

PAKISTAN MOVES ON
EXIDE[®]



Annual Report 2018





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PAKISTAN
MOVES ON **EXIDE**[®]







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.



EXIDE[®]

ULTIMATE SOURCE OF POWER



Corporate Profile

Board of Directors

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

Chief Financial Officer

S. Haider Mehdi

Audit Committee

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

Human Resource and Remuneration Committee

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

Bankers

Allied Bank Ltd.
Bank Alfalah Limited
BankIslami Pakistan Ltd.
Bank of Tokyo Mitsubishi UFJ, Ltd.
Habib Bank Ltd.
Habib Metropolitan Bank Limited
JS Bank Ltd.
MCB Bank Ltd.
Meezan Bank Limited
Standard Chartered Bank (Pakistan) Ltd.
United Bank Ltd.
Dubai Islamic Bank Pakistan Limited

Auditors

A. F. Ferguson & Co.

Solicitors

Orr, Dignam & Co.

Registered Office

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

EXIDE[®]

MAINTENANCE FREE

CALCIUM+ TECHNOLOGY

**BATTERY LAGAO
AUR BHOOL JAO!**



CHARGE INDICATOR
Displays the Charge Status



**NO TOP-UP
REQUIRED**
Sealed Maintenance Free

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PAKISTAN **EXIDE**[®]
MOVES ON

Notice of Annual General Meeting

Notice is hereby given that the Sixty Fifth Annual General Meeting of the shareholders of EXIDE Pakistan Limited will be held on Saturday, the July 28, 2018 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 Fourth Annual General Meeting of the shareholders of the Company held on Monday, July 31, 2017.
2. To receive and adopt the Audited Statements of Accounts for the year ended March 31, 2018 together with the Directors' and Auditors reports thereon.
3. To appoint auditors for the year 2018-2019 and fix their remuneration.

B. SPECIAL BUSINESS:

4. To obtain consent of the shareholders in terms of S.R.O. 470(I)/2016 dated May 31, 2016 issued by Securities and Exchange Commission of Pakistan, for the transmission of the annual audited accounts, notices of general meetings and other information contained therein of the Company wither through CD or DVD or USB and to pass the following resolution with or without modification:

“RESOLVED THAT consent and approval of the members of Exide Pakistan Limited (the “Company”) be and is hereby accorded for transmission of annual audited accounts, notices of general meetings and other information contained therein of the Company to the members for future years commencing from the year ended March 31, 2019 through CD or DVD or USB instead of transmitting the same in hard copies”.

A statement under section 134(3) of the Companies Act, 2017 pertaining to the Special Business is being sent to the members with this notice.

By order of the Board



S HAIDER MEHDI
Director

Karachi: June 30, 2018

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 July 22, 2018 to July 28, 2018, 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, 1st Floor,40-C, Block 6, P.E.C.H.S. Karachi 75400.
- 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.
- e) **Mandate for E-Dividends for Shareholders:**

Pursuant to the requirements of Section 242 of the Companies Act, 2017 read with SRO No. 1145(I)/2017 dated November 06, 2017, shareholders are MANDATORILY required to provide their bank account details to receive their cash dividend directly into their bank accounts instead of receiving it through dividend warrants. Shareholders are required to provide relevant details of their bank accounts (i.e. title of account, complete bank account number (i.e. 24 digit IBAN), complete mailing address of the bank, name of the bank, folio number, mobile number and email address) for payment of cash dividend through electronic mode. As such, the Company shall be bound to withhold any dividend declared by the company of those members who do not provide their bank details. E-Dividend Mandate Forms are available at the Registered Office of the Company and can be downloaded from the Company's website.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement is annexed to the notice of the Sixty Fifth Annual General Meeting of the shareholders of EXIDE Pakistan Limited to be held on 28 July 2018 and sets out the material facts concerning the following Special Business to be transacted at the Meeting for approval of shareholders.

