlights

Performance Highlights

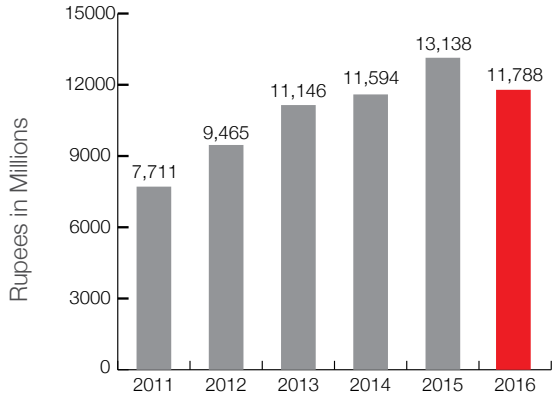
BREAK-UP VALUE PER SHARE



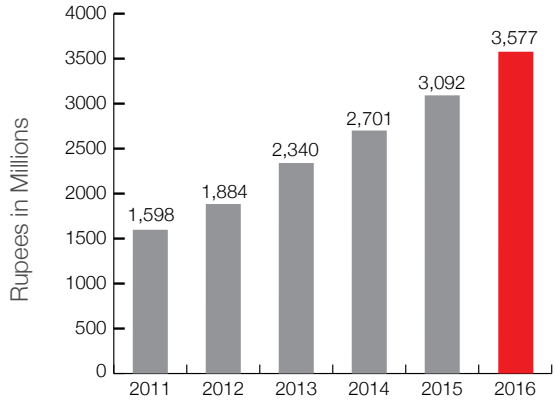
SHAREHOLDERS' EQUITY



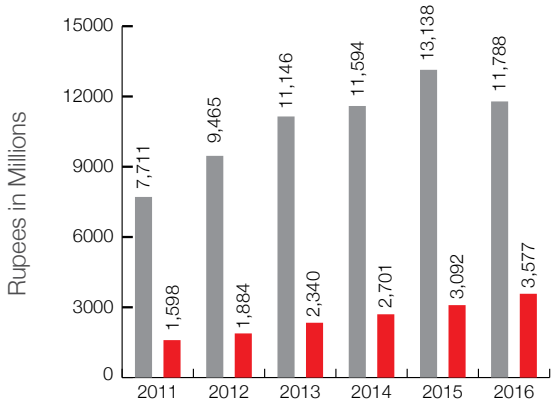
NET SALES



NET ASSETS EMPLOYED

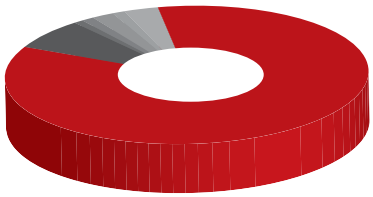


TURNOVER VS NET ASSETS EMPLOYED



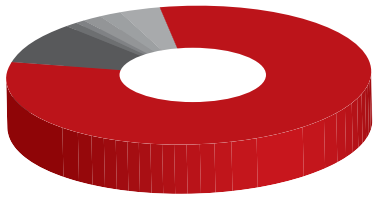
Performance Highlights

Cost and Expenses Analysis 2015



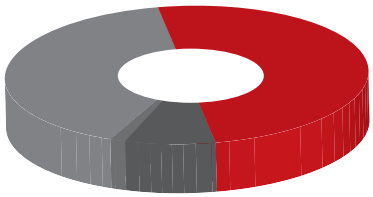
Cost of Goods Sold	85%
Selling and Distribution Expenses	7%
Administration Expenses	1%
Other Charges Including WPPF and WWF	1%
Financial Charges	2%
Taxation	1%
Net Profit	3%

Cost and Expenses Analysis 2016



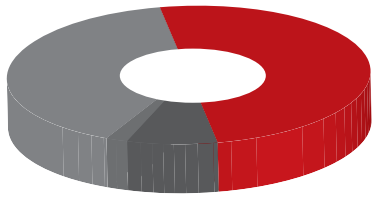
Cost of Goods Sold	81%
Selling and Distribution Expenses	10%
Administration Expenses	1%
Other Charges Including WPPF and WWF	1%
Financial Charges	1%
Taxation	2%
Net Profit	4%

Sales Analysis 2015
Rupees in Millions



Gross Sales	16,303
Sales Tax and Special Exice Duty	2,652
Discounts	513
Net Sales	13,138

Sales Analysis 2016
Rupees in Millions



Gross Sales	14812
Sales Tax and Special Exice Duty	2415
Discounts	609
Net Sales	11788

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, 2016 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, 2016.

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 period from April 1, 2015 to February 29, 2016, the number of Executive Directors on the Board exceeded the limit prescribed by the Code.

Chartered Accountants
Dated: July 4, 2016
Karachi

Auditors' Report to the Members

We have audited the annexed balance sheet of Exide Pakistan Limited as at March 31, 2016 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, 2016 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: July 4, 2016
Karachi

2100.36
854.94
38992.44

FINANCIAL STATEMENTS

Balance Sheet

as at March 31, 2016

	Note	2016	2015
		---------- (Rupees '000) ----------	
SHARE CAPITAL & RESERVES			
Authorised share capital			
18,000,000 (2015:18,000,000)			
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		2,379,991	2,079,991
Reserve arising on amalgamation - net		25,823	25,823
Unappropriated profit		577,310	498,285
		3,061,069	2,682,044
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX	6	515,702	410,481
NON - CURRENT LIABILITIES			
Deferred tax liability - net	7	7,201	47,043
CURRENT LIABILITIES			
Trade and other payables	8	1,596,786	1,177,568
Accrued mark-up	9	31,954	66,376
Short-term borrowings	10	2,569,132	3,068,701
		4,197,872	4,312,645
CONTINGENCIES AND COMMITMENTS	11		
		7,781,844	7,452,213

The annexed notes 1 to 44 form an integral part of these financial statements.

	Note	2016	2015
		---------- (Rupees '000) ----------	
NON - CURRENT ASSETS			
Property, plant and equipment	12	1,355,372	1,313,152
Long-term investment	13	224	224
Long-term loans	14	808	1,082
Long-term deposits	15	36,919	33,389
		1,393,323	1,347,847
CURRENT ASSETS			
Spares	16	127,418	111,072
Stock-in-trade	17	2,770,081	2,396,343
Trade debts	18	2,510,293	1,335,269
Loans and advances	19	26,629	41,406
Trade deposits, short-term prepayments and other receivables	20	34,144	31,838
Taxation recoverable		520,599	515,207
Cash and bank balances	21	399,357	1,673,231
		6,388,521	6,104,366
		7,781,844	7,452,213

Arif Hashwani
Chairman

Arshad Shehzada
Chief Executive Officer

Profit and Loss Account

For the year ended March 31, 2016

	Note	2016	2015
		---------- (Rupees '000) ----------	
Net sales	22	11,788,316	13,138,079
Cost of sales	23	(9,613,108)	(11,131,069)
Gross profit		2,175,208	2,007,010
Selling and distribution expenses	24	(1,127,643)	(926,102)
Administration and general expenses	25	(107,389)	(107,499)
		940,176	973,409
Other income	27	4,093	12,040
		944,269	985,449
Other operating charges	28	(118,563)	(113,742)
Operating profit		825,706	871,707
Finance cost	29	(174,164)	(254,226)
Profit before taxation		651,542	617,481
Taxation - net	30	(226,926)	(169,796)
Profit after taxation		424,616	447,685
		---------- (Rupees) ----------	
Earnings per share (EPS)	31	54.66	57.63

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

The annexed notes 1 to 44 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, 2016

	Note	2016	2015
		---------- (Rupees '000) ----------	
Profit for the year		424,616	447,685
Other comprehensive Income :			
Items that will not be reclassified to profit and loss			
Components of comprehensive income reflected in equity			
- Remeasurements of defined benefit plan	26.1.2	3,798	1,641
- Deferred tax liability on remeasurements of defined benefit plan		(1,177)	(525)
		2,621	1,116
Total comprehensive income for the year		427,237	448,801

