

PAKISTAN
MOVES ON

EXIDE

Annual
Report

2015

BATTERY FOR RENOWNED BRANDS



ISUZU



Mercedes-Benz



VAUXHALL









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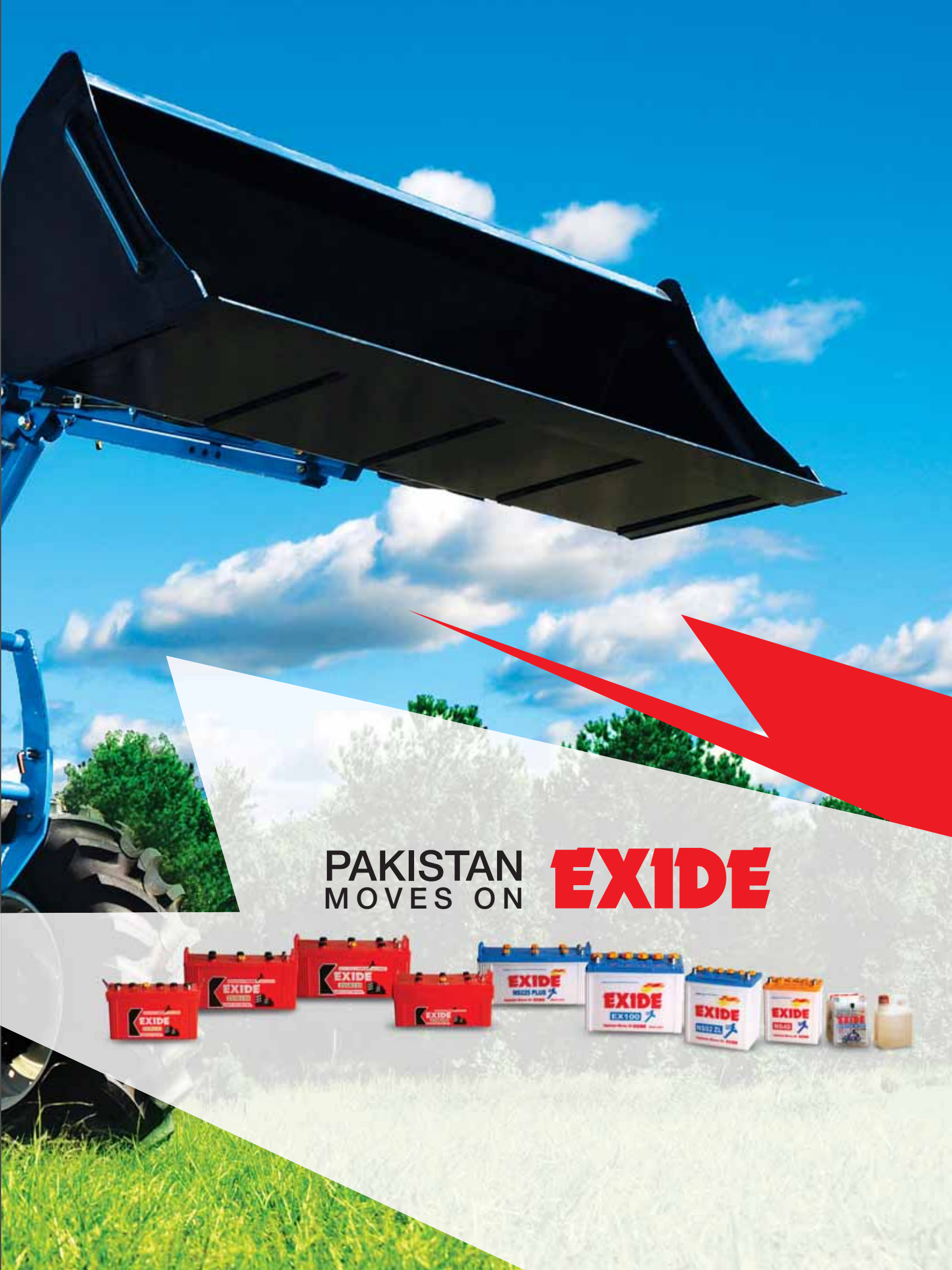
Chloride Pakistan (Private) Limited

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VISION

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

MISSION

1. Continuous improvement in workmanship, process, productivity and elimination of 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.





CORPORATE PROFILE

Board of Directors

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

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
Barclays Bank PLC Pakistan
BankIslami Pakistan Ltd.
Bank of Tokyo Mitsubishi UFJ, Ltd.
Habib Metropolitan Bank.
MCB Bank Ltd.
Meezan Bank Limited
NIB Bank Limited
Standard Chartered Bank
(Pakistan) Ltd.
United Bank Ltd.

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 Second Annual General Meeting of the shareholders of EXIDE Pakistan Limited will be held on Monday, the August 17, 2015 at 11.00 hours at Registered Office of the Company at A-44, Hill Street Manghopir Road, SITE, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To read and confirm minutes of the Sixty First Annual General Meeting of the shareholders of the Company held on Monday, July 07, 2014.
2. To receive and adopt the Audited Statements of Accounts for the year ended March 31, 2015 together with the Directors' and Auditors reports thereon.
3. To declare final dividend for the year ended March 31, 2015, as recommended by the Directors.
4. To appoint auditors for the year 2015-2016 and fix their remuneration.

By order of the Board



S. Haider Mehdi
Company Secretary

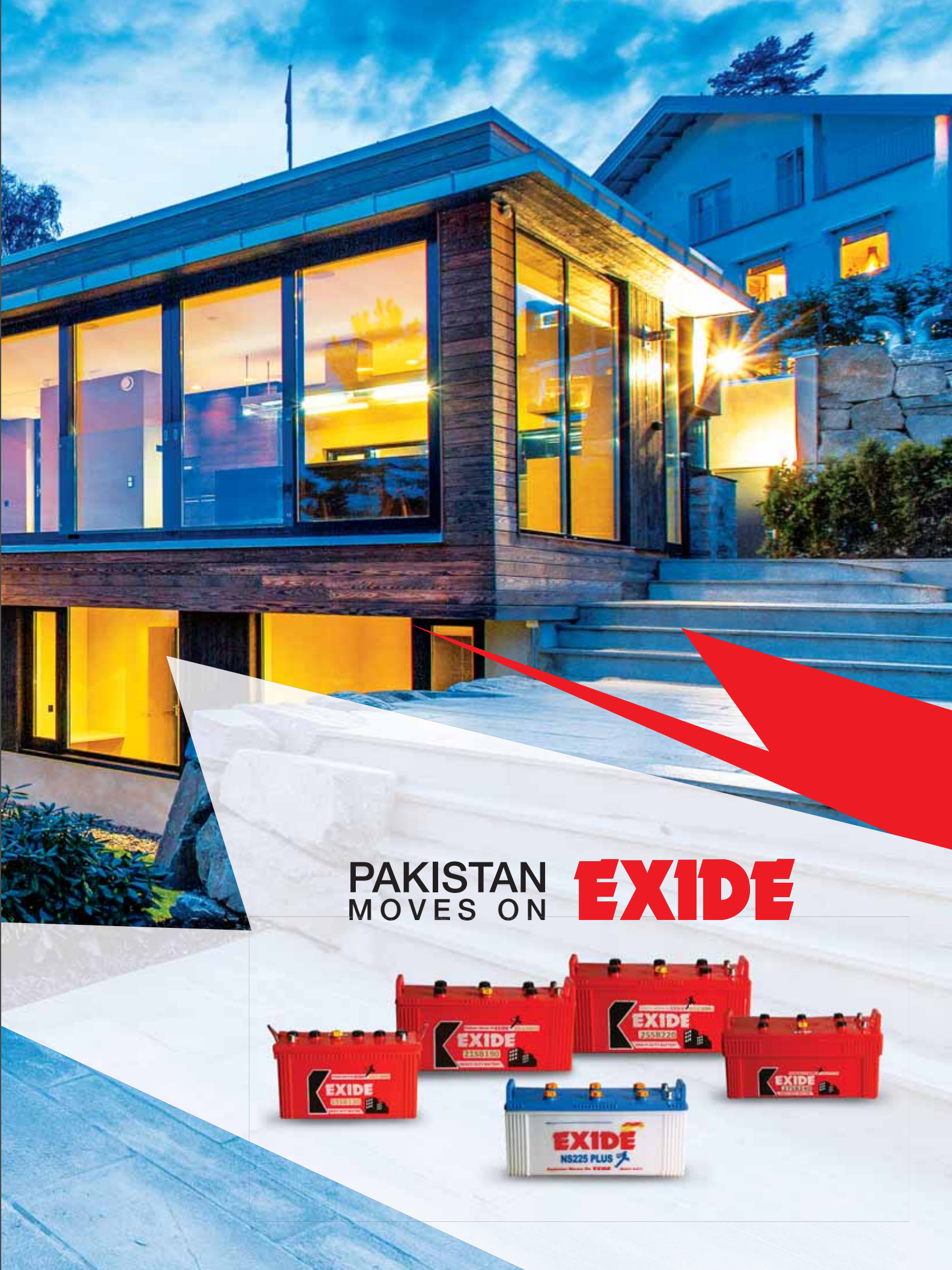
Karachi: June 29, 2015

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 10, 2015 to August 17, 2015, 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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CHAIRMAN'S REVIEW

I am pleased to welcome you to the 62nd Annual General Meeting of your Company and present on behalf of the Board of Directors the Audited Statement of Accounts for the year ended 31st March 2015 along with my review on the performance of your Company.

The Economy

Pakistan's Economic performance during the year 2014-15 showed signs of improvement as country posted a growth of 4.24% during the current fiscal year as compared to 4.03% recorded last year mainly due to growth in agricultural and service sectors while there is a decline in manufacturing sector.

Pakistan current account deficit stood at US\$ 1.456 billion during the nine months of the fiscal year, a considerably low figure compared to US\$ 2.692 billion the same period last year. However, despite high workers remittances and inflow from donors, which pushed the foreign reserves to US\$ 17.5 billion, the country failed to wipe out the current account deficit from its balance sheet. Imports declined to US\$ 30.875 billion from US\$ 31.226 due to substantial fall in international oil prices. Export fell to US\$ 18.122 billion from US\$ 18.746 billion. Trade deficit widened by 2% to US\$ 12.75 billion during the first nine months of current fiscal year as compared to US\$ 12.48 billion in corresponding period of the last year.

CPI inflation declined to 4.8% from July 2014 to April 2015 down from 8.7% during the same period last year. Workers remittances for the ten month of current year stood at US\$ 14.9 billion compared with US\$ 12.9 billion for the same period last year, a whopping increase of 15.5% compared with an increase of 11.2% last year. The increased inflow of dollars due to workers remittances with lower outflow due to declining oil import bill, resulted in the Rupee Dollar parity lingering

within a band of Rs.98.6 to Rs.102.70. Foreign Direct Investment declined to US\$ 824 million in July 2014 – April 2015, a fall of 8% compared to the same period last year.

The Industry

Growth of automotive sector in the preceding few years was instrumental in better capacity utilization for the battery industry's installed capacity. Sale of locally produced cars and LTV improved by 23% to 123,638 units in July-March 2015 as compared to 100,220 units sold during corresponding period of the last year. Trucks and busses sales improved by 43%. Farm tractors sales witnessed a robust growth of 37% to 33,181 units sold in July-March 2015 against 24,178 units sold in the same period a year ago. Sale of motorcycles and three wheelers declined by 7% from 587,086 units to 545,355 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 vigor for further strengthening quality standards of the products of your Company.

Sales

Net sales revenue of the company improved from Rs. 11.59 billion to Rs. 13.14 billion, an increase of 13% as compared to last year due to improved performance of battery division.

Profitability

Gross profit for the year under review improved to Rs.2.007 billion compared to Rs.1.433 billion in the last year due to improved sales and better margins.