1. Circulation of Annual Report through CD/DVD/USB:

The Securities and Exchange Commission of Pakistan (SECP) vide SRO No. 470(I)/2016 dated May 31, 2016, has allowed listed companies to circulate their Annual Audited Accounts (i.e. the annual balance sheet and profit and loss account, auditor's report and director's report) to its members through CD/DVD/USB at their registered addresses instead of sending them in hard copies, subject to approval obtained from shareholders in General Meeting. Accordingly, approval is hereby sought from members of the Company to comply with the requirements of said SRO vide an ordinary resolution.

Subject to the approval of resolution in the AGM, the company will circulate its annual accounts in future through CD/DVD/USB. However, members will have the right to request hard copies free of cost at their registered addresses after submitting the Standard Request Form which shall be made available on Company website. While members who wish to receive hard copies for all future annual audited accounts shall also require to give their preference in writing.

The Directors of the Company have no direct or indirect interest in this agenda.

کمپنی کے شیئرز کی کتابیں مورخہ 22 جولائی 2018 سے 28 جولائی 2018 جن میں دونوں دن شامل ہیں بندر ہیں گی۔

شیئر ہولڈرز سے درخواست ہے کہ اپنے کمپنی کے بتائے ہوئے پتے میں اگر کوئی تبدیلی ہے تو وہ کمپنی کے شیئر رجسٹرار THK Associates (Pvt) Ltd. جن کا پتہ
1st Floor 40-C, Block-6, P.E.C.H.S Society Karachi، پر اطلاع کریں۔
CDC شیئر ہولڈرز اپنی پراکسیوں کو ان کی شناخت کی تصدیق کرنے کے لئے سالانہ اجلاس عام میں شرکت کے دوران شناختی کارڈ نمبر اور CDC کے اکاؤنٹس کی تفصیلات
لائی ضروری ہے۔

کمپنی ایکٹ 2017 کے سیکشن نمبر 242 اور ایس آر او نمبر 1145 (I) 2017 بتاریخ 6 نومبر 2017 کے تحت حصص یافتگان اپنا نقد منافع منقسمہ بجائے ڈیویڈنڈ
وارنٹس کے برائے راست بینک اکاؤنٹس میں وصول کرنے کے لیے لازمی طور پر اپنے بینک اکاؤنٹس کی تفصیلات جمع کرائیں۔ حصص یافتگان اپنے بینک اکاؤنٹ
کی تفصیل (اکاؤنٹ کا نام، مکمل بینک اکاؤنٹ نمبر (24 ہندسوں پر مشتمل IBAN)، بینک کا مکمل پتہ، بینک کا نام، فولیو نمبر، موبائل نمبر اور ای میل ایڈریس) فراہم کر دیں تاکہ
منافع منقسمہ کی ادائیگی الیکٹرانک طریقے سے کی جاسکے بصورت دیگر بینک اکاؤنٹ کی تفصیلات کی عدم موجودگی کے باعث کمپنی اس بات کی پابند ہوگی کہ وہ ان حصص
یافتگان کو منافع منقسمہ کی ترسیم روک دیں۔ ای ڈیویڈنڈ مینڈیٹ فارم کمپنی کے رجسٹرڈ آفس میں موجود ہیں اور کمپنی کی ویب سائٹ سے بھی ڈاؤن لوڈ کئے جاسکتے ہیں۔

کمپنی ایکٹ 2017 کے سیکشن نمبر 34 کے مطابق نوٹس برائے اسپیشل کاروبار برائے منظوری شیئر ہولڈر مندرجہ ذیل ہیں۔

یہ گوشوارہ ایکسٹریڈ پاکستان لمیٹڈ کے 28 جولائی 2018 کو منعقد ہونے والے پینسٹھویں اجلاس عام کے نوٹس ہذا کے ہمراہ اور مندرجہ ذیل خصوصی امور سے متعلق ٹھوس
حقائق پر مبنی مواد حصص یافتگان کی منظوری کیلئے ممبران کو ارسال کیا جا رہا ہے۔