The annexed notes 1 to 44 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, 2016

	Note	2016	2015
		---------- (Rupees '000) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	36	(159,807)	175,335
Financial charges paid		(208,586)	(216,944)
Taxes paid		(285,597)	(289,762)
Increase in long-term deposits		(3,530)	(7,869)
Decrease in long-term loans		274	83
Net cash used in operating activities		(657,246)	(339,157)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		(62,348)	(191,617)
Proceeds from disposal of operating fixed assets		2,776	6,636
Net cash used in investing activities		(59,572)	(184,981)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(57,487)	(57,627)
Net cash used in financing activities		(57,487)	(57,627)
Net decrease in cash and cash equivalents		(774,305)	(581,765)
Cash and cash equivalents at the beginning of the year		(1,395,470)	(813,705)
Cash and cash equivalents at the end of the year	37	(2,169,775)	(1,395,470)

The annexed notes 1 to 44 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, 2016

	Issued, subscribed and paid-up share capital	Capital reserve	Revenue reserves	Reserve arising on amalgamation - net	Unappropriated profit	Total
	(Rupees '000)					
Balance at April 1, 2014	77,686	259	1,714,991	25,823	462,711	2,281,470
Final dividend for the year ended March 31, 2014 declared subsequent to year end	-	-	-	-	(58,265)	(58,265)
Transfer to revenue reserves made subsequent to the year ended March 31, 2014	-	-	365,000	-	(365,000)	-
Profit after taxation for the year ended March 31, 2015	-	-	-	-	447,685	447,685
Other comprehensive income for the year						
Remeasurements of defined benefit plan	-	-	-	-	1,641	1,641
Tax on remeasurements of defined benefit plan	-	-	-	-	(525)	(525)
	-	-	-	-	1,116	1,116
Transferred from surplus on revaluation of property, plant and equipment - net of tax (note 6)	-	-	-	-	10,038	10,038
Balance as at March 31, 2015	77,686	259	2,079,991	25,823	498,285	2,682,044
Final dividend for the year ended March 31, 2015 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
Other comprehensive income for the year						
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
Balance as at March 31, 2016	77,686	259	2,379,991	25,823	577,310	3,061,069

Appropriations of dividend and transfer between reserves made subsequent to the year ended March 31, 2016 are disclosed in note 42 to these financial statements.

The annexed notes 1 to 44 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, 2016

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

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 said 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

IFRS 13, 'Fair value measurement'. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The change had no impact as there no financial assets or financial liabiliites which are measured at their fair value in the balance sheet.

There are certain new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after April 1, 2015 but are considered not be to relevant or to have any significant effect on the Company's operations and are, therefore, not disclosed in 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

There are a certain new and amended standards and interpretations to published approved accounting standards that are mandatory for accounting periods beginning on or after April 1, 2016 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2016

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 26);
v) Provision for taxation (note 4.13 and note 30); 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 polices applied in the preparation of these financial statements are set out below. These polices 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/amortisation 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.

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'.

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 asset 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 financial asset is impaired.

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.

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.

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, 2016 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.

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 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.
- Mark-up income 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.

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

2016	2015		2016	2015
-----(Number of shares)----			------- (Rupees '000) -------	
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
7,768,618	7,768,618		77,686	77,686

5.1 Shares held by the related parties of the Company

Name of the shareholders	2016	2015
	-----(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 Hashwani	217	217
Ms. Sana Arif Hashwani	1,592,836	1,592,836
Ms. Zaver Hashwani	1,592,837	1,592,837
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.

	2016	2015
	------- (Rupees '000) -------	
Surplus on revaluation of operating fixed assets as at April 1	416,094	426,641
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	(10,053)	(10,038)
Related deferred tax liability	(493)	(509)
Surplus on revaluation of operating fixed assets as at March 31	522,388	416,094
Less: related deferred tax liability on:		
- revaluation as at April 1	5,613	6,693
- surplus arising on revaluation during the year	1,742	-
- adjustment due to change in tax rate	(176)	(571)
- incremental depreciation charged during the year transferred to the profit and loss account	(493)	(509)
	6,686	5,613
	515,702	410,481

		Note	2016	2015
			------- (Rupees '000) -------	
7	DEFERRED TAX LIABILITY - NET			
	Deferred tax liability arising on taxable temporary differences due to:			
	- Accelerated tax depreciation		77,567	82,708
	- Arising on surplus on revaluation of property, plant and equipment	6	6,686	5,613
	Deferred tax assets arising on deductible temporary differences due to:			
	- Certain provisions		(75,875)	(40,753)
	- Remeasurement of defined benefit obligations		(1,177)	(525)
			7,201	47,043
8	TRADE AND OTHER PAYABLES			
	Creditors		743,368	281,047
	Bills payable		301,266	334,032
	Accrued liabilities	8.1 & 8.2	236,183	183,858
	Advances from customers		15,888	19,372
	Workers' Profits Participation Fund	8.3	-	737
	Workers' Welfare Fund		15,805	13,472
	Provision for battery warranty claims	8.4	199,492	107,976
	Unclaimed dividends		3,041	2,263
	Payable to provident fund		1,368	1,321
	Royalty payable		11,470	10,731
	Sales tax payable		60,891	213,325
	Others	8.5	8,013	9,434
			1,596,786	1,177,568

8.1 This includes an amount of Rs 3.754 million (2015: Rs 3.164 million) in respect of employees compensated absences.

8.2 This includes an amount of Rs 29.145 million (2015: Rs 29.145 million) in respect of rent payable to related party (Zaver Enterprises).

		Note	2016	2015
8.3	Workers' Profits Participation Fund		------- (Rupees '000) -------	
	Balance at April 1		737	1,835
	Allocation for the year	28	35,123	33,208
			35,860	35,043
	Interest on funds utilised in the company's business	29	172	400
			36,032	35,443
	Less: Amount paid during the year		(36,456)	(34,706)
	Balance at March 31		(424)	737

	Note	2016	2015
		------- (Rupees '000) -------	
8.4 Provision for battery warranty claims			
Balance at April 1		107,976	61,651
Charge for the year	24	612,780	454,618
Claims paid		(521,264)	(408,293)
Balance at March 31		199,492	107,976

8.5 This includes an amount of Rs 0.025 million (2015: Rs 0.029 million) payable to the subsidiary company, Chloride Pakistan (Private) Limited (CPL)

	Note	2016	2015
9 ACCRUED MARK-UP		------- (Rupees '000) -------	
Mark-up accrued on:			
- Running finance		16,350	34,482
-Term finance		15,604	31,894
		31,954	66,376
10 SHORT-TERM BORROWINGS			
From banking companies - secured	10.1		
- Running finance		1,209,186	1,140,143
-Term finance		1,359,946	1,928,558
		2,569,132	3,068,701

10.1 The facilities for Running finance and Term finance have been obtained from various banks in order to meet working capital and import requirements. These facilities amounted to Rs 4,433 million (2015: Rs 3,813 million) and carry mark-up at rates ranging from 6.64% to 8.98% (2015: 8.78% to 11.19%) and are repayable latest by June 15, 2016. The arrangements are secured by pari passu and joint hypothecation charge over the company's present and future stock-in-trade and trade debts.

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. 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. Therefore, no provision has been made in these financial statements in respect of any liability / penalty which may arise as a consequence of the said notice.

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 The company has received showcause notices u/s 161(1A) read with section 205 of the Income Tax Ordinance, 2001 from the Deputy Commisioner Inland Revenue. The show cause notices are in respect of tax years 2009-2014. In the said show cause notices the department contended that discounts and incentives as appearing in the books of the Company, from 2009 to 2014, are liable to deduction of withholding tax u/s 156(2) of the Income Tax Ordinance 2001. On April 3, 2015, the company has filed a suit no. 526/2015 in the Honourable Sindh High Court and prayed to suspend these notices as the discounts and incentives mentioned in the notices are not subject to deduction of any withholding tax u/s 156(2) of the Income Tax Ordinance 2001. The decision of the Honourable Sindh High Court is still pending in this regard.