Selling and distribution expenses increased to Rs.926.1 million from Rs.576.8 million as a result of increased volume, battery warranty claims, advertisement and sales promotion expenses. Administration and general expenses increased to Rs.109 million from Rs.97.2 million. Operating profit increased by 25% to Rs.871.7 million from Rs. 699.9 million recorded last year. Financial cost increased from Rs.96.4 million to Rs.254.2 million as a result of increase in working capital requirement.

Pretax profit for the year 2014-15 increased from Rs.603.5 million to Rs.617.5 million up by 2%. Earnings per share increased to Rs.57.63 as compared with Rs.51.63 recorded in the previous year. The current ratio stood at 1.42:1, while the breakup value of share was Rs.345.24 as on March 31, 2015.

Future Prospects

It is anticipated that indigenous organized battery industry will perform satisfactorily, although the cost pressures will remain on account of rising cost of utilities and other inflationary factors. Your management is determined to avail full benefits of the opportunities by continued focus on quality, productivity, curbing cost and after sales service to improve its competitiveness and market penetration.

Acknowledgement

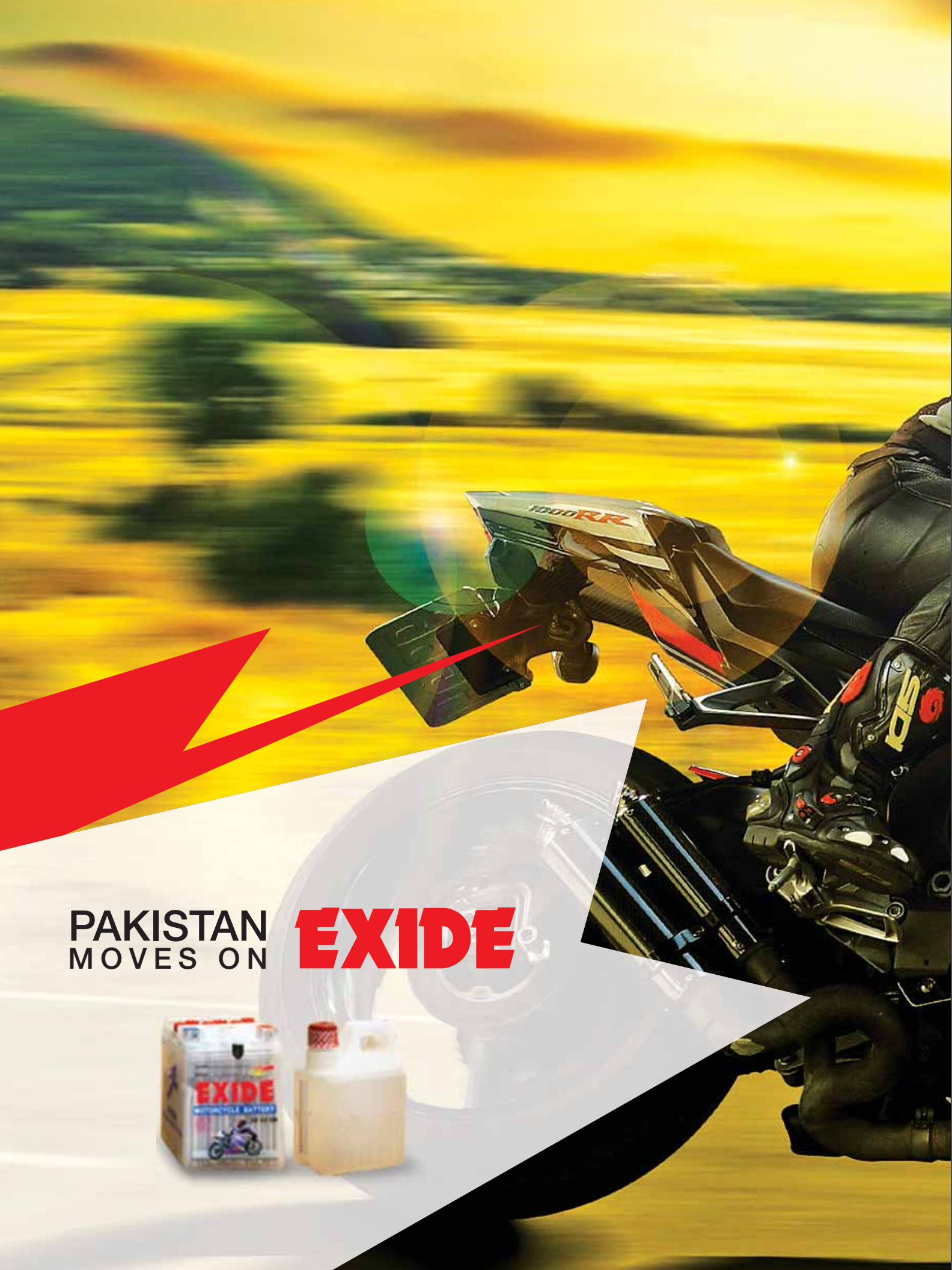
On my behalf and on behalf of the board of Directors of your Company, I take this opportunity of acknowledging the devoted and sincere services of employees of all cadres of the Company. I am also grateful to our bankers, shareholders, The Furukawa Battery Company Limited, (Japan), vendors, main dealers,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



Arif Hashwani
Chairman

Karachi June 29, 2015





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HONDA

CARRERA
SUNGLASSES

EUROBET

DEWALT
IRIDIUM POWER

MICHELIN

Lee
HONDA

NERI
ISOLTENA

decca

DIRECTORS' REPORT

The Directors of your Company have pleasure in submitting their report on audited statements of accounts for the year ended March 31, 2015.

FINANCIAL HIGHLIGHTS

(Rupees' 000)

Profit before taxation	617,481
Taxation	(169,796)
Profit after taxation	447,685
Un-appropriated profit brought forward	39,446
	<u>487,131</u>

Transferred from surplus on revaluation of property, plant and equipment – Current year – net of tax	10,038
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Re-measurement of defined benefit plan – net of tax	1,116
Profit available for appropriation	<u>498,285</u>

Appropriations:

Transfer to General Reserves	300,000
Proposed Cash Dividend @ 75% (Rs.7.50 per share)	58,265
Un-appropriated profit carried forward	<u>140,020</u>

Earnings per share (Rs)	57.63
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We confirm that:

- 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.
- Proper books of accounts have been maintained in the manner required under Companies Ordinance, 1984.
- 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, 2015 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.131,605K and Rs.76,529K, respectively as on March 31, 2015.

l) The number of board meetings held during the year 2014-15 was four. The attendance of the directors is as under:

1. Mr. Arif Hashwani	2
2. Mr. Arshad Shehzada (Term expired from 6th July 2014)	1
3. Mr. Altaf Hashwani	3
4. Mr. Hussain Hashwani	4
5. Mr. Muhammad Kamran Shehzad (Appointed as Director on 7th July 2014)	3
5. Engr. Abdul Jabbar (Term expired from 6th July 2014)	1
7. Mr. Ayub Hameed	3
8. Mr. S. Haider Mehdi	4
9. Mr. S. M. Faiq	4

- m) Pattern of shareholding as at March 31, 2015 is annexed to this report.
- n) We confirm that Directors and CFO and their spouse and minor children have made no transactions of the Company's shares during the year.
- o) The Statement of Compliance with the Code of Corporate Governance is annexed to this report.
- p) The present Auditors M/s. A. F. Ferguson & Co., Chartered Accountants, retires and being eligible, offers themselves for the re-appointment.



Arif Hashwani
Chairman

Karachi: June 29, 2015



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

For The Year Ended March 31st 2015

This statement is being presented to comply with the Code of Corporate governance (Code) contained in Regulation No. 35 of Chapter XI of Listing Regulations of the Karachi Stock Exchange Limited and Lahore 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 Director	Mr. Ayub Hameed
Executive Directors	Mr. Arif Hashwani Mr. Arshad Shahzada Mr. S Haider Mehdi Mr. Hussain Hashwani
Non-Executive Directors	Mr. Muhammad Kamran Shehzad Mr. Altaf Hashwani Mr. S. M. Faiq

*The number of Executive Directors are more than one third of the number of elected Directors which exceeds the limit prescribed by the Code. The Company is taking steps to rectify this.

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

2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking

company, a Development Financial Institution or a Non-banking Financial Institution or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the Board of the Company 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 procedure.
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 and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Out of the total of 8 Directors two directors are exempt from the requirement of obtaining director's training. The management expects to arrange training of the remaining directors before June 30, 2016. However, no mechanism is put in place for an annual evaluation of the Board's own performance as per the requirement of the Code.

- 10.No new appointments of Chief Financial Officer, Company Secretary and 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 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 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 Codes. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
- 17.The Board has formed Human Resources and Remuneration Committee. It comprises one non-Executive Director, one Executive Director and an Independent Director. The Executive Director is Chairman of the Human Resources and Remuneration Committee.
- 18.The Board has set up an effective internal audit function. The staff of 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 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 the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
- 20.The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 21.The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.
- 22.Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
- 23.We confirm that all other material principles contained in the Code have been complied with



Arif Hashwani
Chairman

June 29, 2015





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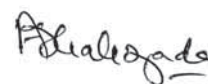
STATEMENT UNDER SECTION 237 (1)(E) OF THE COMPANIES ORDINANCE, 1984

The Audited Statements of Accounts for the year ended March 31, 2015 of Chloride Pakistan (Private) Limited, wholly owned subsidiary of the Company, along with the Auditors' and Directors' Reports thereon are annexed to these accounts. The Company subscribed 15,380 and 3,500 and again 3,500 shares at par of Chloride Pakistan (Private) Limited, a wholly owned subsidiary of the Company during the year ended March 31, 1995, 1996 and 1999 respectively with the approval of the Directors. Since the production activities in Chloride Pakistan (Private) Limited could not be started so far, the net aggregate amount of revenue profits/losses are not reported hereunder.

	Chloride Pakistan (Pvt) Ltd.
Extent of the interest of the holding Company (Exide Pakistan Limited) in the equity of its subsidiaries as at March 31, 2015	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, 2015;	-
- 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, 2015;	-
- for the previous years, but subsequent to the acquisition of the controlling interest by the holding Company.	-



Hussain Hashwani
Director



Arshad Shehzada
Chief Executive Officer

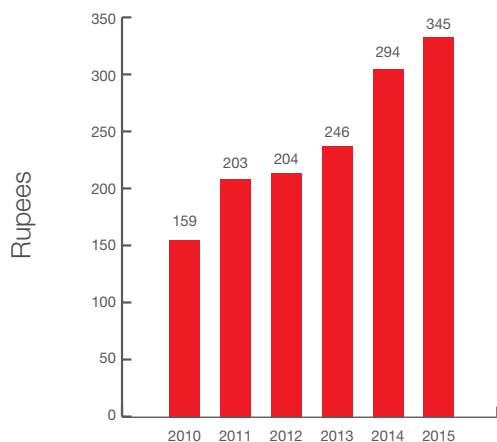
PERFORMANCE HIGHLIGHTS

	2006	2007	2008	2009	2010	2011	2012	2013 (Restated)	2014	2015
	Rupees '000									
Net sales	1,529,772	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
Operating profit	129,026	172,774	192,253	264,524	382,502	558,215	658,025	791,779	699,880	871,707
Profit/(loss) before tax	97,334	139,859	143,154	182,003	303,554	429,726	500,926	753,452	603,457	617,481
Profit/(loss) after tax	57,305	91,642	94,358	118,206	197,287	276,390	320,145	485,856	401,092	447,685
Cash dividend	8,108*	13,514	13,514	27,028	33,899	33,899	42,374	42,374	58,265	58,265
Cash dividend %	15	25	25	50	60	60	60	60	75	75
Stock dividend	-	-	-	-	-	14,125	-	7,062	-	-
Stock dividend %	-	-	-	-	-	25	-	10	-	-
Paid-up share capital	54,057	54,057	54,057	54,057	56,499	56,499	70,624	70,624	77,686	77,686
Reserves & unappropriated profit	362,881	450,964	536,816	671,907	844,000	1,091,989	1,374,100	1,839,576	2,203,784	2,604,358
Shareholders' equity	416,938	505,021	590,873	725,964	900,499	1,148,488	1,444,724	1,910,200	2,281,470	2,682,044
Surplus on revaluation of fixed assets	248,665	244,115	239,107	255,000	249,502	449,916	439,926	429,937	419,948	410,481
Tangible fixed assets	506,150	502,357	599,749	671,711	776,542	1,027,910	1,018,471	1,039,059	1,249,709	1,313,152
Net current assets	241,797	273,655	360,458	334,508	397,224	593,067	899,155	1,339,730	1,490,379	1,791,721
Net assets employed	745,603	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
	Rupees									
Earnings per share before tax	18	25.87	26.42	33.67	53.73	76.06	70.93	96.99	77.68	79.48
Earnings per share after tax	10.60	16.95	17.46	21.87	34.92	48.92	45.33	62.54	51.63	57.63
Share break-up value	77	93	109.31	134.30	159.38	203.28	204.57	245.89	293.68	345.24
	Percentage									
Ratio of:										
Operating profit to sales	8%	9%	6%	5%	6%	7%	7%	8%	6%	7%
Profit/(loss) before tax to sales	6%	7%	5%	3%	5%	6%	5%	7%	5%	5%
Profit/(loss) after tax to sales	4%	5%	3%	2%	3%	4%	3%	4%	3%	3%
Return/(loss) on equity	14%	18%	16%	16%	22%	24%	22%	25%	18%	17%
Return/(loss) on net assets employed	8%	11%	10%	12%	17%	17%	17%	21%	15%	15%