ا۔ سالانہ رپورٹس کی بذریعہ ڈی وی ڈی / وی ڈی / یو ایس بی ترسیل۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے بذریعہ ایس آر او 470 (I) 2016 مورخہ 31 مئی 2016، کمپنیوں کو اجلاس عام میں شیئر ہولڈرز کی رائے حاصل
کرنے کے بعد سالانہ آڈٹ شدہ اکاؤنٹس، اجلاس عام کے نوٹس اور کمپنی کی دیگر معلومات بذریعہ ڈی وی ڈی / وی ڈی / یو ایس بی ممبران کو ارسال کرنے کی اجازت دے
دی ہے۔ تاہم کمپنی شیئر ہولڈرز کے طلب کرنے پر ایک ہفتے کے اندر بلا معاوضہ مذکورہ دستاویزات کی ہارڈ کاپی فراہم کر دے گی۔ شیئر ہولڈرز کی منظوری پر کمپنی ان
دستاویزات کی ہارڈ کاپی کیلئے ویب سائٹ پر ایک اسٹینڈرڈ ریکوریسیٹ فارم مع کمپنی سیکریٹری / شیئر رجسٹرار کے ای میل ایڈریس، جاری کر دے گی جو اس درخواست پر عمل
کریں گے۔

کمپنی کے ڈائریکٹرز خصوصی امور میں اپنی حصص یافتہ ہونے اور ڈائریکٹر کے طور پر حصص کے علاوہ کوئی دلچسپی نہیں رکھتے۔

سالانہ اجلاس عام کا نوٹس

اطلاع دی جاتی ہے کہ Exide Pakistan Limited پینسٹھواں سالانہ اجلاس عام مورخہ 28 جولائی 2018 کو صبح 11 بجے کمپنی کے رجسٹرڈ دفتر واقع A-44 ہل اسٹریٹ، منگھو پیروڈ، سائٹ کراچی پر منعقد ہوگا۔ اس اجلاس میں مندرجہ ذیل امور زیر بحث لائے جائیں گے۔

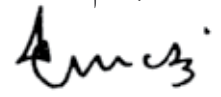
عام کاروبار:

- 31 جولائی 2017 کو منعقد کیے گئے 64 ویں اجلاس کے منٹس پڑھنا اور تصدیق کرنا۔
- کمپنی کے سال 31 مارچ 2018 کے آڈیٹڈ اکاؤنٹس اور اس پر آڈیٹر کی رپورٹ کی منظوری۔
- 19 - 2018 کے لئے آڈیٹرز کا تقرر اور ان کے معاوضے کی تقرری۔

خصوصی کاروبار:

SRO 470(1)/2016 مورخہ 31 مئی 2016 جاری کردہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے تحت سالانہ آڈٹ شدہ مالی گوشواروں، اجلاس عام کے نوٹس اور دیگر معلومات اور اطلاعات کی بذریعہ ڈی یا ڈی وی ڈی یا یو ایس بی ترسیل کے لئے شیئر ہولڈرز کی منظوری حاصل کرنے کیلئے مندرجہ ذیل قرارداد ترمیم بلا ترمیم پاس کرنا۔ "قرار پایا کہ 31 مارچ 2019 کو مکمل ہونے والے سال کیلئے اور آئندہ ممبران کو سالانہ آڈٹ شدہ مالی گوشواروں، اجلاس عام کے نوٹس اور دیگر معلومات اور اطلاعات کی اصل کاپی کی بجائے بذریعہ ڈی یا ڈی وی ڈی یا یو ایس بی ترسیل کے لئے ایکسائیڈ پاکستان لمیٹڈ (کمپنی) کے ممبران کی رائے اور منظوری حاصل کی جائے۔"

کمپنی ایکٹ 2017 کی شق نمبر 134 (تین) کے مطابق اسپیشل کاروبار کیلئے نوٹس اس نوٹس کے ساتھ منسلک ہے۔

حسب حکم بورڈ


ایس حیدر مہدی

ڈائریکٹر

کراچی: 30 جون 2018

نوٹ:

کوئی بھی ممبر سالانہ اجلاس عام میں شرکت اور ووٹ دینے کا حق کسی بھی کمپنی کے ممبر کو اپنی پراسی کے طور پر مقرر کرنے کا حق رکھتا ہے۔ جائز پراکسیز میٹنگ کیلئے مقرر کردہ وقت سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرائی جاسکتی ہے۔