	Commitments	Note	2016	2015
			------- (Rupees '000) -------	
11.5	Commitments in respect of:			
	Capital expenditure contracted for but not incurred		2,229	5,028
	Letters of credit		390,891	297,183
	Letters of guarantee		84,141	77,826
12	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	12.1	1,316,226	1,195,616
	Capital work-in-progress	12.6	39,146	117,536
	Intangible assets	12.7	-	-
			1,355,372	1,313,152

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2016

12.1 The following is a statement of operating fixed assets:

	2016						
	Leasehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment and appliances	Vehicles	Total
	Rupees '000						
At April 1, 2015							
Cost / revalued amount	510,000	84,689	1,333,634	14,147	26,968	98,272	2,067,710
Accumulated depreciation / amortisation	(41,124)	(24,883)	(721,252)	(8,636)	(19,327)	(56,872)	(872,094)
Net book value	468,876	59,806	612,382	5,511	7,641	41,400	1,195,616
Additions / Transferred from CWIP	-	9,388	117,196	1,961	1,231	10,962	140,738
Adjustments due to revaluation in:*							
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
	-	-	-	-	-	(764)	(764)
Depreciation charge for the year	(10,200)	(8,578)	(100,102)	(1,326)	(3,054)	(12,944)	(136,204)
Closing net book value	569,896	66,236	629,476	6,146	5,818	38,654	1,316,226
At March 31, 2016							
Cost / revalued amount	570,297	66,236	1,450,830	15,754	28,199	104,581	2,235,897
Accumulated depreciation / amortisation	(401)	-	(821,354)	(9,608)	(22,381)	(65,927)	(919,671)
Net book value	569,896	66,236	629,476	6,146	5,818	38,654	1,316,226
Depreciation/amortisation rate % per annum	1 - 2	5 - 10	10 - 20	10 - 20	10 - 20	10 - 20	

	2015						
	Leasehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment and appliances	Vehicles	Total
	Rupees '000						
At April 1, 2014							
Cost / revalued amount	510,000	69,824	1,167,722	11,473	24,493	85,018	1,868,530
Accumulated depreciation / amortisation	(30,924)	(18,088)	(628,237)	(7,556)	(16,319)	(56,702)	(757,826)
Net book value	479,076	51,736	539,485	3,917	8,174	28,316	1,110,704
Additions / Transferred from CWIP	-	14,865	166,712	2,674	2,475	26,360	213,086
Disposals:							
Cost	-	-	(800)	-	-	(13,106)	(13,906)
Depreciation	-	-	800	-	-	11,356	12,156
	-	-	-	-	-	(1,750)	(1,750)
Depreciation charge for the year	(10,200)	(6,795)	(93,815)	(1,080)	(3,008)	(11,526)	(126,424)
Closing net book value	468,876	59,806	612,382	5,511	7,641	41,400	1,195,616
At March 31, 2015							
Cost / revalued amount	510,000	84,689	1,333,634	14,147	26,968	98,272	2,067,710
Accumulated depreciation / amortisation	(41,124)	(24,883)	(721,252)	(8,636)	(19,327)	(56,872)	(872,094)
Net book value	468,876	59,806	612,382	5,511	7,641	41,400	1,195,616
Depreciation/amortisation rate % per annum	1 - 2	5 - 10	10 - 20	10 - 20	10 - 20	10 - 20	

12.2 Leasehold land and buildings on leasehold land of the Company were revalued during the year by M/s 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 522.388 million (2015: 416.094 million) remains undepreciated as at March 31, 2016.

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

	2016	2015
	------- (Rupees '000) -------	
Leasehold land	67,679	69,594
Buildings on leasehold land	46,065	42,994

12.3 Included in cost of fixed assets - own use are fully depreciated items which are still in use aggregating to Rs. 446.076 million (2015: Rs. 422.321 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 depreci-ation	Net Book value	Sale pro-ceeds	Mode of disposals / settlement	Particulars of buyers	Location
	---------- (Rupees '000) ----------						
Vehicles							
Suzuki Cultus	793	793	-	425	Company Policy	Mr. Naeem Akhtar (Employee)	Karachi
Toyota Gli 1299 Cc	1,289	1,289	-	684	Company Policy	Mr. Anjum Khan (Employee)	Lahore
Suzuki Alto	868	868	-	347	Company Policy	Mr. Khalid Akram Rao (Employee)	Karachi
Daihatsu Coure	663	287	376	504	Company Policy	Mr. Rehmat Ali Naz (Employee)	Karachi
Suzuki Alto	970	631	339	601	Company Policy	Mr. Nauman Ahmed Shaikh (Employee)	Karachi
2016	4,583	3,868	715	2,561			
2015	5,727	4,039	1,688	2,701			

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	2016	2015
		------- (Rupees '000) -------	
Depreciation			
Cost of sales	23	129,394	120,103
Selling and distribution expenses	24	2,724	2,528
Administration and general expenses	25	4,086	3,793
		136,204	126,424

	2016	2015
	---------- (Rupees '000) ----------	
12.6 Capital work-in-progress		
Building	-	7,977
Plant and machinery	17,153	87,566
Advances to suppliers / contractors	21,993	21,993
	39,146	117,536

12.7 This represents fully amortized intangibles having cost of Rs. 7.331 million (2015: Rs. 7.331 million).

	Percentage holding	2016	2015
		------- (Rupees '000) -------	
13 LONG-TERM INVESTMENT			
Investment in related party - at cost			
Subsidiary company - Unquoted			
22,380 (2015: 22,380) ordinary shares of Rs 10 each held in Chloride Pakistan (Private) Limited, a private limited company incorporated in Pakistan	100%	224	224

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. The accounts of the subsidiary shall be available for inspection at the registered office of the Company and will be available to the members on request.

13.2 The Securities and Exchange Commission of Pakistan vide letter No. EMD/233/443/2002-1306 dated June 24, 2016 has granted exemption to the Company from the preparation of consolidated financial statements. The audited balance sheet as at March 31, 2016 and the profit and loss account for the year ended March 31, 2016 of CPL are as follows:

	2016	2015
	---------- (Rupees '000) ----------	
BALANCE SHEET		
Current Assets		
Receivable from Exide Pakistan Limited	25	29
Cash and bank balances	10	11
Current Liability		
Accrued expenses	(75)	(110)
	(40)	(70)
Financed by:		
Share capital	224	224
Accumulated loss	(839)	(779)
	(615)	(555)
Loan from a director - subordinated	575	485
	(40)	(70)

	2016	2015
	---------- (Rupees '000) ----------	
PROFIT AND LOSS ACCOUNT		
Expenses		
Legal and professional charges	(19)	(21)
Bank charges	(1)	-
Auditors' Remuneration		
- Audit fees	(34)	(32)
- Out of pocket expenses	(6)	(6)
	(40)	(38)
Loss before tax	(60)	(59)
Tax	-	-
Loss for the year	(60)	(59)

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

	Note	2016	2015
		---------- (Rupees '000) ----------	
14 LONG-TERM LOANS (considered good - unsecured)			
Due from:			
Executives	14.1, 14.2 & 14.3	641	677
Employees	14.1	1,021	1,074
		1,662	1,751
Less: receivable within one year	19	(854)	(669)
		808	1,082

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.

14.2 Reconciliation of carrying amount of loans to Executives	2016	2015
	---------- (Rupees '000) ----------	
Opening balance	677	1,452
Disbursements during the year	392	356
Repayments during the year	(428)	(1,131)
Closing balance	641	677

14.3 The maximum aggregate amount due from Executives at the end of any month during the year was Rs 0.641 million (2015: Rs 1.385 million).