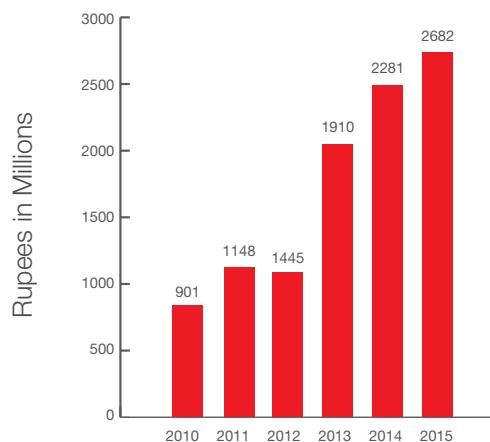
* Effects of amendments made in the Fourth Schedule to the Companies Ordinance, 1984, have not been considered in performance highlights

PERFORMANCE HIGHLIGHTS

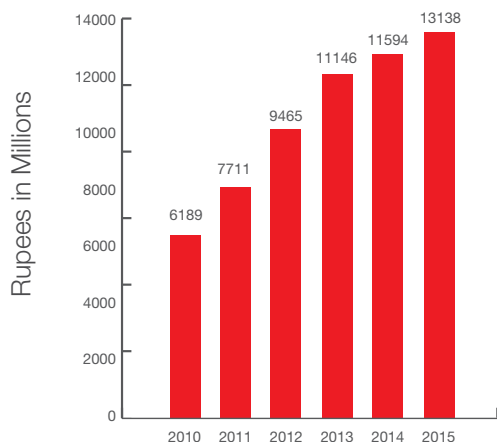
BREAK-UP VALUE PER SHARE



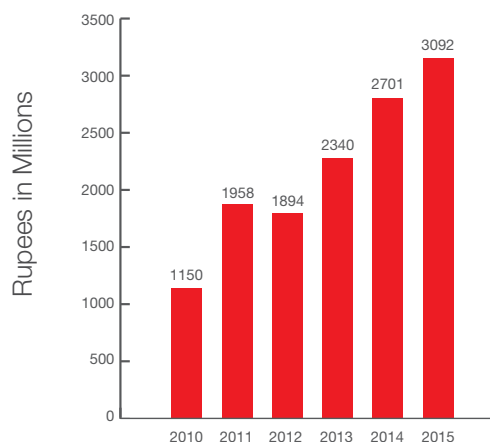
SHAREHOLDERS' EQUITY



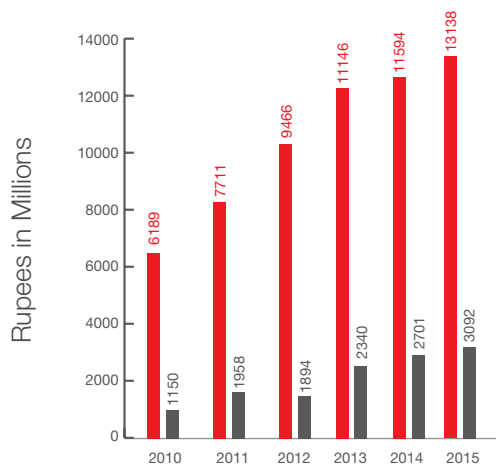
NET SALES



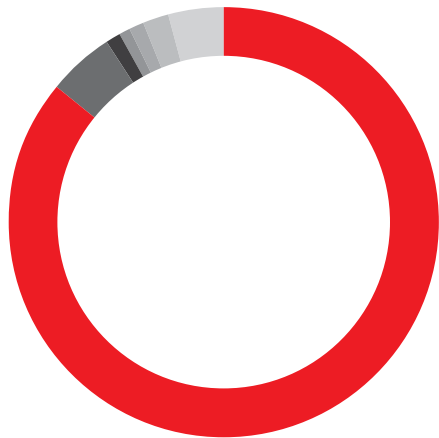
NET ASSETS EMPLOYED



TURNOVER VS NET ASSETS EMPLOYED

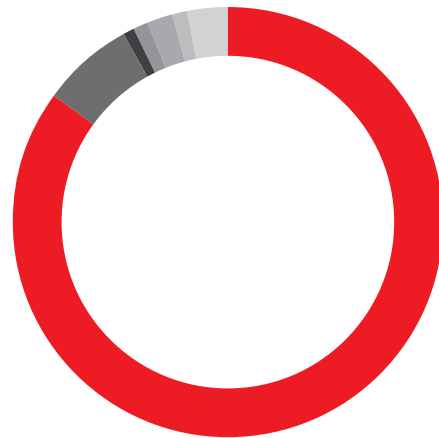


Cost and Expenses Analysis 2014



■ Cost of Goods Sold	86%
■ Selling and Distribution Expenses	5%
■ Administration Expenses	1%
■ Other Charges Including WPPF and WWF	1%
■ Financial Charges	1%
■ Taxation	2%
■ Net Profit	4%

Cost and Expenses Analysis 2015



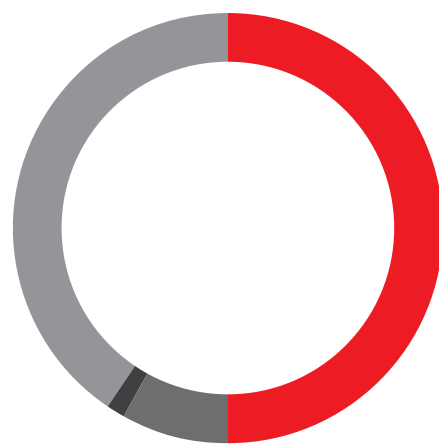
■ Cost of Goods Sold	85%
■ Selling and Distribution Expenses	7%
■ Administration Expenses	1%
■ Other Charges Including WPPF and WWF	1%
■ Financial Charges	2%
■ Taxation	1%
■ Net Profit	3%

Sales Analysis 2014
Rupees in Millions



■ Gross Sales	14,216
■ Sales Tax and Exice Duty	2,183
■ Discounts	439
■ Net Sales	11,594

Sales Analysis 2015
Rupees in Millions



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

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, 2015 to comply with the requirements of Regulation No.35 of Chapter XI contained in the Listing Regulation issued by the Karachi Stock Exchange Limited and Lahore 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, 2015.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Paragraph Reference	Description
1	The number of Executive Directors on the Board exceeds the limit prescribed by the Code.
9	The Board has not formulated a mechanism for an annual evaluation of its performance.

A.F. FERGUSON & CO.
Chartered Accountants
Karachi: June 30, 2015

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Exide Pakistan Limited as at March 31, 2015 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 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 March 31, 2015 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted by the company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance



Chartered Accountants
Engagement Partner: Rashid A. Jafer
Dated: June 30, 2015
Karachi





FINANCIAL
STATEMENTS

Balance Sheet

As at March 31, 2015

	Note	2015	2014
		----- (Rupees '000) -----	
SHARE CAPITAL & RESERVES			
Authorised share capital 18,000,000 (2014: 18,000,000) ordinary shares of Rs 10 each		<u>180,000</u>	<u>180,000</u>
Issued, subscribed and paid-up share capital	5	77,686	77,686
Capital reserve		259	259
Revenue reserves		2,079,991	1,714,991
Reserve arising on amalgamation - net		25,823	25,823
Unappropriated profit		<u>498,285</u>	<u>462,711</u>
		<u>2,682,044</u>	<u>2,281,470</u>
SURPLUS ON REVALUATION OF PROPERTY			
PLANT AND EQUIPMENT - NET OF TAX	6	410,481	419,948
NON - CURRENT LIABILITIES			
Deferred tax liability - net	7	47,043	65,579
CURRENT LIABILITIES			
Trade and other payables	8	1,164,096	1,193,062
Accrued mark-up	9	66,376	29,094
Short-term borrowings	10	3,068,701	2,080,257
		<u>4,299,173</u>	<u>3,302,413</u>
CONTINGENCIES AND COMMITMENTS			
	11	<u>7,438,741</u>	<u>6,069,410</u>

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

Note 2015 2014
 ----- (Rupees '000) -----

NON - CURRENT ASSETS

Property, plant and equipment	12	1,313,152	1,249,709
Long-term investment	13	224	224
Long-term loans	14	1,082	1,165
Long-term deposits	15	33,389	25,520
		1,347,847	1,276,618

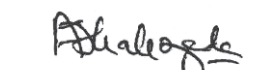
CURRENT ASSETS

Spares	16	111,072	93,039
Stock-in-trade	17	2,396,343	2,355,195
Trade debts	18	1,335,269	602,809
Loans and advances	19	41,406	25,969
Trade deposits, short-term prepayments and other receivables	20	31,838	48,969
Taxation recoverable		501,735	400,259
Cash and bank balances	21	1,673,231	1,266,552
		6,090,894	4,792,792

7,438,741

6,069,410


 Hussain Hashwani
 Director


 Arshad Shehzada
 Chief Executive Officer

Profit and Loss Account

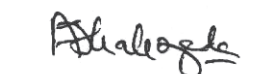
For the year ended March 31, 2015

	Note	2015	2014
		------(Rupees '000)-----	
Net sales	22	13,138,079	11,593,822
Cost of sales	23	(11,131,069)	(10,160,746)
Gross profit		2,007,010	1,433,076
Selling and distribution expenses	24	(926,102)	(576,757)
Administration and general expenses	25	(109,022)	(97,231)
		971,886	759,088
Other income	27	12,040	15,649
		983,926	774,737
Other operating charges	28	(112,219)	(74,857)
Operating profit		871,707	699,880
Finance cost	29	(254,226)	(96,423)
Profit before taxation		617,481	603,457
Taxation - net	30	(169,796)	(202,365)
Profit after taxation		447,685	401,092
		------(Rupees)-----	
Earnings per share (EPS)	31	57.63	51.63

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.