EXIDE®



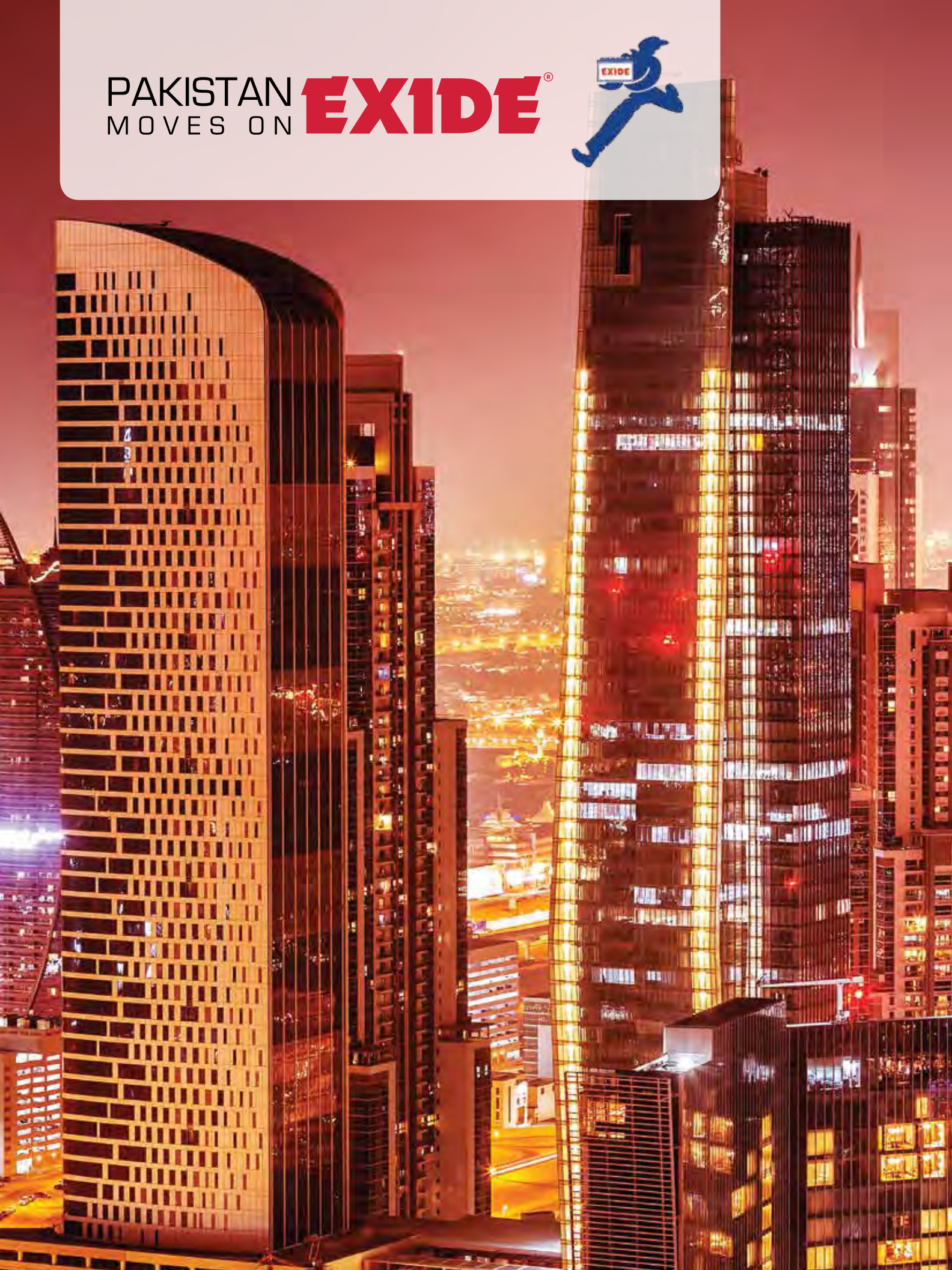
PAKISTAN'S NO.1 QUALITY BATTERY





PAKISTAN **EXIDE**[®]
MOVES ON

PAKISTAN
MOVES ON **EXIDE**[®]



NO MORE POWER CUTS



Chairman's Review

I am pleased to welcome you to the 65th Annual General Meeting of your Company and present on behalf of the Board of Directors, the Audited Statements of Accounts for the year ended 31st March 2018 along with my review on the performance of your Company.

