

EXIDE PAKISTAN LIMITED**CHAIRMAN'S REVIEW:**

I am pleased to present on behalf of the Board of Directors, un-audited Account of the Company for the 3rd Quarter ended December 31, 2016.

The Economy:

Pakistan economy maintained its momentum towards a higher growth trajectory in the year 2015-16, as higher infrastructure spending by the government and decade low interest rates provided a boost to domestic demand. Side by side, improvement in energy supply, security situation and progress on CPEC also supported this momentum. Real GDP growth of 4.71 percent during FY 16 was below the target, but nevertheless higher than last year growth of 4.24 percent. All major macro-economic indicators are moving in the right direction and primed for high growth in future. Pakistan's external debt stands at US\$47 billion in 2013 when country's foreign exchange reserves were US\$6 billion and presently external debt stands at US\$ 57 billion and foreign exchange reserves at US\$23 billion. The government envisages a GDP growth of 5.7 percent for FY 17.

Trade deficit of the Country surged to US\$14.8 billion in the first half of the current fiscal year compared to US\$13.4 billion in the same period of last fiscal year. The Country's current account deficit continued to deteriorate and rose sharply by 92 percent to US\$3.6 billion during the first half of current fiscal year mainly due to higher trade deficit, fall in home remittances and absence of Coalition Support Fund. Foreign Direct Investment rose to US\$1.08 billion in July-December, 2016 primarily due to sale of 51 percent of Engro Foods Limited for US\$448 million to Netherlands based Dairy Company-one off transaction.

The Industry:

Growth of automotive sector in the preceding few years was instrumental to better capacity utilization for the battery industry. Sale of locally produced cars declined 4 percent to 85,901 units in July-Dec 2016 as compared to 89,824 units sold during corresponding period of last year. Trucks and Busses sales improved by 47 percent. Farm tractors sales improved by 69 percent to 20,933 units sold in July-Dec 2016 against 12,375 units sold in the same period a year ago. Sales of motorcycles and three wheelers improved by 21 percent from 651,338 units to 787,879 units.

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 vigour for further strengthening quality standards of the products of your company.

Sales

Net Sales revenue of the Company for the Quarter under review improved to Rs.2.759 billion up by 43 percent as compared with Rs.1.924 billion during the same period of last year. Cumulative sale for the nine months improved from Rs.8.89 billion to Rs.10.10 billion up by 14 percent as compared to corresponding period of the last year.

Profitability

Gross profit for the quarter under review improved from Rs.406.0 million to Rs.555.4 million up by 37 percent due to improved sales.

Selling and distribution expenses of Battery Division increased by 31 percent as against increase in net sale revenue by 46 percent. Operating profit increased by 108 percent to Rs.109.1 million from Rs.52.4 million recorded in the corresponding period of last year. Financial charges decreased to Rs.7.48 million from Rs.42.29 million on account of lower borrowings.

Profit before tax for the nine months under review increased to Rs.778.2 million form Rs.560.3 million during the same period of last year – up by 39 percent. Earnings per share increased to Rs.66.02 as compared to Rs.47.75 recorded in the corresponding period of last year.

Future Prospects

It is anticipated that indigenous organized battery industry will face tough competition due to capacity expansion of existing battery plants and new entrants. Profit margin will also be under pressure on account of increase in raw material prices. 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.

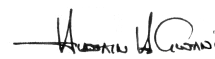


ARIF HASHWANI
Chairman
Karachi - January 30, 2017

EXIDE PAKISTAN LIMITED**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2016**

	Note	(Unaudited) December 31, 2016	(Audited) March 31, 2016
		-----Rupees '000-----	
Property, plant and equipment		1,300,789	1,355,372
Long-term investments		224	224
Long-term loans and advances - unsecured		852	808
Long-term deposits		35,867	36,919
Current assets			
Spares		55,462	127,418
Stock-in-trade		3,398,710	2,770,081
Trade debts		1,669,997	2,510,293
Loans and advances		27,361	26,629
Short-term prepayments, deposits and other receivables		1,358	34,144
Taxation recoverable		448,785	520,599
Cash and bank balances		214,250	399,357
		5,815,923	6,388,521
Current liabilities			
Trade and other payables		1,496,454	1,596,786
Mark-up accrued		9,760	31,954
Short-term borrowings		1,608,575	2,569,132
		3,114,789	4,197,872
Net current assets		2,701,134	2,190,649
Deferred taxation		20,592	7,201
		4,018,274	3,576,771
Financed by:			
Share Capital and Reserves			
Authorised capital		180,000	180,000
18,000,000 ordinary shares of Rs 10 each			
Issued, subscribed and paid-up capital		77,686	77,686
Capital reserves		259	259
Revenue reserves		2,729,991	2,379,991
Reserves arising on amalgamation - net		25,823	25,823
Unappropriated profit		668,813	577,310
		3,502,572	3,061,069
Surplus on revaluation of fixed assets - net of tax		515,702	515,702
		4,018,274	3,576,771

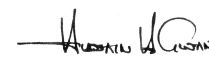
The annexed notes form an integral part of these financial statements.