 Hussain Hashwani
 Director


 Arshad Shehzada
 Chief Executive Officer

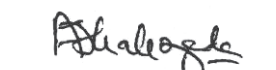
Statement of Comprehensive Income

For the year ended March 31, 2015

	Note	2015	2014
		------(Rupees '000)-----	
Profit for the year		447,685	401,092
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	1,641	3,943
- Deferred tax liability on remeasurements of defined benefit plan		(525)	(1,380)
		1,116	2,563
Total comprehensive income for the year		<u>448,801</u>	<u>403,655</u>

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


Hussain Hashwani
Director


Arshad Shehzada
Chief Executive Officer

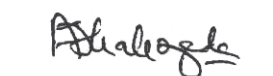
Cash Flow Statement

For the year ended March 31, 2015

	Note	2015	2014
		------(Rupees '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	175,335	(5,570)
Financial charges paid		(216,944)	(73,588)
Taxes paid		(289,762)	(494,855)
Increase in long-term deposits		(7,869)	(6,817)
Decrease in long-term loans		83	286
Net cash used in operating activities		(339,157)	(580,544)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		(191,617)	(323,772)
Proceeds from disposal of operating fixed assets		6,636	1,943
Net cash used in investing activities		(184,981)	(321,829)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(57,627)	(42,346)
Net cash used in financing activities		(57,627)	(42,346)
Net decrease in cash and cash equivalents		(581,765)	(944,719)
Cash and cash equivalents at the beginning of the year		(813,705)	131,014
Cash and cash equivalents at the end of the year	37	(1,395,470)	(813,705)

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


Hussain Hashwani
Director


Arshad Shehzada
Chief Executive Officer

Statement of Changes in Equity

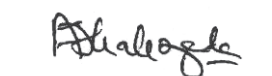
For the year ended March 31, 2015

	Issued, subscribed and paid-up share capital	Capital reserve	Revenue reserves	Reserve arising on amalgama- tion - net	Unappro- priated profit	Total
	----- (Rupees '000) -----					
Balance at April 1, 2013	70,624	259	1,269,991	25,823	543,503	1,910,200
Final dividend for the year ended March 31, 2013 declared subsequent to year end	-	-	-	-	(42,374)	(42,374)
Transfer to revenue reserves made subsequent to the year ended March 31, 2013	-	-	445,000	-	(445,000)	-
Issue of bonus shares at 10%	7,062	-	-	-	(7,062)	-
Profit after taxation for the year ended March 31, 2014	-	-	-	-	401,092	401,092
Other comprehensive income for the year						
Remeasurements of defined benefit plan	-	-	-	-	3,943	3,943
Tax on remeasurements of defined benefit plan	-	-	-	-	(1,380)	(1,380)
Transferred from surplus on revaluation of property, plant and equipment - net of tax (note 4.1.1)	-	-	-	-	2,563	2,563
Transferred from surplus on revaluation of property, plant and equipment - net of tax (note 4.1.1)	-	-	-	-	9,989	9,989
Balance as at March 31, 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)
Transferred from surplus on revaluation of property, plant and equipment - net of tax (note 4.1.1)	-	-	-	-	1,116	1,116
Transferred from surplus on revaluation of property, plant and equipment - net of tax (note 4.1.1)	-	-	-	-	10,038	10,038
Balance as at March 31, 2015	77,686	259	2,079,991	25,823	498,285	2,682,044

Appropriations of dividend and transfer between reserves made subsequent to the year ended March 31, 2015 are disclosed in note 42 to these financial statements.

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


Hussain Hashwani
Director


Arshad Shehzada
Chief Executive Officer

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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 Karachi and Lahore Stock Exchanges. 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 chemical and acid are located at S.I.T.E and Bin Qasim Karachi.

2 Basis of preparation

2.1 Statement of compliance

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

There are certain new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after April 1, 2014 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not disclosed in these 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 other new and amended standards and interpretation to published approved accounting standards that are mandatory for accounting periods beginning on or after April 1, 2015 but are considered not to be relevant or do not have any significant effect on the company's operations and are therefore not detailed in these financial statements.

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:

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

- 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 8.3);
- 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 policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Leasehold land and buildings on leasehold land are stated at revalued amounts less accumulated depreciation/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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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, 2015 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

- 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 presentational 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 presentational 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

5 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2015	2014		2015	2014
----(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
<u>7,768,618</u>	<u>7,768,618</u>		<u>77,686</u>	<u>77,686</u>

5.1 Shares held by the related parties of the Company

Name of the shareholders	2015	2014
	----(Number of shares)----	
Mr. Arif Hashwani	500	3,183,073
Mr. Hussain Hashwani	1,250,601	1,250,601
Mr. Altaf Hashwani	1,412,945	1,412,946
Mr. S. Haider Mehdi	638	638
Syed Muhammad Faiq	87	687
Ms. Sana Hashwani	217	217
Ms. Sana Arif Hashwani	1,592,836	-
Ms. Zaver Hashwani	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.

Note	2015	2014
	------(Rupees '000)-----	
Surplus on revaluation of operating fixed assets as at April 1	426,641	437,188
Transferred to unappropriated profits:		
- surplus relating to incremental depreciation charged during the year - net of deferred tax	(10,038)	(9,989)
Related deferred tax liability	<u>(509)</u>	<u>(558)</u>
Surplus on revaluation of operating fixed assets as at March 31	416,094	426,641
Less: related deferred tax liability on:		
- revaluation as at April 1	6,693	7,251
- adjustment due to change in tax rate	(571)	-
- incremental depreciation charged during the year transferred to the profit and loss account	<u>(509)</u>	<u>(558)</u>
	<u>5,613</u>	<u>6,693</u>
	<u>410,481</u>	<u>419,948</u>

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

	Note	2015	2014
		------(Rupees '000)-----	
7			
DEFERRED TAX LIABILITY - NET			
Deferred tax liability arising on taxable temporary differences due to:			
- Accelerated tax depreciation		82,708	84,730
- Arising on surplus on revaluation of property, plant and equipment	6	5,613	6,693
Deferred tax assets arising on deductible temporary differences due to:			
- Certain provisions		(40,753)	(24,464)
- Remeasurement of defined benefit obligations		(525)	(1,380)
		<u>47,043</u>	<u>65,579</u>
8			
TRADE AND OTHER PAYABLES			
Creditors		281,047	335,816
Bills payable		334,032	388,978
Accrued liabilities	8.1	183,858	100,390
Advances from customers		19,372	46,058
Workers' Profits Participation Fund	8.2	737	1,835
Workers' Welfare Fund		-	62,803
Provision for battery warranty claims	8.3	107,976	61,651
Unclaimed dividends		2,263	1,625
Payable to provident fund		1,321	1,273
Royalty payable		10,731	11,405
Sales tax payable		213,325	151,109
Others	8.4	9,434	30,119
		<u>1,164,096</u>	<u>1,193,062</u>
8.1			
This includes an amount of Rs 3.164 million (2014: Rs 3.164 million) in respect of employees compensated absences.			
	Note	2015	2014
		------(Rupees '000)-----	
8.2			
Workers' Profits Participation Fund			
Balance at April 1		1,835	143
Allocation for the year	28	<u>33,208</u>	32,409
		35,043	32,552
Interest on funds utilised in the company's business	29	<u>400</u>	-
		35,443	32,552
Less: Amount paid during the year		<u>(34,706)</u>	(30,717)
Balance at March 31		<u>737</u>	1,835
8.3			
Provision for battery warranty claims			
Balance at April 1		61,651	65,749
Charge for the year	24	454,618	204,268
Claims paid		<u>(408,293)</u>	(208,366)
Balance at March 31		<u>107,976</u>	61,651
8.4			
This includes an amount of Rs 0.029 million (2014: Rs 0.036 million) payable to the subsidiary company, Chloride Pakistan (Private) Limited (CPL)			

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

	Note	2015	2014
		------(Rupees '000)-----	
9	ACCRUED MARK-UP		
	Mark-up accrued on:		
	- Short-term running finance	34,482	22,118
	- Short-term finance	31,894	6,976
		<u>66,376</u>	<u>29,094</u>
10	SHORT-TERM BORROWINGS		
	From banking companies - secured		
	Short-term running finance	1,140,143	1,570,656
	Short-term finance	1,928,558	509,601
		<u>3,068,701</u>	<u>2,080,257</u>
10.1	The facilities for short-term running finance and short term finance have been obtained from various banks in order to meet working capital and import requirement. These facilities amounted to Rs 3,325 million (2014: Rs 2,295 million) carry mark-up at rates ranging from 8.78% to 11.19% (2014: 10.43% to 12.68%) and are repayable latest by July 31, 2015. The arrangements are secured by pari passu and joint hypothecation charge over the company's stock-in-trade.		
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		

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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 Income Tax Ordinance, 2001 from the Deputy Commissioner Inland Revenue. The showcause 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	2015	2014
		------(Rupees '000)-----	
11.5 Commitments in respect of:			
Capital expenditure contracted for but not incurred		5,028	5,247
Letters of credit		297,183	274,836
Letters of guarantee		77,826	39,116
12 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	12.1	1,195,616	1,110,704
Capital work-in-progress	12.6	117,536	139,005
Intangible assets	12.7	-	-
		<u>1,313,152</u>	<u>1,249,709</u>

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

12.1 The following is a statement of operating fixed assets:

	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	
	----- Rupees '000 -----						
At April 1, 2013							
Cost / revalued amount	510,000	61,835	973,310	10,950	23,690	75,330	1,655,115
Accumulated depreciation / amortisation	(20,724)	(11,928)	(545,862)	(6,658)	(13,508)	(50,922)	(649,602)
Net book value	489,276	49,907	427,448	4,292	10,182	24,408	1,005,513
Additions / Transferred from CWIP	-	7,989	194,412	523	803	14,586	218,313
Disposals:							
Cost	-	-	-	-	-	(4,898)	(4,898)
Depreciation	-	-	-	-	-	4,802	4,802
	-	-	-	-	-	(96)	(96)
Depreciation charge for the year	(10,200)	(6,160)	(82,375)	(898)	(2,811)	(10,582)	(113,026)
Closing net book value	479,076	51,736	539,485	3,917	8,174	28,316	1,110,704
At March 31, 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
Depreciation/amortisation rate % per annum	1 - 2	5 - 10	10 - 20	10 - 20	10 - 20	10 - 20	

12.1.1 Title documents in respect of one of the Company's property (having net book value of Rs. 213.664 million (2014: Rs. 219.944 million) have been pledged with a consortium of banks for a financing facility. The facility has been fully settled and the Company has approached the banks for release of these documents.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

- 12.2 Leasehold land and buildings on leasehold land of the Company were revalued in March 2011 by M/s Shahani & Co., independent valuation consultants, on the basis of present market values. The revaluation resulted in a net surplus of Rs 208.418 million over the written down values of Rs 350.982 million which was incorporated in the books of the Company on March 31, 2011. Out of the revaluation surplus resulting from all the revaluations carried out to date, an amount of Rs 416.094 million (2014: 426.641 million) remains undepreciated as at March 31, 2015. As per the latest revaluation report dated May 19, 2015 by M/s Shahani & Co., the value of these assets on leasehold is not materially different from their book values as at March 31, 2015.