The Economy:

Pakistan's economy has come very close to achieve the ambitious growth target in the Annual Plan of 2017-18 of 6%. The divergence is only 0.2%. Agriculture sector grew by 3.8%, highest since 2005-06. Industry experienced a growth of 5.8%, highest since 2007-08. The service sector exhibited exceptional dynamism with a growth rate of 6.4%. The economic outlook of country is bright due to improvement in agriculture sector, rebound in industrial activities, massive CPEC investment. Visible improvement in security and power supply, low inflation and low interest rate.

Pakistan's external debts and liabilities have soared to a record US\$91.8 billion showing an increase of over 50% in the past four years and nine months. Following the excessive debt servicing, Pakistan total foreign exchange reserves declined to below US\$17 billion in May 2018. Country's Exports posted 14% growth to US\$19.21 billion during first 10 months of 2017-18 from US\$16.89 billion in the corresponding period of 2016-17. Imports during this period also showed 14% growth and rose to US\$49.45 billion from US\$43.31 billion. Trade deficit widen 14% to US\$30.24 billion during the first 10 months of current fiscal year. Workers remittance for the period July-May 2018 stood at US\$16.26 billion up 4% compared to corresponding period of last year. Current account deficit during July-May 2018 has widened to US\$14.03 billion against US\$9.35 billion for the comparable period of year before, a rise of 50%. Average inflation for 2017-18, targeted at 6%, was contained at 3.8% from July-March 2017-18.

The Industry:

Growth of automotive sector in the preceding years was instrumental in better capacity utilization for the battery industry. Sales of locally produced cars, LTV and Jeeps improved by 23% to 218,301 units in July-April 2018 as compared to 176,937 sold during corresponding period of last year. Trucks and Buses sales improved by 18% from 7,003 to 8,288 units. Farm tractors sale improved by 34% to 60,239 from 44,883 units. Sale of motorcycles and three wheelers improved by 17% from 1,345,538 to 1,575,165 units. Local car industry sale may decline from July 2018 onward due to restrictions on non-tax filer to buy new cars. The prices of refined and recycled lead increased considerably during the year under review.

Production

Production activities were effectively planned and adjusted to cater to the market demand both in terms of quantity and quality. Stress on quality control at all stages of production processes was implemented with great vigour for further strengthening quality standards of the products of your Company.

Sales

Net sale revenue of the Company decreased by 4.7% to Rs.12.301 billion from Rs.12.910 billion on account of decrease in sale volume.

Profitability

Gross profit for the year under review decreased from Rs.2.568 billion to Rs.1.356 billion down by 47% due to reduced margins on account of higher raw material prices and less sale revenue. Gross profit ratio decreased from 19.9% to 11.0% of Net Sale Value.

Selling and distribution expenses reduced by 29.3% from Rs.1.228 billion to Rs.0.868 billion. Administration and general expenses increased by 5.3% from Rs.103.8 million to Rs.109.3 million. Operating profit reduced by 70.1% from Rs. 1,126 million to Rs. 336.2 million. Financial cost increased by 117% from Rs.65.0 million to Rs.141.3 million.

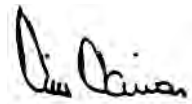
Profit before tax for the year under review reduced from Rs.1,060.9 million to Rs.194.0 million. Earning per share reduced to 2.78 from Rs.95.16 recorded in the previous year. The current ratio stood at 1.57:1 while the break up value of share was Rs.551.8 as on March 31, 2018.