HUSSAIN HASHWANI
Director



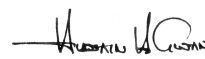
ARSHAD SHEHZADA
Chief Executive



HUSSAIN HASHWANI
Director



ARSHAD SHEHZADA
Chief Executive



HUSSAIN HASHWANI
Director



ARSHAD SHEHZADA
Chief Executive

EXIDE PAKISTAN LIMITED**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016**

	Note	2016	2015
		----- (Rupees '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations		1,155,852	(222,270)
Financial charges paid		(52,112)	(167,760)
Taxes paid		(165,791)	(272,478)
Decrease / (Increase) in long-term deposits		1,052	72
Decrease / (Increase) in long-term loan		(44)	(2,852)
Net cash inflow from operating activities		938,957	(665,288)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for capital expenditure		(89,957)	(52,729)
Proceeds from sale of fixed assets		3,790	2,561
Net cash outflow on investing activities		(86,167)	(50,168)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		(77,340)	(57,860)
		-	-
		(77,340)	(57,860)
Net Increase / (decrease) in cash and cash equivalents		775,450	(773,316)
Cash and cash equivalents at the beginning of the period		(2,169,775)	(1,395,470)
Cash and cash equivalents at end of the period		<u>(1,394,325)</u>	<u>(2,168,786)</u>

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

EXIDE PAKISTAN LIMITED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE NINE MONTHS ENDED DECEMBER 31, 2016											
(Unaudited)											
			Batteries			Chemicals			Total		
	For the 3rd Quarter ended December 31, 2016	For the nine months ended December 31, 2016	For the 3rd Quarter ended December 31, 2015	For the nine months ended December 31, 2015	For the 3rd Quarter ended December 31, 2016	For the nine months ended December 31, 2016	For the 3rd Quarter ended December 31, 2015	For the nine months ended December 31, 2015	For the 3rd Quarter ended December 31, 2016	For the nine months ended December 31, 2016	For the 3rd Quarter ended December 31, 2015
Turnover	2,687,404	9,875,814	1,843,876	8,642,530	71,302	220,035	80,099	247,911	2,758,706	10,095,849	1,923,975
Cost of goods sold	2,136,850	7,730,224	1,435,898	7,035,848	66,490	191,875	82,124	238,938	2,203,340	7,922,099	1,518,022
Gross profit	550,554	2,143,590	407,978	1,606,682	4,812	28,160	(2,025)	8,973	555,366	2,173,750	405,953
Distribution cost	413,071	1,213,927	314,969	774,756	1,276	4,185	1,793	5,271	414,347	1,218,112	316,762
Administrative expenses	31,149	84,172	36,754	89,684	779	1,876	-	1,306	31,928	86,048	36,754
Total Operating expenses	444,220	1,298,099	351,723	864,440	2,055	6,061	1,793	6,577	446,275	1,304,160	353,516
Operating profit / (loss)	106,334	847,491	56,255	742,242	2,757	22,099	(3,818)	2,396	109,091	869,590	52,437
Other operating income											
Financial charges											
Other operating charges											
Workers' profit participation fund											
Workers' welfare fund											
Profit before taxation											
Provision for taxation											
- current - for the period											
- deferred											
Profit after taxation											
Earnings per share											


Appropriations have been reflected in the Statement of Changes in Equity.

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

EXIDE PAKISTAN LIMITEDCONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves	Shares to be issued	Reserve arising on amalgamation - net	Unappro- priated profit	Total
	(Rupees '000)						
Balance at March 31, 2015	77,686	259	2,079,991	-	25,823	498,285	2,682,044
Final dividend for the year ended March 31, 2015	-	-	-	-	-	(58,265)	(58,265)
Transfer to revenue reserves for the year ended March 31, 2015	-	-	300,000	-	-	(300,000)	-
Profit after taxation for the nine months ended December 31, 2015	-	-	-	-	-	370,916	370,916
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	-	5,034	5,034
Balance at December 31, 2015	77,686	259	2,379,991	-	25,823	515,970	2,999,729
Balance at March 31, 2016	77,686	259	2,379,991	-	25,823	577,310	3,061,069
Final dividend for the year ended March 31, 2016	-	-	-	-	-	(77,686)	(77,686)
Transfer to revenue reserves for the year ended March 31, 2016	-	-	350,000	-	-	(350,000)	-
Profit after taxation for the nine months ended December 31, 2016	-	-	-	-	-	512,845	512,845
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	-	6,344	6,344
Balance at December 31, 2016	77,686	259	2,729,991	-	25,823	668,813	3,502,572

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


HUSSAIN HASHWANI
Director
ARSHAD SHEHZADA
Chief Executive**EXIDE PAKISTAN LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

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

Following is the cost of operating property, plant and equipment that have been added / disposed off during the nine months ended December 31, 2016