		Note	2016	2015
15	LONG-TERM DEPOSITS		------- (Rupees '000) -------	
	Utilities		23,739	23,739
	Others		13,180	9,650
			36,919	33,389
16	SPARES			
	Spares (including in transit of Rs. 0.27 million (2015 : Rs. 3.54 million))		111,846	100,224
	Stores		26,596	21,340
	Less: provision for slow moving and obsolete spares	16.1	(11,024)	(10,492)
			127,418	111,072
16.1	Provision for slow moving and obsolete spares			
	Opening balance		10,492	8,618
	Charged during the year	28	532	1,874
	Closing balance		11,024	10,492
17	STOCK-IN-TRADE			
	Raw and packing materials and components (including goods-in-transit of Rs 430 million (2015: Rs 349.764 million))		1,159,902	1,167,327
	Work-in-process		523,680	439,801
	Finished goods		1,112,555	794,235
			2,796,137	2,401,363
	Less: Provision for slow moving and obsolete stock-in-trade	17.1	(26,056)	(5,020)
			2,770,081	2,396,343
17.1	Provision for slow moving and obsolete stock-in-trade			
	Opening balance		5,020	7,710
	Charged during the year	28	21,036	-
	Amount written off during the year		-	2,690
	Closing balance		26,056	5,020

17.2 Raw materials and components amounting to Rs 45.983 million (2015: Rs 22.256 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.

		Note	2016	2015
18	TRADE DEBTS - unsecured		------- (Rupees '000) -------	
	Considered			
	- good		2,510,293	1,335,269
	- doubtful		31,564	24,630
			2,541,857	1,359,899
	Less: Provision for impairment in trade debts	18.1	(31,564)	(24,630)
			2,510,293	1,335,269

		Note	2016	2015
18.1	Provision for impairment		------- (Rupees '000) -------	
	Balance at April 1		24,630	15,060
	Provision made during the year	28	8,452	10,504
			33,082	25,564
	Less: amount reversed during the year	27	(1,518)	(934)
	Balance at March 31		31,564	24,630

18.2 As at March 31, 2016, Rs 545.621 million (2015: Rs 362.651 million) of the gross trade debts are over due out of which Rs 31.564 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	2016	2015
		------- (Rupees '000) -------	
By 1 month		190,901	141,834
1 to 6 months		225,123	163,075
Over 6 months		129,597	57,742
		545,621	362,651

		Note	2016	2015
19	LOANS AND ADVANCES - (considered good - unsecured)			
	Loans due from - employees and executives			
	- current portion of long term loans to employees	14	854	669
	Advances to			
	- employees	19.1	94	105
	- suppliers		25,681	40,632
			26,629	41,406

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

		Note	2016	2015
20	TRADE DEPOSITS, SHORT-TERM PREPAYMENTS AND OTHER RECEIVABLES		------- (Rupees '000) -------	
	Short-term prepayments		7,950	3,579
	Insurance claims		4,959	4,796
	Asset to be recognised against defined benefit obligation	20.1	19,582	19,123
	Workers' Profits Participation Fund	8.3	424	-
	Others		1,229	4,340
			34,144	31,838

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2016

20.1 Payable to gratuity funds

	2016			2015		
	EXIDE	ABCL	Total	EXIDE	ABCL	Total
	(Rupees '000)					
Balance at April 1	(15,358)	(3,765)	(19,123)	(17,263)	(1,937)	(19,200)
Charge for the year	1,533	2,379	3,912	955	763	1,718
Other comprehensive Income	(1,520)	(2,278)	(3,798)	950	(2,591)	(1,641)
Contributions paid	(573)	-	(573)	-	-	-
Closing Net	(15,918)	(3,664)	(19,582)	(15,358)	(3,765)	(19,123)

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 operating for the employees of both companies.

21 CASH AND BANK BALANCES

	2016	2015
	(Rupees '000)	
With banks - current accounts	378,732	1,501,775
Cheques in hand	20,329	171,410
Cash in hand	296	46
	399,357	1,673,231

22 OPERATING RESULTS

	Note	Batteries		Chemicals		Company	
		2016	2015	2016	2015	2016	2015
		(Rupees '000)					
Sales	22.7	14,444,374	15,913,907	367,639	389,542	14,812,013	16,303,449
Sales tax		2,361,111	2,595,909	53,418	56,600	2,414,529	2,652,509
Discounts to distributors and customers		609,168	512,861	-	-	609,168	512,861
		2,970,279	3,108,770	53,418	56,600	3,023,697	3,165,370
Net sales		11,474,095	12,805,137	314,221	332,942	11,788,316	13,138,079
Cost of sales	23	(9,326,415)	(10,850,747)	(286,693)	(280,322)	(9,613,108)	(11,131,069)
Gross profit		2,147,680	1,954,390	27,528	52,620	2,175,208	2,007,010
Selling and distribution expenses	24	(1,121,717)	(917,918)	(5,926)	(8,184)	(1,127,643)	(926,102)
Administration and general expenses	25	(104,527)	(104,737)	(2,862)	(2,762)	(107,389)	(107,499)
Other operating income		336	996	-	-	336	996
Unallocated other operating income	22.8	-	-	-	-	3,757	11,044
	27					4,093	12,040
Unallocated other operating charges	22.8 & 28	-	-	-	-	(118,563)	(113,742)
Operating profit		921,772	932,731	18,740	41,674	825,706	871,707

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2016

		Note	Batteries		Chemicals		Company	
			2016	2015	2016	2015	2016	2015
			(Rupees '000)					
22.1	Segment assets		6,616,124	5,056,208	181,184	131,466	6,797,308	5,187,674
22.2	Unallocated assets	22.8					984,536	2,264,539
							7,781,844	7,452,213
22.3	Segment liabilities		519,663	463,155	8,453	8,956	528,116	472,111
22.4	Unallocated liabilities	22.8					3,676,957	3,887,577
							4,205,073	4,359,688
22.5	Capital expenditure		60,686	186,761	1,662	4,856	62,348	191,617
22.6	Depreciation expense		132,573	123,220	3,631	3,204	136,204	126,424

22.7 Battery sales of Rs 14,444 million include export sales amounting to Rs 30.775 million (2015: Rs. 17.537 million).

22.8 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.

23 COST OF SALES

	Note	Batteries		Chemicals		Company	
		2016	2015	2016	2015	2016	2015
		(Rupees '000)					
Raw and packing materials consumed							
Opening stock		1,133,826	1,249,988	33,501	49,399	1,167,327	1,299,387
Purchases		8,647,593	9,853,840	182,487	174,619	8,830,080	10,028,459
		9,781,419	11,103,828	215,988	224,018	9,997,407	11,327,846
Closing stock		(1,147,870)	(1,133,826)	(12,032)	(33,501)	(1,159,902)	(1,167,327)
		8,633,549	9,970,002	203,956	190,517	8,837,505	10,160,519
Salaries, wages and benefits	23.1	321,217	284,457	25,000	24,239	346,217	308,696
Spares consumed		70,515	80,860	3,184	2,461	73,699	83,321
Rent, rates and taxes		43,235	40,091	358	722	43,593	40,813
Fuel, power and water		358,516	359,820	40,001	40,782	398,517	400,602
Insurance		26,471	20,940	446	1,585	26,917	22,525
Repairs and maintenance		85,937	83,344	6,949	8,669	92,886	92,013
Depreciation	12.5	125,937	117,060	3,457	3,043	129,394	120,103
General expenses		61,040	59,403	5,539	8,274	66,579	67,677
Opening stock of work-in-process		437,088	369,854	2,713	2,208	439,801	372,062
Closing stock of work-in-process		(521,214)	(437,088)	(2,466)	(2,713)	(523,680)	(439,801)
Cost of goods manufactured		9,642,291	10,948,743	289,137	279,787	9,931,428	11,228,530
Opening stock of finished goods		790,793	692,797	3,442	3,977	794,235	696,774
		10,433,084	11,641,540	292,579	283,764	10,725,663	11,925,304
Closing stock of finished goods		(1,106,669)	(790,793)	(5,886)	(3,442)	(1,112,555)	(794,235)
		9,326,415	10,850,747	286,693	280,322	9,613,108	11,131,069

23.1 Salaries, wages and benefits include Rs 6.673 million (2015: Rs 4.844 million) in respect of staff retirement benefits.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2016