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

	2015	2014
	------(Rupees '000)-----	
Leasehold land	69,594	71,507
Buildings on leasehold land	42,994	32,664

- 12.3 Included in cost of fixed assets - own use are fully depreciated items which are still in use aggregating to Rs. 422.321 million (2014: Rs. 317.146 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	Accumulated depreciation	Net Book value	Sale proceeds	Mode of disposals / settlement	Particulars of buyers	Location
	----- (Rupees '000) -----						
Vehicles							
Suzuki Cultus	970	340	630	786	Company Policy	Mr. Kaiser Farooq (Employee)	Karachi
Toyota Gli 1299 Cc	1,591	769	822	556	Company Policy	Mr. Zahid Waheed Rao (Employee)	Lahore
Suzuki Alto	685	628	57	252	Company Policy	Mr. Nazir Noorali (Employee)	Karachi
Daihatsu Coure	580	493	87	277	Company Policy	Mr. Shamsuddin Shaikh (Employee)	Karachi
Suzuki Alto	692	600	92	346	Company Policy	Mr. Muhammad Tariq (Employee)	Faisalabad
Honda City	1,209	1,209	-	484	Company Policy	Mr. Mukarram Khan (Executive)	Karachi
2015	<u>5,727</u>	<u>4,039</u>	<u>1,688</u>	<u>2,701</u>			
2014	<u>931</u>	<u>853</u>	<u>78</u>	<u>326</u>			

- 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	2015	2014
		------(Rupees '000)-----	
Depreciation			
Cost of sales	23	120,103	107,375
Selling and distribution expenses	24	2,528	2,260
Administration and general expenses	25	3,793	3,391
		<u>126,424</u>	<u>113,026</u>

- 12.6 Capital work-in-progress

Building	7,977	1,100
Plant and machinery	87,566	97,242
Advances to suppliers / contractors	21,993	40,663
	<u>117,536</u>	<u>139,005</u>

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

12.7 This represents fully amortized intangibles having cost of Rs. 7.331 million (2014: Rs. 7.331 million).

	Percentage holding	2015 ------(Rupees '000)-----	2014
--	--------------------	----------------------------------	------

13 LONG-TERM INVESTMENT

Investment in related party - at cost

Subsidiary company - Unquoted
22,380 (2014: 22,380) ordinary shares of Rs 10 each held in Chloride Pakistan (Private) Limited, a private limited company incorporated in Pakistan

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

13.1 Chloride Pakistan (Private) Limited (CPL) has not yet commenced production. The auditors of CPL have included an emphasis of matter paragraph in their report on the matter highlighting that 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 _____ dated June ____, 2015 has granted exemption to the Company from the preparation of consolidated financial statements. The audited balance sheet as at March 31, 2015 and the profit and loss account for the year ended March 31, 2015 of CPL are as follows:

	2015 ------(Rupees '000)-----	2014
BALANCE SHEET		
Current Assets		
Receivable from Exide Pakistan Limited	29	36
Cash and bank balances	11	11
Current Liability		
Accrued expenses	<u>(110)</u>	<u>(58)</u>
	<u>(70)</u>	<u>(11)</u>
Financed by:		
Share capital	224	224
Accumulated loss	<u>(779)</u>	<u>(720)</u>
	<u>(555)</u>	<u>(496)</u>
Loan from a director - subordinated	<u>485</u>	<u>485</u>
	<u>(70)</u>	<u>(11)</u>
PROFIT AND LOSS ACCOUNT		
Expenses		
Legal and professional charges	(21)	(23)
Auditors' Remuneration		
- Audit fees	(32)	(32)
- Out of pocket expenses	(6)	(6)
	<u>(38)</u>	<u>(38)</u>
Loss before tax	(59)	(61)
Tax	-	-
Loss for the year	<u>(59)</u>	<u>(61)</u>

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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	2015	2014
		------(Rupees '000)-----	
14 LONG-TERM LOANS (considered good - unsecured)			
Due from:			
Executives	14.1, 14.2 & 14.3	677	1,452
Employees	14.1	1,074	1,129
		<u>1,751</u>	<u>2,581</u>
Less: receivable within one year	19	<u>(669)</u>	<u>(1,416)</u>
		<u>1,082</u>	<u>1,165</u>

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 Director and Executives	2015		2014	
	Director	Executives	Director	Executives
	------(Rupees '000)-----			
Opening balance	-	1,452	-	658
Disbursements during the year	-	356	-	1,772
Repayments during the year	-	(1,131)	-	(978)
Closing balance	<u>-</u>	<u>677</u>	<u>-</u>	<u>1,452</u>

14.3 The maximum aggregate amount due from Directors and Executives at the end of any month during the year were Rs Nil and Rs 1.385 million respectively (2014: Rs Nil and Rs 1.452 million respectively).

	Note	2015	2014
		------(Rupees '000)-----	
15 LONG-TERM DEPOSITS			
Utilities		23,739	17,778
Others		9,650	7,742
		<u>33,389</u>	<u>25,520</u>

16 SPARES			
Spares (including in transit of Rs. 3.54 million (2014 : Rs. 3.06 million))		100,224	75,566
Stores		21,340	26,091
Less: provision for slow moving and obsolete spares	16.1	<u>(10,492)</u>	<u>(8,618)</u>
		<u>111,072</u>	<u>93,039</u>

16.1 Provision for slow moving and obsolete spares

Opening balance		8,618	2,992
Charged during the year	28	1,874	5,626
Closing balance		<u>10,492</u>	<u>8,618</u>

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

	Note	2015	2014
		------(Rupees '000)-----	
17 STOCK-IN-TRADE			
Raw and packing materials and components (including goods-in-transit of Rs 349.764 million (2014: 458.654 million))		1,167,327	1,294,069
Work-in-process		439,801	372,062
Finished goods		<u>794,235</u>	<u>696,774</u>
		2,401,363	2,362,905
Less: Provision for slow moving and obsolete stock-in-trade	17.1	<u>(5,020)</u>	<u>(7,710)</u>
		<u>2,396,343</u>	<u>2,355,195</u>

17.1 Provision for slow moving and obsolete stock-in-trade

Opening balance	7,710	7,710
Charged during the year	-	-
Amount written off during the year	<u>2,690</u>	-
Closing balance	<u>5,020</u>	<u>7,710</u>

17.2 Raw materials and components amounting to Rs 22.256 million (2014: Rs 24.727 million) were held by Pak Polymer (Private) Limited, Polyset (Private) Limited and Precision Polymers (Pvt) Limited, who under an arrangement with the Company, manufacture plastic containers, lids and vent plugs for the Company.

	Note	2015	2014
		------(Rupees '000)-----	
18 TRADE DEBTS - unsecured			
Considered			
- good		1,335,269	602,809
- doubtful		<u>24,630</u>	<u>15,060</u>
		1,359,899	617,869
Less: Provision for impairment in trade debts	18.1	<u>(24,630)</u>	<u>(15,060)</u>
		<u>1,335,269</u>	<u>602,809</u>

	Note	2015	2014
		------(Rupees '000)-----	
18.1 Provision for impairment			
Balance at April 1		15,060	15,784
Provision made during the year	28	<u>10,504</u>	<u>1,608</u>
		25,564	17,392
Less: amount reversed during the year	27	<u>(934)</u>	<u>(2,332)</u>
Balance at March 31		<u>24,630</u>	<u>15,060</u>

18.2 As at March 31, 2015, Rs 362.651 million (2014: Rs 110.506 million) of the gross trade debts are over due but not impaired. 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:

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

	Note	2015	2014
		------(Rupees '000)-----	
Upto 1 month		141,834	52,257
1 to 6 months		163,075	16,254
Over 6 months		57,742	41,995
		<u>362,651</u>	<u>110,506</u>

19 LOANS AND ADVANCES - (considered good - unsecured)

Loans due from - employees and executives			
- current portion of long term loans to employees	14	669	1,416
Advances to			
- employees	19.1	105	70
- suppliers		40,632	24,483
		<u>41,406</u>	<u>25,969</u>

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

	Note	2015	2014
		------(Rupees '000)-----	
Short-term prepayments		3,579	4,484
Insurance claims		4,796	23,932
Asset to be recognised against defined benefit obligation	20.1	19,123	19,200
Others		4,340	1,353
		<u>31,838</u>	<u>48,969</u>

20.1 Payable to gratuity funds

	2015			2014		
	EXIDE	ABCL	Total	EXIDE	ABCL	Total
	------(Rupees '000)-----					
Balance at April 1	(17,263)	(1,937)	(19,200)	(13,900)	(566)	(14,466)
Charge for the year	955	763	1,718	1,433	904	2,337
Other comprehensive Income	950	(2,591)	(1,641)	(4,256)	313	(3,943)
Contributions paid	-	-	-	(540)	(2,588)	(3,128)
Closing Net	<u>(15,358)</u>	<u>(3,765)</u>	<u>(19,123)</u>	<u>(17,263)</u>	<u>(1,937)</u>	<u>(19,200)</u>

20.2 Automotive Battery Company Limited (ABCL) 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.

	2015	2014
	------(Rupees '000)-----	
With banks - current accounts	1,501,775	1,175,820
Cheques in hand	171,410	90,648
Cash in hand	46	84
	<u>1,673,231</u>	<u>1,266,552</u>

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For the year ended March 31, 2015

22 OPERATING RESULTS

	Note	Batteries		Chemicals		Company	
		2015	2014	2015	2014	2015	2014
------(Rupees '000)-----							
Sales	22.7	15,913,907	13,844,698	389,542	371,511	16,303,449	14,216,209
Sales tax		2,595,909	2,130,035	56,600	53,436	2,652,509	2,183,471
Discounts to distributors and customers		512,861	438,916	-	-	512,861	438,916
		3,108,770	2,568,951	56,600	53,436	3,165,370	2,622,387
Net sales		12,805,137	11,275,747	332,942	318,075	13,138,079	11,593,822
Cost of sales	23	(10,850,747)	(9,882,856)	(280,322)	(277,890)	(11,131,069)	(10,160,746)
Gross profit		1,954,390	1,392,891	52,620	40,185	2,007,010	1,433,076
Selling and distribution expenses	24	(917,918)	(569,127)	(8,184)	(7,630)	(926,102)	(576,757)
Administration and general expenses	25	(106,260)	(94,563)	(2,762)	(2,668)	(109,022)	(97,231)
Other operating income		996	10,127	-	-	996	10,127
Unallocated other operating income	22.8	-	-	-	-	11,044	5,522
	27	-	-	-	-	12,040	15,649
Unallocated other operating charges	22.8 & 28	-	-	-	-	(112,219)	(74,857)
Operating profit		2,979,564	739,328	63,566	29,887	871,707	699,880
22.1 Segment assets		5,056,208	4,230,387	131,466	119,334	5,187,674	4,349,721
22.2 Unallocated assets	22.8	-	-	-	-	2,251,067	1,719,689
		-	-	-	-	7,438,741	6,069,410
22.3 Segment liabilities		463,155	496,156	8,956	11,936	472,111	508,092
22.4 Unallocated liabilities	22.8	-	-	-	-	3,874,105	2,859,900
		-	-	-	-	4,346,216	3,367,992
22.5 Capital expenditure		186,761	314,889	4,856	8,883	191,617	323,772
22.6 Depreciation expense		123,220	109,925	3,204	3,101	126,424	113,026
22.7 Battery sales of Rs 15,914 million includes export sales amounting to Rs 17.537 million (2014: Rs. 26.399 million).							

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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	
		2015	2014	2015	2014	2015	2014
------(Rupees '000)-----							
Raw and packing materials consumed							
Opening stock		1,249,988	1,140,954	49,399	15,914	1,299,387	1,156,868
Purchases		9,853,840	9,704,029	174,619	227,971	10,028,459	9,932,000
		<u>11,103,828</u>	<u>10,844,983</u>	<u>224,018</u>	<u>243,885</u>	<u>11,327,846</u>	<u>11,088,868</u>
Closing stock		(1,133,826)	(1,249,988)	(33,501)	(49,399)	(1,167,327)	(1,299,387)
		<u>9,970,002</u>	<u>9,594,995</u>	<u>190,517</u>	<u>194,486</u>	<u>10,160,519</u>	<u>9,789,481</u>
Salaries, wages and benefits	23.1	284,457	247,012	24,239	18,364	308,696	265,376
Spares consumed		80,860	72,667	2,461	2,541	83,321	75,208
Rent, rates and taxes		40,091	40,302	722	957	40,813	41,259
Fuel, power and water		359,820	364,502	40,782	34,780	400,602	399,282
Insurance		20,940	14,565	1,585	1,213	22,525	15,778
Repairs and maintenance		83,344	85,099	8,669	4,205	92,013	89,304
Depreciation	12.5	117,060	104,429	3,043	2,946	120,103	107,375
General expenses		59,403	55,526	8,274	11,553	67,677	67,079
		<u>997,967</u>	<u>923,535</u>	<u>88,535</u>	<u>77,906</u>	<u>1,076,201</u>	<u>958,078</u>
Opening stock of work-in-process		369,854	283,642	2,208	3,148	372,062	286,790
Closing stock of work-in-process		(437,088)	(369,854)	(2,713)	(2,208)	(439,801)	(372,062)
		<u>10,948,743</u>	<u>10,492,885</u>	<u>279,787</u>	<u>271,985</u>	<u>11,228,530</u>	<u>10,764,870</u>
Opening stock of finished goods		692,797	82,768	3,977	9,882	696,774	92,650
		<u>11,641,540</u>	<u>10,575,653</u>	<u>283,764</u>	<u>281,867</u>	<u>11,925,304</u>	<u>10,857,520</u>
Closing stock of finished goods		(790,793)	(692,797)	(3,442)	(3,977)	(794,235)	(696,774)
		<u>10,850,747</u>	<u>9,882,856</u>	<u>280,322</u>	<u>277,890</u>	<u>11,131,069</u>	<u>10,160,746</u>

23.1 Salaries, wages and benefits include Rs 4.844 million (2014: Rs 1.566 million) in respect of staff retirement benefits.