	Cost of additions/(deletions)	
	December 2016	December 2015
	----- (Rupees '000) -----	
Building	-	8,182
Plant and machinery	39,990	35,791
Furniture and fixture	1,746	1,636
Office equipment	2,013	468
Vehicles	28,119	8,000
	(5,839)	(4,583)
	66,029	49,494

4.1 **CAPITAL WORK-IN-PROGRESS**

	December 31, 2016	March 31, 2016
	----- (Rupees '000) -----	
Building	-	-
Plant and machinery	21,993	17,153
Advances to suppliers/contractors	20,225	21,993
	42,218	39,146

5. **TRANSACTIONS WITH RELATED PARTIES**

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

	December 2016	December 2015
	----- (Rupees '000) -----	
Expenses charged to associated undertakings	7	5
Rent expense	31,845	29,145
Expenses charged in respect of staff retirement benefits	2,187	3,740
Payment made to the employee defined benefit plan	1,405	3,087

Key management personnel received an amount of Rs. 17,025 thousands (2015 : Rs.17,723 thousands) out of which Rs. 988 thousands (2015: 1,105 thousands) relates to post employment benefits.

6. **FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

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

7. **ESTIMATES**

Judgments and estimates made by the management in the preparation of these interim financial statements were the same as those that were applied to the financial statements for the year ended March 31, 2016.

8. **GENERAL**

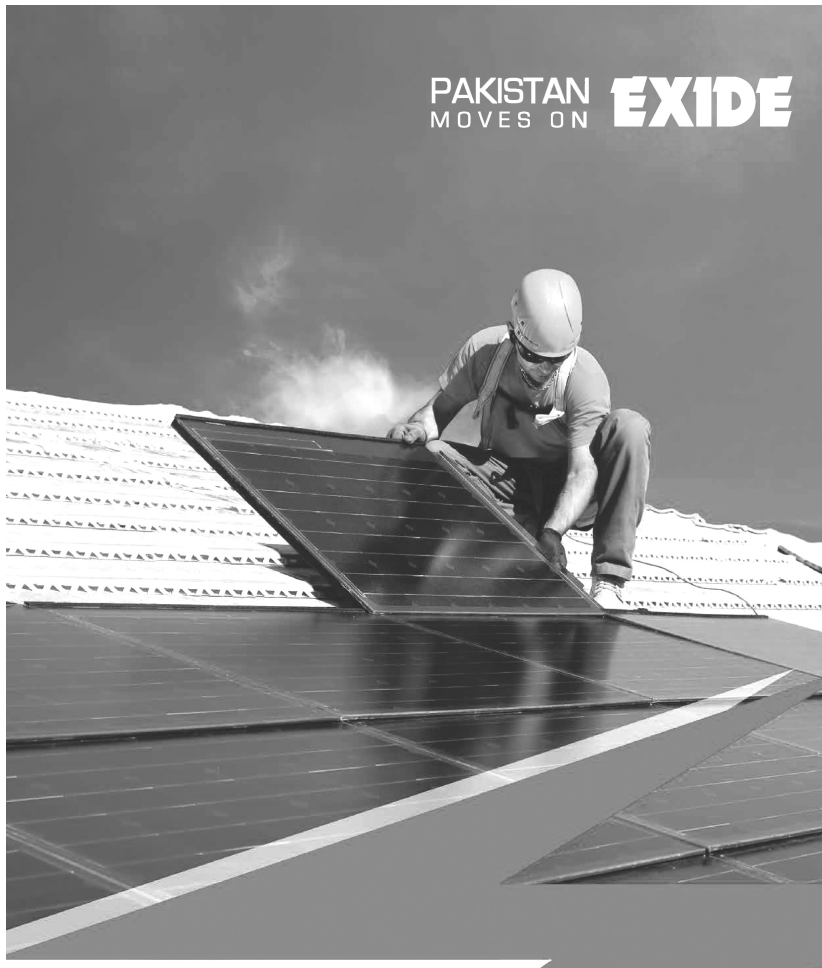
Amounts have been rounded off to the nearest thousands of Rupees unless otherwise stated.

9. **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on January 30, 2017 by the Board of Directors of the Company.


HUSSAIN HASHWANI
Director
ARSHAD SHEHZADA
Chief Executive

BOOK POST

**THIRD QUARTERLY REPORT
DECEMBER 31, 2016**

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**EXIDE
PAKISTAN LTD.**A/44, Hill Street, Off: Manghopir Road,
S.I.T.E., Karachi-75700 Pakistan.**CORPORATE PROFILE****BOARD OF DIRECTORS**

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

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

S. Haider Mehdi

AUDIT COMMITTEE

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

HUMAN RESOURCES AND REMUNERATION COMMITTEE

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

BANKERS

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

AUDITORS

A. F. Ferguson & Co.

SOLICITORS

Orr Dignam & Co.

REGISTERED OFFICE

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S.I.T.E., Karachi-75700, Pakistan.
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E-mail : exidepk@exide.com.pk