24 SELLING AND DISTRIBUTION EXPENSES

	Note	Batteries		Chemicals		Company	
		2016	2015	2016	2015	2016	2015
		(Rupees '000)					
Salaries, wages and benefits	24.1	48,675	36,677	487	481	49,162	37,158
Repairs and maintenance		1,059	1,074	-	56	1,059	1,130
Royalty		11,470	10,731	-	-	11,470	10,731
Advertising		128,987	94,201	-	-	128,987	94,201
Sales promotion		12,413	27,863	-	-	12,413	27,863
Rent, rates and taxes		11,367	8,411	-	-	11,367	8,411
Insurance		23,483	20,709	-	-	23,483	20,709
Printing and stationery		834	771	-	-	834	771
Carriage and forwarding		225,367	232,179	5,235	7,487	230,602	239,666
Battery warranty claims	8.4	612,780	454,618	-	-	612,780	454,618
Travelling, conveyance and entertainment		14,739	11,874	-	-	14,739	11,874
Depreciation	12.5	2,651	2,464	73	64	2,724	2,528
Postage, telegram, telephone and telex		1,982	1,689	-	23	1,982	1,712
General expenses		25,910	14,657	131	73	26,041	14,730
		1,121,717	917,918	5,926	8,184	1,127,643	926,102

24.1 Salaries, wages and benefits include Rs 0.890 million (2015: Rs 0.563 million) in respect of staff retirement benefits.

25 ADMINISTRATION AND GENERAL EXPENSES

	Note	Batteries		Chemicals		Company	
		2016	2015	2016	2015	2016	2015
		(Rupees '000)					
Salaries, wages and benefits	25.1	64,030	65,886	1,753	1,713	65,783	67,599
Repairs and maintenance		5,981	5,649	164	147	6,145	5,796
Legal and professional charges		2,627	2,072	72	93	2,699	2,165
Rent, rates and taxes		75	250	2	7	77	257
Insurance		1,620	1,250	44	32	1,664	1,282
Depreciation	12.5	3,977	3,697	109	96	4,086	3,793
Printing and stationery		1,696	1,537	46	40	1,742	1,577
Travelling, conveyance and entertainment		13,259	14,518	363	377	13,622	14,895
Communication and postage		3,053	3,384	84	88	3,137	3,472
General expenses		8,209	6,494	225	169	8,434	6,663
		104,527	104,737	2,862	2,762	107,389	107,499

25.1 Salaries, wages and benefits include Rs 1.335 million (2015: Rs 1.025 million) in respect of staff retirement benefits.

26 DEFINED BENEFIT AND DEFINED CONTRIBUTION PLANS

26.1 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, 2016 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.

		2016		2015	
		EXIDE	ABCL	EXIDE	ABCL
a.	Valuation discount rate	7.75%	7.75%	9.25%	9.25%
b.	Salary increase rate	7.75%	7.75%	9.25%	9.25%
c	Expected rate of return on plan assets	7.75%	7.75%	9.25%	9.25%

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:

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.

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

	Note	2016			2015		
		EXIDE	ABCL	Total	EXIDE	ABCL	Total
		(Rupees '000)					
Present value of defined benefit obligation		43,122	18,586	61,708	41,334	16,072	57,406
Less: fair value of plan assets	26.1.2	(59,040)	(22,250)	(81,290)	(56,692)	(19,837)	(76,529)
		(15,918)	(3,664)	(19,582)	(15,358)	(3,765)	(19,123)

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2016

26.1.2 Plan assets comprise of the following:

	2016			
	(Rupees '000)	Percentage composition	(Rupees '000)	Percentage composition
	EXIDE		ABCL	
Debt Instruments	47,021	80%	19,323	87%
Equity Instruments	10,704	18%	1,593	7%
Cash at bank	1,315	2%	1,334	6%
	59,040	100%	22,250	100%

	2015			
	(Rupees '000)	Percentage composition	(Rupees '000)	Percentage composition
	EXIDE		ABCL	
Debt Instruments	40,003	71%	17,652	89%
Equity Instruments	10,404	18%	2,184	11%
Cash at bank	6,285	11%	1	0%
	56,692	100%	19,837	100%

	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 expense	-	-	-	-	-	-	-
- Gain from change in demographic assumptions		-		-	-	-	-
- 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)

	2015						
	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	38,146	(55,409)	(17,263)	16,482	(18,419)	(1,937)	(19,200)
Current service cost	3,242	-	3,242	1,015	-	1,015	4,257
Interest expense / (income)	4,884	(7,171)	(2,287)	2,131	(2,383)	(252)	(2,539)
	46,272	(62,580)	(16,308)	19,628	(20,802)	(1,174)	(17,482)
Remeasurements:							
- Return on plan assets, excluding amounts included in interest income	-	-	-	-	-	-	-
- (Gain) / loss from change in demographic assumptions	(30)	-	(30)	-	-	-	(30)
- (Gain) / loss from change in financial assumptions	1,500	-	1,500				1,500
- Experience gains	(3,839)	3,319	(520)	(3,372)	781	(2,591)	(3,111)
	(2,369)	3,319	950	(3,372)	781	(2,591)	(1,641)
Contribution	-	-	-	-	-	-	-
Benefit payments	(2,569)	2,569	-	(184)	184	-	-
At March 31	41,334	(56,692)	(15,358)	16,072	(19,837)	(3,765)	(19,123)

26.1.3 Charge for defined benefit plan

	2016			2015		
	EXIDE	ABCL	Total	EXIDE	ABCL	Total
	(Rupees '000)					
Current service cost	3,368	881	4,249	3,242	1,015	4,257
Interest expense	(1,447)	(348)	(1,795)	(2,287)	(252)	(2,539)
Past service cost	(388)	1,846	1,458	-	-	-
	1,533	2,379	3,912	955	763	1,718

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

	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	1.0%	(6.28%)	7.13%	1.0%	(6.77%)	7.64%
Salary increase rate	1.0%	0.56%	(6.73%)	1.0%	8.02%	(7.22%)

	2015					
	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%	(6.44%)	7.28%	1.00%	(6.97%)	7.88%
Salary increase rate	1.00%	7.68%	(6.91%)	1.00%	8.29%	(7.45%)

	Increase by 1 year in assumption	Decrease by 1 year in assumption	Increase by 1 year in assumption	Decrease by 1 year in assumption
	---------- Exide ----------		---------- ABCL ----------	
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.

26.1.5 The weighted average duration of the defined benefit obligation is 6.8 and 7.2 years in Exide and ABCL respectively.

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

At March 31, 2016	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	---------- Rupees '000 ----------				
Gratuity Exide	7,286	1,559	9,245	44,751	62,841
Gratuity ABCL	3,756	893	2,916	29,188	36,753
Total	11,042	2,452	12,161	73,939	99,594

26.1.7 Historical information

	2016	2015	2014	2013	2012
	---------- Rupees '000 ----------				
Defined benefit obligation Exide	43,122	41,334	38,146	35,175	33,882
Defined benefit obligation ABCL	18,586	16,072	16,482	14,520	13,796
	61,708	57,406	54,628	49,695	47,678
Fair value of plan assets Exide	(59,040)	(56,692)	(55,409)	(49,075)	(44,270)
Fair value of plan assets ABCL	(22,250)	(19,837)	(18,419)	(15,086)	(14,019)
	(81,290)	(76,529)	(73,828)	(64,161)	(58,289)
(Surplus) / Deficit	(19,582)	(19,123)	(19,200)	(14,466)	(10,611)
Remeasurement (gain) / loss on obligation Exide	(1,764)	(2,369)	(1,074)	(2,527)	(4,241)
Remeasurement (gain) / loss on obligation ABCL	(1,417)	(3,372)	261	(1,276)	(582)
	(3,181)	(5,741)	(813)	(3,803)	(4,823)
Gain / (loss) on plan assets Exide	(244)	(3,319)	3,182	224	922
Gain / (loss) on plan assets ABCL	861	(781)	(52)	58	750
	617	(4,100)	3,130	282	1,672

26.1.8 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. 1.978 million and Rs. 0.613 million for Exide and ABCL respectively as per the actuarial valuation report of the Company as of March 31, 2016.

