

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

I am pleased to present on behalf of the Board of Directors, un-audited Accounts of the Company for the 3rd Quarter ended December 31, 2017.

The Economy:

Pakistan economic growth is expected to pick up during the current calendar year and the trend would continue in 2019. It is expected to achieve a higher GDP growth of 6 per cent for financial year 2017-18 compared to 5.3 percent last year. The economic growth has been aided by massive CPEC investment, visible improvement in security and power supply, low inflation and low interest rate. However, Pakistan Stock Exchange dropped by 15.3 percent in the calendar year 2017. Inflation rose to 4.6 Y.O.Y in December 2017 owing to persistent increase in petroleum products prices and regulatory duties on imported consumer goods.

Trade deficit of the country surged to US\$18.0 billion in the first half of the current year compared to US\$14.4 billion in the same period of last year. Pakistan's exports increased to US\$11.0 billion in the first half of the current fiscal year from US\$9.9 billion for the same period last year while imports increased to US\$29.0 billion from US\$24.3 billion. The Country's current account deficit continued to deteriorate and rose sharply by 59 percent to US\$7.4 billion. Foreign remittances showed a slight increase of 2.5 percent to US\$9.7 billion in the first half of 2017-18. Foreign Direct Investment dropped by 2.8% Y.O.Y to US\$1.4 billion in the first half of current year although inflows from China rose 2.4 times.

The Industry:

Growth of automotive sector in the preceding years was instrumental to better capacity utilization for the battery industry. Sales of locally produced cars increased by 20 percent to 103,432 units in July-December 2017 as compared to 85,901 units sold during corresponding period of last year. Truck and buses sales improved by 18 percent from 3881 to 4562 units. Farm tractors sales improved by 54 percent to 32,310 units against 20,933 units sold in the same period a year ago. Sale of motorcycles and three wheelers improved by 19 percent from 789,733 units to 940,825 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 decreased to Rs.2.25 billion down by 18.3 percent as compared with Rs.2.759 billion during the same period of last year. Cumulative sale for the nine months decreased from Rs.10.10 billion to Rs.8.89 billion down by 12 percent as compared to corresponding period of the last year.

Profitability

Gross profit for the quarter under review decreased from Rs.555.4 million to Rs.278.4 million down by 50 percent due to increase in cost of sales on account of higher raw material prices and less sales revenues.

Selling and distribution expenses of Battery Division decreased by 46 percent as against decrease in net sale revenue by 18 percent. Operating profit decreased by 82 percent to Rs.19.7 million from Rs.109.1 million recorded in the corresponding period of last year. Financial charges increased to Rs.37.19 million from Rs.7.48 million on account of higher borrowings.

Profit before tax for the nine months under review decreased to Rs.118.3 million from Rs.778.2 million during the same period of last year down by 85 percent. Earnings per share decreased to Rs. (1.94) as compared to Rs.66.02 recorded in the corresponding period of last year.

Future Prospects

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

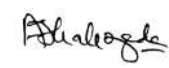
ARIF HASHWANI

Chairman**Karachi - January 30, 2018****EXIDE PAKISTAN LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2017**

	(Unaudited) December 31, 2017	(Audited) March 31, 2017
	-----Rupees '000-----	
Property, plant and equipment	1,500,228	1,442,525
Long-term investments	224	224
Long-term loans and advances - unsecured	-	844
Long-term deposits	35,680	34,738
Current assets		
Spares	59,246	106,962
Stock-in-trade	3,248,743	3,866,881
Trade debts	2,354,591	2,331,845
Loans and advances	-	30,678
Short-term prepayments, deposits and other receivables	101,955	44,312
Taxation recoverable	704,216	498,644
Cash and bank balances	263,447	1,017,896
	6,732,198	7,897,218
Current liabilities		
Trade and other payables	1,149,266	1,991,805
Mark-up accrued	36,742	32,638
Loan from Director	305,550	-
Short-term borrowings	2,654,939	3,117,456
	4,146,497	5,141,899
Net current assets	2,585,701	2,755,319
Deferred taxation	-	3,097
	4,121,833	4,230,553
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	3,329,991	2,729,991
Reserves arising on amalgamation - net	25,823	25,823
Unappropriated profit	187,721	893,562
	3,621,480	3,727,321
Surplus on revaluation of fixed assets - net of tax	500,353	503,232
	4,121,833	4,230,553