24 SELLING AND DISTRIBUTION EXPENSES

	Note	Batteries		Chemicals		Company	
		2015	2014	2015	2014	2015	2014
------(Rupees '000)-----							
Salaries, wages and benefits	24.1	36,677	33,718	481	463	37,158	34,181
Repairs and maintenance		1,074	923	56	-	1,130	923
Royalty		10,731	11,404	-	-	10,731	11,404
Advertising		94,201	45,791	-	-	94,201	45,791
Sales promotion		27,863	15,901	-	-	27,863	15,901
Rent, rates and taxes		8,411	7,403	-	-	8,411	7,403
Insurance		20,709	15,629	-	-	20,709	15,629
Printing and stationery		771	736	-	-	771	736
Carriage and forwarding		232,179	208,047	7,487	6,933	239,666	214,980
Battery warranty claims	8.3	454,618	204,268	-	-	454,618	204,268
Travelling, conveyance and entertainment		11,874	8,774	-	-	11,874	8,774
Depreciation	12.5	2,464	2,198	64	62	2,528	2,260
Postage, telegram, telephone and telex		1,689	2,021	23	82	1,712	2,103
General expenses		14,657	12,314	73	90	14,730	12,404
		<u>917,918</u>	<u>569,127</u>	<u>8,184</u>	<u>7,630</u>	<u>926,102</u>	<u>576,757</u>

24.1 Salaries, wages and benefits include Rs 0.563 million (2014: Rs 0.327 million) in respect of staff retirement benefits.

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25 ADMINISTRATION AND GENERAL EXPENSES

	Note	Batteries		Chemicals		Company	
		2015	2014	2015	2014	2015	2014
------(Rupees '000)-----							
Salaries, wages and benefits	25.1	65,886	58,727	1,713	1,657	67,599	60,384
Repairs and maintenance		5,649	6,200	147	175	5,796	6,375
Legal and professional charges		3,595	2,621	93	74	3,688	2,695
Rent, rates and taxes		250	57	7	2	257	59
Insurance		1,250	1,558	32	44	1,282	1,602
Depreciation	12.5	3,697	3,298	96	93	3,793	3,391
Printing and stationery		1,537	943	40	27	1,577	970
Travelling, conveyance and entertainment		14,518	11,424	377	322	14,895	11,746
Communication and postage		3,384	2,496	88	70	3,472	2,566
General expenses		6,494	7,239	169	204	6,663	7,443
		<u>106,260</u>	<u>94,563</u>	<u>2,762</u>	<u>2,668</u>	<u>109,022</u>	<u>97,231</u>

25.1 Salaries, wages and benefits include Rs 1.025 million (2014: Rs 0.444 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, 2015 and expenses 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.

	2015		2014	
	EXIDE	ABCL	EXIDE	ABCL
a. Valuation discount rate	9.25%	9.25%	13.25%	13.00%
b. Salary increase rate	9.25%	9.25%	13.25%	13.00%
c. Expected rate of return on plan assets	9.25%	9.25%	13.25%	13.00%
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 plan in consultation with investment advisors of the Funds.

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.

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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	-----2015-----			-----2014-----		
	Exide	ABCL	Total	Exide	ABCL	Total
	----- (Rupees '000) -----					
Present value of defined benefit obligation	41,334	16,072	57,406	38,146	16,482	54,628
Less: fair value of plan assets	26.1.2 (56,692)	(19,837)	(76,529)	(55,409)	(18,419)	(73,828)
	<u>(15,358)</u>	<u>(3,765)</u>	<u>(19,123)</u>	<u>(17,263)</u>	<u>(1,937)</u>	<u>(19,200)</u>

26.1.2 Plan assets comprise of the following:

	-----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%
	<u>56,692</u>	<u>100%</u>	<u>19,837</u>	<u>100%</u>

	-----2014-----			
	(Rupees '000)	Percentage composition	(Rupees '000)	Percentage composition
	-----EXIDE-----		-----ABCL-----	
Debt Instruments	42,924	77%	14,073	76%
Equity Instruments	9,724	18%	1,759	10%
Cash at bank	2,761	5%	2,587	14%
	<u>55,409</u>	<u>100%</u>	<u>18,419</u>	<u>100%</u>

	-----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)
	<u>46,272</u>	<u>(62,580)</u>	<u>(16,308)</u>	<u>19,628</u>	<u>(20,802)</u>	<u>(1,174)</u>	<u>(17,482)</u>
Remeasurements:							
- Return on plan assets, excluding amounts included in interest expense	-	-	-	-	-	-	-
- Gain from change in demographic assumptions	(30)	-	(30)	-	-	-	(30)
- Loss from change in financial	1,500	-	1,500	-	-	-	1,500
- Experience adjustment	(3,839)	3,319	(520)	(3,372)	781	(2,591)	(3,111)
	<u>(2,369)</u>	<u>3,319</u>	<u>950</u>	<u>(3,372)</u>	<u>781</u>	<u>(2,591)</u>	<u>(1,641)</u>
Contribution	-	-	-	-	-	-	-
Benefit payments	(2,569)	2,569	-	(184)	184	-	-
At March 31	<u>41,334</u>	<u>(56,692)</u>	<u>(15,358)</u>	<u>16,072</u>	<u>(19,837)</u>	<u>(3,765)</u>	<u>(19,123)</u>

Notes to and Forming Part of the Financial Statements

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	-----2014-----			-----2014-----			Total
	Present value of obligation	Fair value of plan assets	Sub-total	Present value of obligation	Fair value of plan assets	Sub-total	
	----- Exide -----			----- ABCL -----			
	----- (Rupees in '000) -----						
At April 1	35,175	(49,075)	(13,900)	14,520	(15,086)	(566)	(14,466)
Current service cost	2,725	-	2,725	969	-	969	3,694
Interest expense / (income)	4,216	(5,508)	(1,292)	1,619	(1,684)	(65)	(1,357)
	42,116	(54,583)	(12,467)	17,108	(16,770)	338	(12,129)
Remeasurements:							
- Return on plan assets, excluding amounts included in interest income	-	-	-	-	-	-	-
- (Gain) / loss from change in demographic assumptions	-	-	-	-	-	-	-
- (Gain) / loss from change in financial assumptions	-	-	-	-	-	-	-
- Experience gains	(1,074)	(3,182)	(4,256)	261	52	313	(3,943)
	(1,074)	(3,182)	(4,256)	261	52	313	(3,943)
Contribution	-	(540)	(540)	-	(2,588)	(2,588)	(3,128)
Benefit payments	(2,896)	2,896	-	(887)	887	-	-
At March 31	38,146	(55,409)	(17,263)	16,482	(18,419)	(1,937)	(19,200)

	-----2015-----			-----2014-----		
	Exide	ABCL	Total	Exide	ABCL	Total
	----- (Rupees '000) -----					
26.1.3 Charge for defined benefit plan	3,242	1,015	4,257	2,725	969	3,694
Current service cost	(2,287)	(252)	(2,539)	(1,292)	(65)	(1,357)
Interest expense	955	763	1,718	1,433	904	2,337

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

	-----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	1.0%	(6.44%)	7.28%	1.0%	(6.97%)	7.88%
Salary increase rate	1.0%	7.68%	(6.91%)	1.0%	8.29%	(7.45%)
	-----2014-----					
	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	0.50%	(3.61%)	3.85%	0.50%	(3.22%)	2.87%
Salary increase rate	0.50%	3.61%	(3.42%)	0.50%	2.85%	(3.23%)
				Increase by 1 year in assumption	Decrease by 1 year in assumption	Increase by 1 year in assumption
				Decrease by 1 year in assumption		Decrease by 1 year in assumption
	----- Exide -----			----- ABCL -----		
Life expectancy / withdrawal rate			41,332	41,336	16,072	16,072

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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 7 and 7.43 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, 2015	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Rupees '000				
Gratuity Exide	3,569	97	2,228	45,408	51,302
Gratuity ABCL	2,499	1,986	2,409	31,015	37,909
Total	6,068	2,083	4,637	76,423	89,211

2015	2014	2013	2012	2011	
	Rupees '000				
26.1.7 Historical information					
Defined benefit obligation Exide	41,334	38,146	35,175	33,882	32,687
Defined benefit obligation ABCL	16,072	16,482	14,520	13,796	12,140
	57,406	54,628	49,695	47,678	44,827
Fair value of plan assets Exide	(56,692)	(55,409)	(49,075)	(44,270)	(37,369)
Fair value of plan assets ABCL	(19,837)	(18,419)	(15,086)	(14,019)	(10,450)
	(76,529)	(73,828)	(64,161)	(58,289)	(47,819)
(Surplus) / Deficit	(19,123)	(19,200)	(14,466)	(10,611)	(2,992)
Remeasurement (gain) / loss on obligation Exide	(2,369)	(1,074)	(2,527)	(4,241)	(470)
Remeasurement (gain) / loss on obligation ABCL	(3,372)	261	(1,276)	(582)	(1,062)
	(5,741)	(813)	(3,803)	(4,823)	(1,532)
Gain / (loss) on plan assets Exide	(3,319)	3,182	224	922	2,813
Gain / (loss) on plan assets ABCL	(781)	(52)	58	750	(187)
	(4,100)	3,130	282	1,672	2,626

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. 1.586 million and Rs. 0.484 million for EXIDE and ABCL respectively as per the actuarial valuation report of the Company as of March 31, 2015.

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, 2015.

26.2 Defined contribution plan - provident fund

An amount of Rs 4.716 million (2014: Rs 4.506 million) has been charged during the year in respect of contributory provident fund maintained by the Company.