26.1.9 The disclosures made in notes 26.1 to 26.1.8 are based on the information included in the actuarial valuation report of the Company as of March 31, 2016.

26.2 Defined contribution plan - provident fund

An amount of Rs 4.986 million (2015: Rs 4.716 million) has been charged during the year in respect of contributory provident fund maintained by the Company.

	Note	2016	2015
27 OTHER INCOME		------(Rupees '000)------	
Mark up on margin deposits		227	2,226
Gain on disposal of operating fixed assets		2,012	4,886
Reversal of provision for impairment in trade debts	18.1	1,518	934
Scrap sales		336	996
Others		-	2,998
		4,093	12,040
28 OTHER OPERATING CHARGES			
Auditors' remuneration	28.1	5,345	4,593
Workers' Profits Participation Fund	8.3	35,123	33,208
Workers' Welfare Fund		15,805	13,472
Donations	28.2	418	493
Provision for impairment in trade debts	18.1	8,452	10,504
Provision against slow moving and obsolete spares	16.1	532	1,874
Provision against slow moving and obsolete stock in trade	17.1	21,036	-
Other recievables written off		-	1,460
Bank charges		11,575	10,340
Exchange loss		20,277	37,798
		118,563	113,742
28.1 Auditors' remuneration			
Audit fee		1,399	1,225
Tax advisory services		1,263	1,533
Other advisory services		1,463	865
Fee for the review of half yearly financial statements		420	300
Special reports and certifications, audit of provident and gratuity funds		500	420
Out of pocket expenses		300	250
		5,345	4,593

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

	Note	2016	2015
29 FINANCE COST		------(Rupees '000)------	
Interest on Workers' Profit Participation Fund	8.3	172	400
Mark-up on			
- Short-term running finance		73,144	161,796
- Short-term finance		100,848	92,030
		174,164	254,226
30 TAXATION- NET			
Current - for the year		265,728	205,657
- for prior years		3,783	(17,371)
Deferred - net		(41,408)	(17,965)
Remeasurement of defined benefit obligations to be routed through OCI		(1,177)	(525)
		(42,585)	(18,490)
		226,926	169,796

30.1 Relationship between tax expenses and accounting profit

	2016	2015
Accounting profit before tax	651,542	617,481
Tax rate	32%	33%
Tax on accounting profit	208,493	203,769
Tax effect of differences relating to:		
- tax for prior years	3,783	(17,371)
- depreciation charged in the financial statements on leasehold land	3,264	3,366
- export sales	(960)	(377)
- others	12,346	(19,591)
Tax expense for the current year	226,926	169,796

31 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:

	2016	2015
	------(Rupees '000)------	
Profit after taxation attributable to ordinary shareholders	424,616	447,685
	--------Number of shares--------	
Weighted average number of ordinary shares outstanding during the year	7,768,618	7,768,618
	------(Rupees '000)------	
Earnings per share (EPS)	54.66	57.63

Notes to and Forming Part of the Financial Statements

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31.1 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2016 and 2015 which would have any effect on the earnings per share if the option to convert is exercised.

32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Directors		Executives		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	(Rupees '000)							
Short - term employee benefits								
Managerial remuneration	1,472	1,334	6,123	6,095	7,164	4,551	14,759	11,980
Bonus	-	-	869	879	644	444	1,513	1,323
Leave pay	95	89	113	106	241	177	449	372
Housing, utilities and reimbursable expenses	1,069	1,006	4,174	4,049	9,012	7,667	14,255	12,722
Medical expenses	294	135	350	160	1,217	874	1,861	1,169
								-
Retirement benefits								-
Defined benefit plan	-	-	521	511	284	389	805	900
Defined contribution plan	-	-	788	609	342	454	1,130	1,063
	2,930	2,564	12,938	12,409	18,904	14,556	34,772	29,529
Number of persons	1	1	3	3	8	7	12	11

32.1 The chief executive and directors are provided with free use of Company maintained cars, residential telephones and certain items of household appliances 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 0.10 million (2015: Rs 0.075 million).

33 TRANSACTIONS WITH RELATED PARTIES

	Subsidiary company		Key management personnel		Other related parties	
	2016	2015	2016	2015	2016	2015
	(Rupees '000)					
Expenses charged to	5	6	-	-	-	-
Transactions with key management personnel:						
- Salaries	-	-	23,744	21,708	-	-
- Defined benefit plan - post employment benefits	-	-	582	743	-	-
- Defined contribution plan	-	-	862	881	-	-
- Sale of motor vehicle having cost of Rs. Nil (2015: Rs 1.209 million and book value of Rs. Nil) for	-	-	-	484	-	-
Rent expense	-	-	-	-	38,860	38,860
Expenses charged in respect of staff contribution plan	-	-	-	-	4,986	4,716
Expenses charged in respect of staff defined benefit plan	-	-	-	-	3,912	1,718

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.

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, 2016 and 2015:

	2016	2015
	------(Rupees '000)------	
Size of the funds - Total assets	157,361	132,926
Fair value of investments	155,993	131,605
	---------(Percentage)---------	
Percentage of investments made	99%	99%

34.1 The cost of above investments amounted to Rs. 129.897 million (2015: Rs 116.647 million).

34.2 The break-up of fair value of investments is as follows:

	2016	2015	2016	2015
	---------Percentage---------		------(Rupees '000)------	
Shares - listed	0.7%	1.3%	1,068	1,664
Cash and Bank deposits	5.1%	9.4%	7,935	12,417
Government securities	70.9%	48.2%	110,592	63,439
Debt securities - listed	0.0%	14.9%	-	19,610
Mutual funds - listed	23.3%	26.2%	36,398	34,475
	100.0%	100.0%	155,993	131,605

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 (2015: 33,000 MT) per annum whereas actual production during the year was 28,005 MT (2015: 26,674 MT).

36 CASH (USED IN) / GENERATED FROM OPERATIONS

	Note	2016	2015
		------(Rupees '000)------	
Profit before taxation		651,542	617,481
Adjustments for non cash charges and other items:			
Depreciation		136,204	126,424
Gain on disposal of operating fixed assets		(2,012)	(4,886)
Mark-up expenses		174,164	254,226
Provision for impairment in trade debts - net		6,934	9,570
Provision for slow moving and obsolete spares - net		532	1,874
Provision for slow moving and obsolete stock-in-trade		21,036	-
Working capital changes	36.1	(1,148,207)	(829,354)
		(159,807)	175,335

36.1 Working capital changes

(Increase) / decrease in current assets:		
Spares	(16,878)	(19,907)
Stock-in-trade	(394,774)	(41,148)
Trade debts	(1,181,958)	(742,030)
Loans and advances	14,777	(15,437)
Trade deposits, short-term prepayments and other receivables	1,492	18,772
	(1,577,341)	(799,750)
Increase / (decrease) in trade and other payables	429,134	(29,604)
	(1,148,207)	(829,354)

37 CASH AND CASH EQUIVALENTS

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

	Note	2016	2015
		------(Rupees '000)------	
Cash and bank balances	21	399,357	1,673,231
Short-term borrowings	10	(2,569,132)	(3,068,701)
		(2,169,775)	(1,395,470)

38 FINANCIAL INSTRUMENTS BY CATEGORY

38.1 Financial assets and financial liabilities

	2016	2015
Financial assets	------(Rupees '000)------	
Loans and receivables		
Loans and advances	27,437	42,488
Long-term deposits	36,919	33,389
Trade debts	2,510,293	1,335,269
Trade deposits and other receivables	26,194	28,259
Cash and bank balances	399,357	1,673,231
	3,000,200	3,112,636
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	2,569,132	3,068,701
Trade and other payables	1,502,833	929,341
Accrued mark-up	31,954	66,376
	4,103,919	4,064,418

39 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.

39.1 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. Out of the total financial assets of Rs 3,000.200 million (2015: Rs 3,112.636 million), the financial assets that are subject to credit risk amounted to Rs 3,000.200 million (2015: Rs 3,112.590 million).