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


ARIF HASHWANI
 Chairman


ARSHAD SHEHZADA
 Chief Executive


S. HAIDER MEHDI
 Chief Financial Officer


ARIF HASHWANI
 Chairman


ARSHAD SHEHZADA
 Chief Executive


S. HAIDER MEHDI
 Chief Financial Officer


ARIF HASHWANI
 Chairman


ARSHAD SHEHZADA
 Chief Executive


S. HAIDER MEHDI
 Chief Financial Officer

	Barreters			Chemicals			Total
	For the 3rd Quarter ended December 31, 2017	For the nine months ended December 31, 2017	For the 3rd Quarter ended December 31, 2016	For the nine months ended December 31, 2016	For the 3rd Quarter ended December 31, 2017	For the nine months ended December 31, 2016	
Turnover	2,176,928	8,665,878	2,687,404	9,875,814	2,253,937	8,890,445	2,758,706
Cost of goods sold	1,913,434	7,730,265	2,136,830	7,730,224	1,918,775	7,919,505	2,203,340
Gross profit	263,494	935,613	550,574	2,145,590	335,162	970,940	555,366
Distribution cost	230,897	646,038	413,071	1,213,927	1,038	418	414,347
Administrative expenses	35,596	85,492	31,149	84,172	3,515	1,276	1,218,112
Total Operating expenses	256,493	751,330	444,220	1,298,099	2,118	779	36,676
Operating profit / (loss)	7,001	204,083	106,334	847,491	12,695	2,055	446,275
Other operating income					22,099	22,099	109,091
Financial charges					2,516	7,580	1,522
Other operating charges					22,212	241,260	110,613
Workers' profit participation fund					37,194	101,447	7,475
Workers' welfare fund					(4,905)	12,629	(9,739)
Provision for taxation					(634)	6,539	5,791
- current - for the period					31,437	132,079	6,535
- deferred					(9,225)	118,281	104,090
Profit after taxation					33,809	133,337	39,048
Earnings per share					31,809	133,337	39,048
					(43,034)	(15,076)	65,042
					(5,549)	(1,949)	8,37

Appropriations have been reflected in the Statement of Changes in Equity. The annexed notes form an integral part of these financial statements.

**EXIDE PAKISTAN LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2017**

	2017	2016
	----- (Rupees '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations	23,385	1,155,852
Financial charges paid	(97,343)	(52,112)
Taxes paid	(248,884)	(165,791)
Decrease / (Increase) in long-term loans	844	1,052
Decrease / (Increase) in long-term deposits	(942)	(44)
Net cash inflow from operating activities	(322,940)	938,957

CASH FLOW FROM INVESTING ACTIVITIES

Payment for capital expenditure	(260,028)	(89,957)
Proceeds from sale of fixed assets	9,451	3,790
Net cash outflow on investing activities	(250,577)	(86,167)

CASH FLOW FROM FINANCING ACTIVITIES

Dividends paid	(23,964)	(77,340)
Loan from Director	305,550	-
	281,586	(77,340)

Net Increase / (decrease) in cash and cash equivalents	(291,931)	775,450
Cash and cash equivalents at the beginning of the period	(2,099,560)	(2,169,775)

Cash and cash equivalents at end of the period	(2,391,491)	(1,394,325)
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The annexed notes form an integral part of these financial statements.


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EXIDE PAKISTAN LIMITED**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2017**

	Issued, and paid-up capital	Capital reserves	Revenue reserves	Reserve arising on revaluation-net	Unappropriated profit	Total
	(Rupees '000)					
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	<u>77,686</u>	<u>259</u>	<u>2,729,991</u>	<u>25,823</u>	<u>668,813</u>	<u>3,502,572</u>
Balance at March 31, 2017	77,686	259	2,729,991	25,823	893,562	3,727,321
Final dividend for the year ended March 31, 2017	-	-	-	-	(97,108)	(97,108)
Transfer to revenue reserves for the year ended March 31, 2017	-	-	600,000	-	(600,000)	-
Profit after taxation for the nine months ended December 31, 2017	-	-	-	-	(15,076)	(15,076)
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	6,343	6,343
Balance at December 31, 2017	<u>77,686</u>	<u>259</u>	<u>3,329,991</u>	<u>25,823</u>	<u>187,721</u>	<u>3,621,480</u>


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


ARIF HASHWANI
 Chairman


ARSHAD SHEHZADA
 Chief Executive


S. HAIDER MEHDI
 Chief Financial Officer


ARIF HASHWANI
 Chairman


ARSHAD SHEHZADA
 Chief Executive


S. HAIDER MEHDI
 Chief Financial Officer
EXIDE PAKISTAN LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2017**

- These financial statements are unaudited and are being submitted to shareholders in accordance with the requirements of section 237 of the Companies Act, 2017.
- 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, 2017

	Cost of additions/(deletions)	
	December 2017	December 2016
	(Rupees '000)	
Land	118,393	-
Building	16,467	-
Plant and machinery	90,254	39,990
Furniture and fixture	1,381	1,746
Office equipment	2,813	2,013
Vehicles	14,334	28,119
	(13,976)	(5,839)
	<u>229,666</u>	<u>66,029</u>