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	Note	2015	2014
		------(Rupees '000)-----	
27 OTHER INCOME			
Mark up on margin deposits		2,226	1,343
Gain on disposal of operating fixed assets		4,886	1,847
Reversal of provision for impairment in trade debts	18.1	934	2,332
Scrap sales		996	10,127
Others		2,998	-
		<u>12,040</u>	<u>15,649</u>
28 OTHER OPERATING CHARGES			
Auditors' remuneration	28.1	3,070	2,456
Workers' Profits Participation Fund	8.2	33,208	32,409
Workers' Welfare Fund		13,472	12,315
Donations	28.2	493	392
Provision for impairment in trade debts	18.1	10,504	1,608
Provision against slow moving and obsolete spares	16.1	1,874	5,626
Other receivables written off		1,460	-
Bank charges		10,340	9,339
Exchange loss		37,798	10,712
		<u>112,219</u>	<u>74,857</u>
28.1 Auditors' remuneration			
Audit fee		1,225	1,125
Tax advisory services		875	406
Fee for the review of half yearly financial statements		300	225
Special reports and certifications, audit of provident and gratuity funds		420	450
Out of pocket expenses		250	250
		<u>3,070</u>	<u>2,456</u>
28.2	Donations were not made to any donee in which the Company or a director or his spouse had any interest.		
29 FINANCE COST			
Interest on Workers' Profit Participation Fund	8.2	400	-
Mark-up on			
- Short-term running finance		161,796	74,268
- Short-term finance		92,030	22,155
		<u>254,226</u>	<u>96,423</u>
30 TAXATION- NET			
Current - for the year		205,657	203,411
- for prior years		(17,371)	(6,215)
Deferred - net		(17,965)	6,549
Remeasurement of defined benefit obligations to be routed through OCI		(525)	(1,380)
		<u>(18,490)</u>	<u>5,169</u>
		<u>169,796</u>	<u>202,365</u>

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	Note	2015 ------(Rupees '000)-----	2014 ------(Rupees '000)-----
30.1 Relationship between tax expenses and accounting profit			
Accounting profit before tax		<u>617,481</u>	<u>603,457</u>
Tax rate		33%	34%
Tax on accounting profit		203,769	205,175
Tax effect of differences relating to:			
- tax for prior years		(17,371)	(6,215)
- depreciation charged in the financial statements on leasehold land		3,366	3,468
- export sales		(377)	(416)
- others		(19,591)	353
Tax expense for the current year		<u>169,796</u>	<u>202,365</u>

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:

	2015 ------(Rupees '000)-----	2014 ------(Rupees '000)-----
Profit after taxation attributable to ordinary shareholders	<u>447,685</u>	<u>401,092</u>
	-----Number of shares-----	
Weighted average number of ordinary shares outstanding during the year	<u>7,768,618</u>	<u>7,768,618</u>
	------(Rupees '000)-----	
Earnings per share (EPS)	<u>57.63</u>	<u>51.63</u>

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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, 2015 and 2014 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	
	2015	2014	2015	2014	2015	2014	2015	2014
	----- (Rupees '000) -----							
Short - term employee benefits								
Managerial remuneration	1,334	1,251	6,095	6,024	4,551	2,087	11,980	9,362
Bonus		-	879	879	444	270	1,323	1,149
Leave pay	89	81	106	99	177	206	372	386
Housing, utilities and reimbursable expenses	1,006	947	4,049	3,944	7,667	2,751	12,722	7,642
Medical expenses	135	125	160	153	874	376	1,169	654
Retirement benefits								
Defined benefit plan	-	-	511	502	389	54	900	556
Defined contribution plan	-	-	609	603	454	65	1,063	668
	<u>2,564</u>	<u>2,404</u>	<u>12,409</u>	<u>12,204</u>	<u>14,556</u>	<u>5,809</u>	<u>29,529</u>	<u>20,417</u>
Number of persons	1	1	3	3	7	4	11	8

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 0.075 (2014: Rs nil million).

33 TRANSACTIONS WITH RELATED PARTIES

	Subsidiary company		Key management personnel		Other related parties	
	2015	2014	2015	2014	2015	2014
	----- (Rupees '000) -----					
Expenses charged to	6	10	-	-	-	-
Transactions with key management personnel:						
- Salaries	-	-	21,708	19,193	-	-
- Defined benefit plan - post employment benefits	-	-	743	556	-	-
- Defined contribution plan	-	-	881	668	-	-
- Sale of motor vehicle having cost of Rs 1.209 million and book value of Rs Nil for	-	-	484	-	-	-
Rent expense	-	-	-	-	38,859	38,859
Expenses charged in respect of staff contribution plan	-	-	-	-	4,716	4,506
Expenses charged in respect of staff defined benefit plan	-	-	-	-	1,718	2,337

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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 Directors to be key management personnel.

Particulars of transactions with workers' profit participation fund and staff retirement benefit plans are disclosed in note 8.2 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, 2015 and 2014:

	2015	2014
	------(Rupees '000)-----	
Size of the funds - Total assets	132,926	132,282
Fair value of investments	131,605	131,009
	------(Percentage)-----	
Percentage of investments made	99%	99%

34.1 The cost of above investments amounted to Rs. 116.647 million (2014: Rs 115.626 million).

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

	2015	2014	2015	2014
	-----Percentage-----		------(Rupees '000)-----	
Shares - listed	1.3%	1.7%	1,664	2,210
Cash and Bank deposits	9.4%	10.4%	12,417	13,580
Government securities	48.2%	42.6%	63,439	55,786
Debt securities - listed	14.9%	23.3%	19,610	30,561
Mutual funds - listed	26.2%	22.0%	34,475	28,872
	<u>100.0%</u>	<u>100.0%</u>	<u>131,605</u>	<u>131,009</u>

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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 (2014: 33,000 MT) per annum whereas actual production during the year was 26,674 MT (2014: 26,932 MT).

36 CASH GENERATED FROM OPERATIONS	Note	2015 ------(Rupees '000)-----	2014
Profit before taxation		617,481	603,457
<i>Adjustments for non cash charges and other items:</i>			
Depreciation		126,424	113,026
Gain on disposal of operating fixed assets		(4,886)	(1,847)
Mark-up expenses		254,226	96,423
Provision / (reversal) for impairment in trade debts - net		9,570	(724)
Provision for slow moving and obsolete spares - net		1,874	5,626
Working capital changes	36.1	<u>(829,354)</u>	<u>(821,531)</u>
		<u>175,335</u>	<u>(5,570)</u>
<i>36.1 Working capital changes</i>			
<i>(Increase) / Decrease in current assets:</i>			
Spares		(19,907)	(25,529)
Stock-in-trade		(41,148)	(750,040)
Trade debts		(742,030)	(315,581)
Loans and advances		(15,437)	(5,622)
Trade deposits, short-term prepayments and other receivables		18,772	42,685
		<u>(799,750)</u>	<u>(1,054,087)</u>
<i>(Decrease) / increase in trade and other payables</i>			
		<u>(29,604)</u>	<u>232,556</u>
		<u>(829,354)</u>	<u>(821,531)</u>

37 CASH AND CASH EQUIVALENTS

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

	Note	2015 ------(Rupees '000)-----	2014
Cash and bank balances	21	1,673,231	1,266,552
Short-term borrowings	10	<u>(3,068,701)</u>	<u>(2,080,257)</u>
		<u>(1,395,470)</u>	<u>(813,705)</u>

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

	2015	2014
	------(Rupees '000)-----	
38 FINANCIAL INSTRUMENTS BY CATEGORY		
38.1 Financial assets and financial liabilities		
<i>Financial assets</i>		
Loans and receivables		
Loans and advances	42,488	27,134
Long-term deposits	33,389	25,520
Trade debts	1,335,269	602,809
Trade deposits and other receivables	28,259	44,485
Cash and bank balances	<u>1,673,231</u>	<u>1,266,552</u>
	<u>3,112,636</u>	<u>1,966,500</u>
<i>Financial liabilities</i>		
Financial liabilities at amortised cost		
Short-term borrowings	3,068,701	2,080,257
Trade and other payables	929,341	929,984
Accrued mark-up	<u>66,376</u>	<u>29,094</u>
	<u>4,064,418</u>	<u>3,039,335</u>

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 3,112.636 million (2014: Rs 1,966.500 million), the financial assets that are subject to credit risk amounted to Rs 3,112.590 million (2014: Rs 1,966.416 million).

Out of the total bank balance of Rs 1,673.231 million (2014: Rs 1,266.468 million) placed with banks maintained in current accounts, amounts aggregating Rs 262.361 million (2014: Rs 1263.868 million) have been placed with banks having short-term credit rating of A1+. Whereas the remaining amounts are placed with banks having minimum short term credit rating of A1. Management, after giving due consideration to their strong financial standing, does not expect non-performance by these counter parties on their obligations to the company.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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 (2014: 15) customers which constitute 18.44% (2014: 43.00%) 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:

	2015	2014
	------(Rupees '000)-----	
Due from customers other than related parties		
Direct customers	98,169	149,413
Distributors	<u>1,261,730</u>	<u>468,456</u>
	<u>1,359,899</u>	<u>617,869</u>

Out of Rs 1,359.899 million (2014: Rs 617.869 million), the company has provided Rs 24.630 million (2014: Rs 15.060 million) as amounts being doubtful. The age profile of trade debts overdue but not impaired 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 its financial obligations as they fall due.

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

The maturity profile of the company's liabilities based on contractual maturities is disclosed in note 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:

	2015	2014
	------(Amount' 000)-----	
Bills payable		
US Dollar	3,165	3,569
Japanese Yen	13,180	39,970
Euro	14	-

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

As at March 31, 2015, 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 3.354 million (2014: Rs 3.889 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, 2015, with all other variables held constant, the net assets and net income for the year would have been lower / higher by Rs 25.745 million (2014: Rs 12.660 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, 2015 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:

Effective interest rate (in percentage)	-----2015-----						Total
	Interest / mark-up bearing			Non interest / mark up bearing			
	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	-	-	-	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							
Financial liabilities at amortised cost							
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
Accrued mark-up		-	-	-	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
Off-balance sheet financial instruments							
Commitments in respect of capital expenditure		-	-	-	5,028	-	5,028
Commitments in respect of Letter of credit		-	-	-	297,183	-	297,183
Outstanding bank guarantees		-	-	-	77,826	-	77,826
		-	-	-	380,037	-	380,037

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

Effective interest rate (in percentage)	2014						Total
	Interest / mark-up bearing			Non interest / mark up bearing			
	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	-	-	-	25,969	1,165	27,134	27,134
Long-term deposits	-	-	-	-	25,520	25,520	25,520
Trade debts	-	-	-	602,809	-	602,809	602,809
Trade deposits and other receivables	-	-	-	44,485	-	44,485	44,485
Cash and bank balances	-	-	-	1,266,552	-	1,266,552	1,266,552
	-	-	-	1,939,815	26,685	1,966,500	1,966,500
Financial liabilities							
Short-term borrowings							
- from banking companies	12.05-14.62	2,080,257	-	2,080,257	-	-	2,080,257
Trade and other payables		-	-	929,984	-	929,984	929,984
Accrued mark-up		-	-	29,094	-	29,094	29,094
		2,080,257	-	2,080,257	959,078	-	959,078
							3,039,335
On balance sheet gap							
		(2,080,257)	-	(2,080,257)	980,737	26,685	1,007,422
							(1,072,835)
Off-balance sheet financial instruments							
Commitments in respect of capital expenditure		-	-	-	5,247	-	5,247
Commitments in respect of Letter of credit		-	-	-	274,836	-	274,836
Outstanding bank guarantees		-	-	-	39,116	-	39,116
		-	-	-	319,199	-	319,199

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).

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

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.

	2015	2014
	------(Rupees '000)-----	
Total Borrowings	3,068,701	2,080,257
Less: Cash and bank balances	<u>1,673,231</u>	<u>1,266,552</u>
Net Debt	1,395,470	813,705
Total Equity	<u>2,682,044</u>	<u>2,281,470</u>
Total Capital	<u>4,077,514</u>	<u>3,095,175</u>
Gearing Ratio	34.22%	26.29%

41 NUMBER OF EMPLOYEES

	2015	2014
Number of employees at March 31		
- Permanent	450	471
- Contractual	34	117
Average number of employees during the year		
- Permanent	461	471
- Contractual	76	79

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2015

42 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

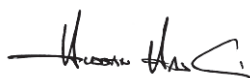
The Board of Directors of the Company in their meeting held on June 29, 2015 have proposed stock dividend @ nil (2014: stock dividend @ nil) and a final cash dividend for the year ended March 31, 2015 of Rs 7.5 per share (2014: Rs 7.50 per share). In addition, the Board of Directors have also announced appropriation of Rs 365,000 million (2014: Rs 365 million) to revenue reserves. These appropriations will be approved in the forthcoming Annual General Meeting. The financial statements for the year ended March 31, 2015 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.

44 DATE OF AUTHORISATION

These financial statements were authorised for issue on June 29, 2015 by the Board of Directors of the Company.