Future Prospects

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

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 30, 2018



منافع:

امسال مجموعی منافع 2.568 بلین روپے سے کم ہو کر 1.356 بلین روپے رہا۔ منافع میں کمی کی وجہ خام مال کی قیمتوں کا بڑھنا اور آمدنی میں کمی ہے۔ مجموعی منافع کا تناسب NSV کا 19.9 فیصد کم ہو کر 11.0 فیصد ہو گیا۔

فروخت اور تقسیم کے اخراجات 29.3 فیصد سے کمی کے بعد 1.228 بلین روپے سے کم ہو کر 0.868 بلین روپے ہو گئے۔ انتظامی اور عمومی اخراجات 5.3 فیصد اضافے کے بعد 103.8 بلین روپے سے 109.3 بلین روپے ہو گئے۔ آپرٹنگ منافع 70.1% فیصد کمی کے ساتھ 1,126 بلین روپے سے کم ہو کر 336.2 بلین روپے ہو گیا۔ فنانس لاگت 117 فیصد اضافے کے ساتھ 65.0 بلین سے بڑھ کر 141.3 بلین ہو گئی۔

امسال کے لئے محصولات سے پہلے منافع 1,060.9 بلین روپے سے کم ہو کر 194.0 بلین روپے رہا۔ فی حصص آمدنی 95.16 روپے سے کم ہو کر 2.78 روپے ہو گئی۔ موجودہ تناسب 1:1.57 رہا جبکہ حصص کی قدر ٹوٹ 31 مارچ 2018 کو 551.8 روپے تھی۔

مستقبل کے امکانات:

یہ متوقع ہے کہ مقامی منظم بیٹری صنعت پیداری صلاحیتوں اور نئے بیٹری مینوفیکچررز درآمد اور اسمگل شدہ بیٹریوں کی وجہ سے اور مارکیٹ کی حرکیات کی وجہ سے سخت مقابلے کا سامنا کرے گی۔ بنیادی خام مال کی قیمتوں میں اضافے اور روپے کی قدر میں کمی اگلے سال میں بھی منافع پر اثر انداز ہو سکتے ہیں۔ لیکن آپ کی کمپنی کی انتظامیہ یقین دلاتی ہے کہ بیٹری کے معیار، پیداری صلاحیت، لاگت پر کنٹرول اور مسلسل توجہ مرکوز کرتے ہوئے اپنی مسابقت کو بہتر بناتے ہوئے مکمل فائدہ اٹھانے کا ارادہ رکھتی ہے۔

اعتراف خدمات:

میری جانب سے اور آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے میں کمپنی کے تمام کیڈرز کے ملازمین کی مخلص خدمات کو تسلیم کرنے کا موقع لیتا ہوں۔ میں کمپنی کے بینکوں، حصص داروں، فرور کووا بیٹری کمپنی لمیٹڈ (جاپان)، تھوک اور خوردہ فروش حضرات، مین ڈیلرز، کمپنی کے سپلائرز، فوجی فریٹلائزرز بن قاسم لمیٹڈ اور گاڑیوں کے پیداری یونٹس اور سرکاری تنظیموں سمیت اپنے تمام گاہکوں کا بھی شکر گزار ہوں۔



عارف ہاشوانی

چیرمین

کراچی: 30 جون 2018

چیمبر میں کا جائزہ:

میں آپ کی کمپنی کے 65 ویں سالانہ جنرل اجلاس میں آپ کو خوش آمدید کہتا ہوں۔ میں اپنی اور موجودہ بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی مجموعی کارکردگی کے برائے سال 31 مارچ 2018 اور آڈیٹڈ اکاؤنٹس اور آڈٹ رپورٹ کا جائزہ پیش کار ہا ہوں۔

معیشت:

پاکستانی کی معیشت سال 2017-18 میں 6% کی سالانہ ترقی کے ہدف حاصل کرنے کے قریب ہو۔ درفیات صرف 0.2% ہے 2005-06 سے درعی شعبے میں 3.8% اضافہ ہوا۔ صنعت نے 5.8% ترقی کی جو 2007-08 سے اب تک سب سے زیادہ ہے۔ سروس سیکٹر نے 6.4% فیصد کی ترقی کی شرح کے ساتھ غیر معمولی متحرک کارکردگی کا مظاہرہ کیا۔ زراعت کے شعبے میں بہتری کے باعث ملک کا اقتصادی نقطہ نظر روشن ہے، صنعتی سرگرمیوں، بہتری، CPEC میں سرمایہ کاری، سیکورٹی اور بجلی کی فراہمی، کم افراد زراعت سود کی شرح میں نمایاں بہتری ہوئی۔