Out of the total bank balance of Rs 399.357 million (2015: Rs 1,673.231 million) placed with banks maintained in current accounts, amounts aggregating Rs 392.063 million (2015: Rs 262.361 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.

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 (2015: 15) customers which constitute 23% (2015: 18.44%) 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:

Due from customers other than related parties	2016	2015
	------(Rupees '000)------	
Direct customers	2,375,145	98,169
Distributors	166,712	1,261,730
	2,541,857	1,359,899

Out of Rs 2,541.857 million (2015: Rs 1,359.899 million), the company has provided Rs 31.564 million (2015: Rs 24.630 million) as amounts being doubtful. The age profile of trade debts overdue and impaired to the extent of Rs. 31.564 million has been disclosed in note 18.2 to these financial statements.

39.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet it's 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 39.3.2 of these financial statements.

39.3 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.

39.3.1 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, Japanese Yen and Euro . 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:

	2016	2015
	---------(Amount' 000)---------	
Bills payable		
US Dollar	2,724	3,165
Japanese Yen	18,119	13,180
Euro	-	14

As at March 31, 2016, if the Pakistani Rupee had weakened / strengthened by 1% against US Dollar, Japanese Yen and Euro with all other receivables held constant, profit before taxation for the year would have been higher / lower by Rs 3.013 million (2015: Rs 3.354 million).

39.3.2 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 finance and short-term 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, 2016, with all other variables held constant, the net assets and net income for the year would have been lower / higher by Rs 28.189 million (2015: Rs 25.745 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, 2016 is not necessarily indicative of the effect on the Company's net assets due to future movement in interest rates.

Sensitivity to interest / mark-up 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 / mark-up rate risk in respect of the following:

	2016							
	Effective interest rate (in percentage)	Interest / mark-up bearing			Non interest / mark up bearing			Total
		Maturity up to one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
		(Rupees '000)						
On balance sheet financial instruments								
Financial assets								
Loans and receivables								
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	37,727	3,000,200	3,000,200
Financial liabilities								
Financial liabilities at amortised cost								
Short-term borrowings								
- from banking companies	6.64 - 8.98	2,569,132	-	2,569,132	-	-	-	2,569,132
Trade and other payables		-	-	-	1,502,833	-	1,502,833	1,502,833
Accrued mark-up		-	-	-	31,954	-	31,954	31,954
		2,569,132	-	2,569,132	1,534,787	-	1,534,787	4,103,919
On balance sheet gap		(2,569,132)	-	(2,569,132)	1,427,686	37,727	1,465,413	(1,103,719)
Off-balance sheet financial instruments								
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

	Effective interest rate (in percentage)	2015						
		Interest / mark-up bearing			Non interest / mark up bearing			Total
		Maturity up to one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
		(Rupees '000)						
On balance sheet financial instruments								
Financial assets								
Loans and advances		-	-	-	41,406	1,082	42,488	42,488
Long-term deposits		-	-	-	-	33,389	33,389	33,389
Trade debts		-	-	-	1,335,269	-	1,335,269	1,335,269
Trade deposits and other receivables		-	-	-	28,259	-	28,259	28,259
Cash and bank balances		-	-	-	1,673,231	-	1,673,231	1,673,231
		-	-	-	3,078,165	34,471	3,112,636	3,112,636
Financial liabilities								
Short-term borrowings								
- from banking companies	8.78-11.19	3,068,701	-	3,068,701	-	-	-	3,068,701
Trade and other payables		-	-	-	929,341	-	929,341	929,341
Accrued mark-up		-	-	-	66,376	-	66,376	66,376
		3,068,701	-	3,068,701	995,717	-	995,717	4,064,418
On balance sheet gap		(3,068,701)	-	(3,068,701)	2,082,448	34,471	2,116,919	(951,782)
Off-balance sheet financial instruments								
Commitments in respect of capital expenditure		-	-	-	5,028	-	5,028	5,028
Commitments in respect of Letter of credit		-	-	-	297,183	-	297,183	297,183
Outstanding bank guarantees		-	-	-	77,826	-	77,826	77,826
		-	-	-	380,037	-	380,037	380,037

39.3.3 Price risk

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

39.4 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).

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.

40 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.

	2016	2015
	------(Rupees '000)------	
Total Borrowings	2,569,132	3,068,701
Less: Cash and bank balances	399,357	1,673,231
Net Debt	2,169,775	1,395,470
Total Equity	3,061,069	2,682,044
Total Capital	5,230,844	4,077,514
Gearing Ratio	41.48%	34.22%

41 NUMBER OF EMPLOYEES

	2016	2015
Number of employees at March 31		
- Permanent	442	450
- Contractual	33	34
Average number of employees during the year		
- Permanent	446	461
- Contractual	34	76

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2016

42 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in their meeting held on June 27, 2016 have proposed stock dividend @ Nil (2015: stock dividend @ nil) and a final cash dividend for the year ended March 31, 2016 of Rs 10/- per share (2015: Rs 7.50 per share). In addition, the Board of Directors have also announced appropriation of Rs 350 million (2015: Rs 300 million) to revenue reserves. These appropriations will be approved in the forthcoming Annual General Meeting. The financial statements for the year ended March 31, 2016 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

43 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:

Workers' Welfare Fund payable amounting to Rs. 13.472 million as at March 31, 2015, which was adjusted from Taxation Recoverable, has been reclassified from Taxation Recoverable to Workers' Welfare Fund payable (note 8 to these financial statements).

Tax and advisory service fee amounting to Rs. 1.523 million for the year ended March 31, 2015 has been reclassified from legal and professional charges to Auditors' remuneration (note 28 to these financial statements).

44 DATE OF AUTHORISATION

These financial statements were authorised for issue on June 27, 2016 by the Board of Directors of the Company.

Arif Hashwani
Chairman

Arshad Shehzada
Chief Executive Officer

Pattern of Shareholding

As on 31 March 2016

NO. OF SHAREHOLDERS	HAVING SHARES From	HAVING SHARES To	SHARES HELD	PERCENTAGE
1185	1	100	33663	0.433
352	101	500	86386	1.112
120	501	1000	82606	1.063
67	1001	5000	119447	1.538
2	5001	10000	15440	0.199
1	15001	20000	16104	0.207
1	45001	50000	48899	0.629
1	60001	65000	60160	0.774
1	105001	110000	106040	1.365
1	110001	115000	114582	1.475
1	115001	120000	115600	1.488
1	180001	185000	182420	2.348
1	425001	430000	427499	5.503
1	510001	515000	510554	6.572
1	1250001	1255000	1250601	16.098
1	1410001	1415000	1412944	18.188
2	1590001	1595000	3185673	41.007
1739	Company Total		7768618	100.000

Categories of Shareholders

As on 31 March 2016

Particulars	No of Folio	Balance Share	Percentage
DIRECTORS, CEO, & CHILDREN	11	5850688	75.312
NIT & ICP	3	510719	6.574
BANKS, DFI & NBFI	2	347	0.004
INSURANCE COMPANIES	3	612859	7.889
MUTUAL FUNDS	6	178119	2.293
GENERAL PUBLIC (LOCAL)	1674	304224	3.916
GENERAL PUBLIC (FOREIGN)	17	18461	0.238
OTHERS	11	160283	2.063
JOINT STOCK COMPANIES	6	16624	0.214
FOREIGN COMPANIES	3	114623	1.475
CHARITABLE TRUST	2	1073	0.014
MODARABAS	1	598	0.008
Company Total	1739	7768618	100.000

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	1592837	20.5035
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	510554	6.5720
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	2940	0.0378
003277002538	EFU LIFE ASSURANCE LTD	005	182420	2.3482
003525064045	NH CAPITAL FUND LTD	006	29	0.0004

Categories of Shareholders

As on 31 March 2016

Folio No	Name	Code	Balance Held	Percentage
005645000024	CDC - TRUSTEE PICIC INVESTMENT FUND	006	60160	0.7744
005777000029	CDC - TRUSTEE PICIC GROWTH FUND	006	115600	1.4880
006171000021	CDC - TRUSTEE FAYSAL BALANCED GROWTH FUND	006	200	0.0026
007252000020	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	006	1630	0.0210
014514000028	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	006	500	0.0064
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
003244000025	ZAFAR SECURITIES (PVT) LTD.	010	800	0.0103
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
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
014381005033	TPS PAKISTAN (PVT) LTD	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
003277045148	TRUSTEES MRS.KHORSHED H.DINSHAW &MR. HOSHANG N.E.DINSHAW C.TR	013	1061	0.0137
000000001289	M/S FIRST UDL MODARABA	014	598	0.0077

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 Third Annual General Meeting of the Company to be held on August 19, 2016 and at any adjournment thereof.