Hussain Hashwani
Director



Arshad Shehzada
Chief Executive Officer

Pattern of Shareholding

As on 31 March 2015

NO. OF SHAREHOLDERS	HAVING SHARES		SHARES HELD	PERCENTAGE
	From	To		
1070	1	100	28641	0.3687
323	101	500	78817	1.0146
111	501	1000	74467	0.9586
63	1001	5000	119210	1.5345
3	5001	10000	18607	0.2395
1	15001	20000	16104	0.2073
1	45001	50000	48899	0.6294
1	60001	65000	60180	0.7747
1	105001	110000	106040	1.3650
1	110001	115000	114582	1.4749
1	115001	120000	115640	1.4886
1	205001	210000	209720	2.6996
1	425001	430000	427499	5.5029
1	500001	505000	500994	6.4489
1	1250001	1255000	1250601	16.0981
1	1410001	1415000	1412944	18.1878
2	1590001	1595000	3185673	41.0069
1583	Company Total		7768618	100.0000

Categories of Shareholders

As on 31 March 2015

Particulars	No of Folio	Balance Share	Percentage
DIRECTORS, CEO & CHILDREN	11	5850688	75.312
NIT & ICP	3	501159	6.451
BANKS, DFI & NBFI	2	347	0.005
INSURANCE COMPANIES	3	641559	8.258
MODARABAS & MUTUAL FUNDS	7	184247	2.372
GENERAL PUBLIC (LOCAL)	1522	288131	3.709
GENERAL PUBLIC (FOREIGN)	13	9061	0.117
OTHERS	11	161106	2.074
JOINT STOCK COMPANIES	6	16624	0.214
FOREIGN COMPANIES	3	114623	1.476
CHARITABLE TRUST	2	1073	0.014
Company Total	1583	7768618	100.000

Folio No	Name	Code	Balance Held	Percentage
000000000916	MRS SANA HASHWANI	001	217	0.003
000000001026	SYED HAIDER MEHDI	001	638	0.008
000000001190	MR ALTAF HASHWANI	001	1	0.000
000000001733	MR SYED HAIDER MEHDI	001	14	0.000
003277007548	HUSSAIN HASHWANI	001	1250601	16.098
003277007974	ALTAF HASHWANI	001	1412944	18.188
003277012059	ARSHAD SHAHZADA	001	13	0.000
003277070721	SYED MOHAMMAD FAIQ	001	87	0.001
003277086852	SANA ARIF HASHWANI	001	1592836	20.504
003277086965	ZAVER HASHWANI	001	1592837	20.504
006684083397	ARIF HASHWANI	001	500	0.006
000000000360	INVESTMENT CORPN OF PAKISTAN	003	19	0.000
000000001349	M/S INVESTMNET CARPORATION OF PAKISTAN	003	146	0.002
014902000021	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	003	500994	6.449
000083000036	IDBL (ICP UNIT)	004	48	0.001
003889000028	NATIONAL BANK OF PAKISTAN	004	299	0.004
002683000023	STATE LIFE INSURANCE CORP. OF PAKISTAN	005	427499	5.503
003228034562	UNITED INSURANCE COMPANY OF PAKISTAN LIMITED	005	4340	0.056
003277002538	EFU LIFE ASSURANCE LTD	005	209720	2.700
000000001289	M/S FIRST UDL MODARABA	006	598	0.008
003285000021	PAK ASIAN FUND LIMITED	006	80	0.001

Categories of Shareholders

As on 31 March 2015

Folio No	Name	Code	Balance Held	Percentage
003525064045	NH CAPITAL FUND LTD	006	29	0.000
005645000024	CDC - TRUSTEE PICIC INVESTMENT FUND	006	60180	0.775
005777000029	CDC - TRUSTEE PICIC GROWTH FUND	006	115640	1.489
013607000028	CDC - TRUSTEE PICIC STOCK FUND	006	4000	0.052
014969000025	CDC - TRUSTEE PICIC ISLAMIC STOCK FUND	006	3720	0.048
000000000417	KHADAM ALI SHAH BUKHARI & CO	010	68	0.001
000000001301	M/S HABIB BROTHERS (PVT) LTD.	010	304	0.004
000000001544	M/S MUTUAL TRDG. CO. (PVT) LTD.	010	595	0.008
000000001822	ZAVER ENTERPRISE	010	106040	1.365
003277078335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	010	48899	0.629
003277082127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	010	1716	0.022
003525082219	UHF CONSULTING (PRIVATE) LIMITED	010	84	0.001
004457000045	FDM CAPITAL SECURITIES (PVT) LIMITED	010	2200	0.028
005736000015	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	010	400	0.005
006684098544	M & C DENTAL	010	200	0.003
006684115215	IFI ASSOCIATES	010	600	0.008
000000000348	HOSHANG DINSHAW (PVT) LTD	011	24	0.000
000000000811	PERIN DINSHAW (PVT) LTD	011	17	0.000
000000000812	PERIN DINSHAW PVT LTD-MQURESH	011	35	0.001
003277001225	HASHOO HOLDINGS (PVT) LTD	011	16104	0.207
003277044333	FATEH TEXTILE MILLS LTD.	011	359	0.005
003525057191	SARFRAZ MAHMOOD (PRIVATE) LTD	011	85	0.001
000000000795	NOMURA BANK (LUXEMBOURG) SA	012	5	0.000
000000001053	TEMPLETON GLOBAL STRATEGY SICAV	012	36	0.001
000000001292	M/S FURUKAWA BATTERY CO LTD	012	114582	1.475
000000001818	GHULAMAN-E-ABBAS EDUCATIONAL & MEDICAL TRUST	013	12	0.000
003277045148	TRUSTEES MRS.KHORSHED H.DINSHAW & MR.HOSHANG N.E.DINSHAW C.TR	013	1061	0.014

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 Second Annual General Meeting of the Company to be held on August 17, 2015 and at any
adjournment thereof.

Signature this _____ day of _____ 2015.

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, 2015.

Accounts:

The Audited Accounts of the Company for the year ended March 31, 2015 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 29, 2015

Auditors' Report to the Members

We have audited the annexed balance sheet of Chloride Pakistan (Private) Limited ("the Company") as at 31 March 2015 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 2015 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 and consequently all the assets appearing in these financial statements have been measured at their realizable values and the liabilities are reported at amounts not less than those at which these are expected to be settled. Our opinion is not qualified in respect of this matter.

Date: June 30, 2015

Karachi

86 Chloride Pakistan (Private) Limited

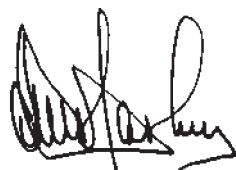

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

Balance Sheet

As at March 31, 2015

	Note	2015	2014
		------(Rupees)-----	
Current assets			
Receivable from Exide Pakistan Limited	4	29,311	35,436
Cash and bank balances	5	11,307	11,342
Total current assets		<u>40,618</u>	<u>46,778</u>
Current liabilities			
Accrued expenses	6	(110,769)	(57,769)
Loan from a director	7	(485,000)	(485,000)
Total current liabilities		<u>(595,769)</u>	<u>(542,769)</u>
		<u>(555,151)</u>	<u>(495,991)</u>
EQUITY			
Share capital and reserves			
Authorised share capital: 10,000,000 (2014: 10,000,000) ordinary shares of Rs. 10 each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up share capital	9	223,800	223,800
Accumulated losses		<u>(778,951)</u>	<u>(719,791)</u>
		<u>(555,151)</u>	<u>(495,991)</u>
Contingencies and commitments	10		

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



Altaf Hashwani
Chief Executive



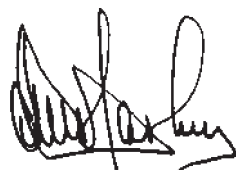
S. Haider Mehdi
Director

Profit and Loss Account

For the year ended 31 March 2015

	Note	2015	2014
		------(Rupees)-----	
Expenses			
Legal and professional charges		21,125	22,474
Bank charges		35	35
Auditors' remuneration			
- Audit fees		32,000	32,000
- Out of pocket expenses		6,000	6,000
		38,000	38,000
Loss before taxation		(59,160)	(60,509)
Taxation	2.6	-	-
Loss after taxation		(59,160)	(60,509)
Loss per share		(2.64)	(2.70)

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



Altaf Hashwani
Chief Executive



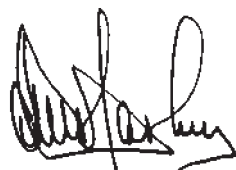
S. Haider Mehdi
Director

Statement of Comprehensive Income

For the year ended 31 March 2015

	2015	2014
	------(Rupees)-----	
Loss after taxation	(59,160)	(60,509)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(59,160)</u>	<u>(60,509)</u>

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



Altaf Hashwani
Chief Executive



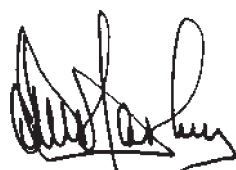
S. Haider Mehdi
Director

Cash Flow Statement

For the year ended 31 March 2015

	Note	2015	2014
		------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(59,160)	(60,509)
Decrease in receivable from Exide Pakistan Limited		6,125	10,500
Increase in accrued expenses		53,000	8,692
Net cash (used in) operating activities		<u>(35)</u>	<u>(41,317)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated loan from a director		<u>-</u>	<u>25,000</u>
Net decrease in cash and cash equivalents during the year		<u>(35)</u>	<u>(16,317)</u>
Cash and cash equivalents at beginning of the year		<u>11,342</u>	<u>27,659</u>
Cash and cash equivalents at end of the year	5	<u><u>11,307</u></u>	<u><u>11,342</u></u>

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



Altaf Hashwani
Chief Executive




S. Haider Mehdi
Director

Statement of Changes in Equity

For the year ended 31 March 2015

	Share capital	Accumulated loss (Rupees)	Total
Balance as at 1 April 2013	223,800	(659,282)	(435,482)
Total comprehensive income for the year ended 31 March 2014			
Loss for the year	-	(60,509)	(60,509)
Other comprehensive income	-	-	-
Balance as at 31 March 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	<u>223,800</u>	<u>(778,951)</u>	<u>(555,151)</u>

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



Altaf Hashwani
Chief Executive



S. Haider Mehdi
Director

Notes to the Financial Statements

For the year ended 31 March 2015

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 Manghopir 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. Consequently all the assets appearing in these financial statements have been measured at their realizable values and the liabilities are reported at amounts not less than those at which these are expected to be settled.

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 judgements made in respect of financial instruments (note 12).

Notes to the Financial Statements

For the year ended 31 March 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has the legally enforceable right to set-off the recognised amount and intends either to settle on a net basis or to realize 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 EXIDE PAKISTAN LIMITED - holding company

	2015 (Rupees)	2014
Balance as at 1 April	35,436	45,936
Legal and professional charges paid on behalf of the Company	(6,125)	(10,500)
Balance as at 31 March	<u>29,311</u>	<u>35,436</u>

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.

5. CASH AND BANK BALANCES

Cash in hand	296	296
Cash at bank - Current account	11,011	11,046
	<u>11,307</u>	<u>11,342</u>

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.

Notes to the Financial Statements

For the year ended 31 March 2015

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

	2015	2014
	(Rupees)	
Authorised share capital 10,000,000 ordinary shares of Rs. 10 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid up share capital 22,380 (2014: 22,380) ordinary shares of Rs. 10 each fully paid in cash	<u>223,800</u>	<u>223,800</u>

9.1 At 31 March 2015 Exide Pakistan Limited (holding company) held 22,350 (2014: 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 2015.

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 placements or other arrangements, to fulfil their obligations.

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

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

	2015	2014
	(Rupees)	
Receivable from Exide Pakistan Limited	<u>29,311</u>	<u>35,436</u>
Bank balances	<u>11,011</u>	<u>11,046</u>

Notes to the Financial Statements

For the year ended 31 March 2015

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	2015	2014
		(Rupees)
Accrued expenses	<u>110,769</u>	<u>57,769</u>

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 15, 2015



Altaf Hashwani
Chief Executive



S. Haider Mehdi
Director

EXIDE

Exide Pakistan Limited
A-44, Hill Street, Off. Manghopir
Road, S.I.T.E., Karachi - Pakistan
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www.exide.com.pk