	December 31, 2017	March 31, 2017
		(Rupees '000)
Advance against purchase of land	-	130,201
Plant and machinery	97,500	31,506
Advances to suppliers/contractors	21,992	21,993
	<u>119,492</u>	<u>183,700</u>
- CAPITAL WORK-IN-PROGRESS**

	December 31, 2017	March 31, 2017
		(Rupees '000)
Advance against purchase of land	-	130,201
Plant and machinery	97,500	31,506
Advances to suppliers/contractors	21,992	21,993
	<u>119,492</u>	<u>183,700</u>
- 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 2017	December 2016
	(Rupees '000)	
Expenses charged to associated undertakings	3	7
Rent expense	7,712	31,845
Expenses charged in respect of staff retirement benefits	3,316	2,187
Payment made to the employee defined benefit plan	5,803	1,405

Key management personnel received an amount of Rs. 21,463 thousands (2016 : Rs.17,025 thousands) out of which Rs.595 thousands (2016: Rs. 988 thousands) relates to post employment benefits.
- 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.
- 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, 2017.
- GENERAL**
Amounts have been rounded off to the nearest thousands of Rupees unless otherwise stated.
- DATE OF AUTHORISATION FOR ISSUE**
These financial statements were authorised for issue on January 30, 2018 by the Board of Directors of the Company.

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CORPORATE PROFILE**BOARD OF DIRECTORS**

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

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

S. Haider Mehdi

AUDIT COMMITTEE

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

HUMAN RESOURCES AND REMUNERATION COMMITTEE

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

BANKERS

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

AUDITORS

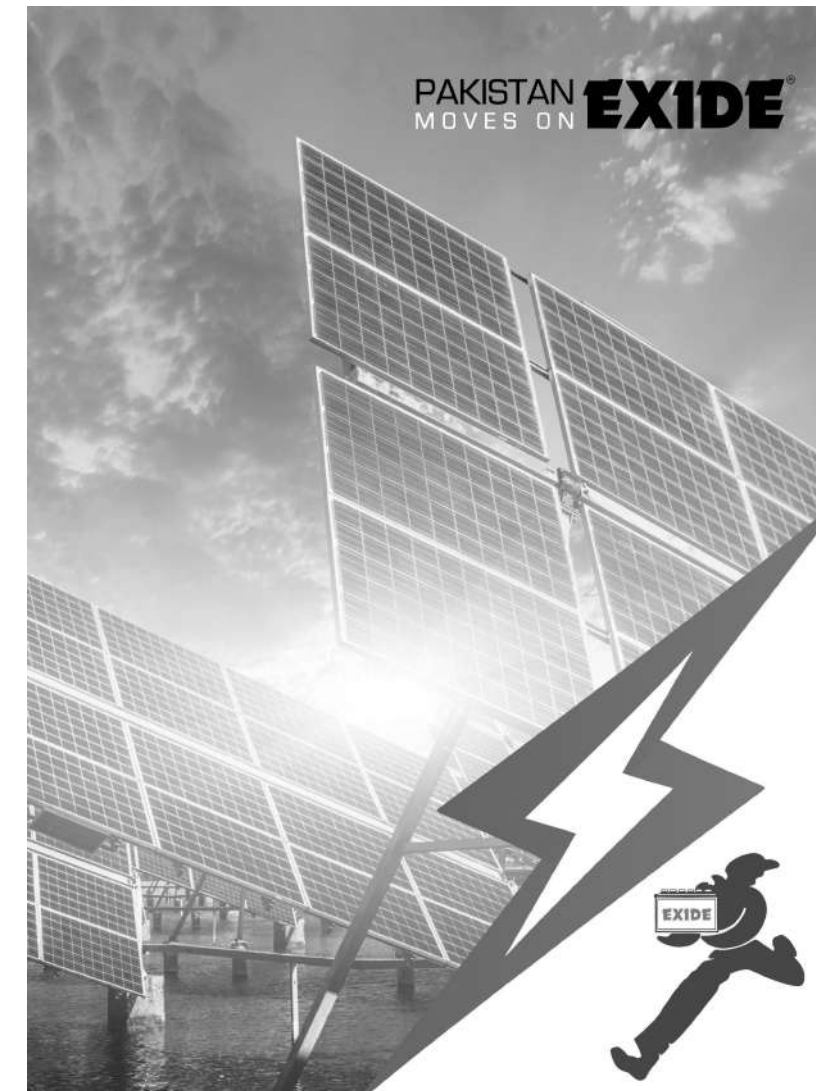
A. F. Ferguson & Co.

SOLICITORS

Orr Dignam & Co.

REGISTERED OFFICE

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


**THIRD QUARTERLY REPORT
 DECEMBER 31, 2017**

If undelivered please return to:
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PAKISTAN LTD.
 A/44, Hill Street, Off: Manghopir Road,
 S.I.T.E., Karachi-75700 Pakistan.