Signature this day of 2016.

Signature on Revenue Stamp

_____

Signature of Proxy

Signature should agree with the specimen signature registered with the Company

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

KPMG Taseer Hadi & 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, 2016.

Accounts:

The Audited Accounts of the Company for the year ended March 31, 2016 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: KPMG Taseer Hadi & 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 22, 2016

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847
Fax + 92 (21) 3568 5095
Internet www.kpmg.com.pk

Auditors' Report to the Members

We have audited the annexed balance sheet of Chloride Pakistan (Private) Limited ("the Company") as at 31 March 2016 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 account 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 account 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 31 March 2016 and of the loss, its cash flows and changes in equity for the year then ended; and

d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

We draw attention to note 2.2 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. Therefore, all assets and liabilities are classified as current and assets are measured at lower of their carrying amount and fair value less cost to sell. Our opinion is not qualified in respect of this matter.

KPMG Taseer Hadi & Co.

Date: June 22, 2016

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyn Malik

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Balance Sheet

as at March 31, 2016

	Note	2016	2015
		---------- (Rupees) ----------	
Current assets			
Receivable from Exide Pakistan Limited	4	24,711	29,311
Cash and bank balances	5	10,289	11,307
Total current assets		35,000	40,618
Current liabilities			
Accrued expenses	6	(75,497)	(110,769)
Loan from director	7	(575,000)	(485,000)
Total current liabilities		650,497	595,769
Net assets		(615,497)	(555,151)
EQUITY			
Share capital and reserves			
Authorised share capital: 10,000,000 (2015: 10,000,000) ordinary shares of Rs. 10 each		100,000,000	100,000,000
Issued, subscribed and paid-up share capital	9	223,800	223,800
Accumulated losses		(839,297)	(778,951)
		(615,497)	(555,151)
Contingencies and commitments	10		

The annexed notes 1 to 13 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, 2016

	2016	2015
	---------- (Rupees) ----------	
Expenses		
Legal and professional charges	19,600	21,125
Bank charges	746	35
Auditors' remuneration		
- Audit fees	34,000	32,000
- Out of pocket expenses	6,000	6,000
	40,000	38,000
Loss before taxation	(60,346)	(59,160)
Taxation	-	-
Loss after taxation	(60,346)	(59,160)
Loss per share	(2.70)	(2.64)

The annexed notes 1 to 13 form an integral part of these financial statements.

Altaf Hashwani
Chief Executive

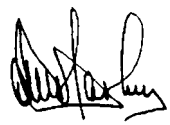
Arif Hashwani
Director

Statement of Comprehensive Income

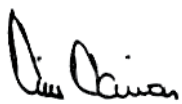
For the year ended March 31, 2016

	2016	2015
	---------- (Rupees) ----------	
Loss after taxation	(60,346)	(59,160)
Other comprehensive income	-	-
Total comprehensive income for the year	(60,346)	(59,160)

The annexed notes 1 to 13 form an integral part of these financial statements.



Altaf Hashwani
Chief Executive



Arif Hashwani
Director

Cash Flow Statement

For the year ended March 31, 2016

	Note	2016	2015
		---------- (Rupees) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(60,346)	(59,160)
Decrease in receivable from Exide Pakistan Limited		4,600	6,125
(Decrease) / Increase in accrued expenses		(35,272)	53,000
Net cash (used in) operating activities		(91,018)	(35)
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated loan from a director		90,000	-
Net decrease in cash and cash equivalents during the year		(1,018)	(35)
Cash and cash equivalents at beginning of the year		11,307	11,342
Cash and cash equivalents at end of the year	5	10,289	11,307

The annexed notes 1 to 13 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, 2016

	Share capital	Accumulated loss	Total
	(Rupees)		
Balance as at 1 April 2014	223,800	(719,791)	(495,991)
Total comprehensive income for the year ended 31 March 2015			
Loss for the year	-	(59,160)	(59,160)
Other comprehensive income	-	-	-
Balance as at 31 March 2015	223,800	(778,951)	(555,151)
Total comprehensive income for the year ended 31 March 2016			
Loss for the year	-	(60,346)	(60,346)
Other comprehensive income	-	-	-
Balance as at 31 March 2016	223,800	(839,297)	(615,497)

The annexed notes 1 to 13 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, 2016

1. STATUS AND NATURE OF BUSINESS

The Company was incorporated on 20 March 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 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 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. Therefore, all assets and liabilities are classified as current and assets are measured at lower of their carrying amount and fair value less cost of sell.

2.3 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.

2.4 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 12).

2.5 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 2016:

- Amendments to IAS 38 "Intangible Assets" and IAS 16 "Property, Plant and Equipment" (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 91highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – "Consolidated Financial Statements" and IAS 28 – "Investments in Associates and Joint Ventures") [effective for annual periods beginning on or after 1 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Company's financial statements.
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Company's financial statements.
- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on Company's financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 "Property, Plant and Equipment" for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 "Agriculture". A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Company's financial statements.
- Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:
    - IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.
- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

During the year, IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interest in Other Entities" and IFRS 13 "Fair Value Measurement" became effective for financial periods beginning on or after 1 January 2015. These IFRS have no impacts on the Company's financial statements. The significant accounting policies applied in the preparation of these finacial statements are set out below:

3.1 Cash and cash equivalents

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

3.2 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.

3.3 Provisions

A provisions 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.

4. RECEIVABLE FROM EXIDE PAKISTAN LIMITED

-Holding company

	2016	2015
	---------- (Rupees) ----------	
Balance as at 1 April	29,311	35,436
Legal and professional charges paid on behalf of the Company	(4,600)	(6,125)
Balance as at 31 March	24,711	29,311

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.

Notes to the Financial Statements

For the year ended March 31, 2016

5. CASH AND BANK BALANCES

	2016	2015
	---------- (Rupees) ----------	
Cash in hand	276	296
Cash at bank - Current account	10,013	11,011
	10,289	11,307

6. ACCRUED EXPENSES

This includes accrual relating to audit fees and professional tax.

7. LOAN FROM A 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.

8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise Holding company (Exide Pakistan Limited), and the director of the Company. All transactions with related parties entered on agreed basis. Detail of transactions with related parties have been disclosed in note 4 and 7.

9. SHARE CAPITAL

	2016	2015
	---------- (Rupees) ----------	
Authorised share capital		
10,000,000 ordinary shares of Rs. 10 each	100,000,000	100,000,000
Issued, subscribed and paid up share capital		
22,380 (2015: 22,380) ordinary shares of Rs. 10 each fully paid in cash	223,800	223,800

9.1 At 31 March 2016 Exide Pakistan Limited (holding company) held 22,350 (2015: 22,350) ordinary shares of Rs. 10 each of the Company.

10. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 31 March 2016.

11. STAFF STRENGTH

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

12. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

12.1 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 belives 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	2016	2015
		---------- (Rupees) ----------	
Receivable from Exide Pakistan Limited	4	24,711	29,311
Bank balances	5	10,013	11,011

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:

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

12.2 Liquidity risk

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

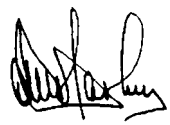
On balance sheet financial liability	2016	2015
	---------- (Rupees) ----------	
Accrued expenses	75,497	110,769

12.3 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.

13. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors in their meeting held on June 22, 2016.



Altaf Hashwani
Chief Executive

Arif Hashwani
Director

EXIDE

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