پاکستان کے بیرونی قرضوں اور واجبات نے گزشتہ چار سالوں اور نو ماہ میں 91.8 بلین امریکی ڈالر کا ریکارڈ اضافہ ہوا جو کہ 50% فیصد سے زیادہ ہے۔ پاکستان کے زرمبادلہ میں مئی 2018 میں مجموعی طور پر 17 بلین امریکی ڈالر کی کمی واقع ہوئی۔ ملک کی برآمدات میں 2017-18 کے پہلے دس مہینوں میں 14% اضافے کے ساتھ 19.21 بلین ڈالر جو کہ پچھلے سال 2016-17 میں 16.89 بلین تھی۔ اس عرصے کے دوران درآمدات میں 14% فیصد اضافہ ہوا اور 14.31 بلین امریکی ڈالر سے بڑھ کر 49.45 امریکی ڈالر ہو گئی۔ موجودہ مالی سال کے پہلے دس مہینوں کے دوران تجارتی خسارہ 14% فیصد سے بڑھ کر 30.24 بلین ڈالر تک پہنچ گیا۔ جولائی سے مئی 2018 کے دوران مزدوروں کی ترسیل گزشتہ سال کے مقابلے میں 14% اضافے کے ساتھ 16.26 بلین ڈالر رہی۔ موجودہ کرنٹ خسارہ جولائی سے مئی 2018 کے دوران پچھلے سال کے مقابلے میں 9.35 بلین سے بڑھ کر 14.03 بلین ہو گیا۔ افراط زر 6% ٹارگیٹ کے مقابلے میں سال 2017-18 میں 3.8% فیصد تھی۔

صنعت:

پچھلے چند سالوں میں آٹو موٹو سیکٹر کی ترقی نے بیڑی کی صنعت کے لئے بہتر مواقع پیدا کئے۔ مقامی پیداوار شدہ کاروں اور درمیانی درجے کی نقل و حرکت کی گاڑیوں اور چیمپوں کی فروخت 23 فیصد بڑھ کر 218,301 گاڑیاں تھی جو پچھلے سال جولائی تا مارچ 2017 میں 176,937 یونٹ فروخت ہوئی تھی۔ ٹرک اور بسوں کی فروخت 18% اضافے سے 7,003 سے بڑھ کر 8,233 ہوئی۔ زرعی ٹریکٹر کی فروخت 34% فیصد اضافے کے ساتھ 44,883 ٹریکٹر سے بڑھ کر 60,239 ٹریکٹر تھی۔ موٹو سائیکلوں اور تین پہیوں والی گاڑیوں کی فروخت 17% فیصد اضافے کی وجہ سے 1,345,538 یونٹ سے بڑھ کر 1,575,165 یونٹ ہو گئی۔ نئی کاروں کی خریداری کے لیے غیر ٹیکس فائبروں پر پابندی کی وجہ سے مقامی کار صنعت کی فروخت میں جولائی 2018 سے کمی واقع ہو سکتی ہے۔ اس سال خالص ری سائیکل لیڈ کی قیمتوں میں اضافہ ہوا۔

پروڈکشن:

پیداواری سرگرمیوں کی موثر طریقے سے منصوبہ بندی کی گئی اور اسے طلب اور رسد کے مطابق بنایا گیا اور پیداوار کے تمام مراحل پر معیار کے کنٹرول پر بھرپور طریقے سے عملدرآمد ہوا۔

سیلز:

آپ کی کمپنی کی نیٹ سیلز آمدنی 4.7% کی کمی کے بعد 12.910 بلین روپے سے کم ہو کر 12.301 بلین روپے رہی جسکی وجہ حجم میں کمی ہونا تھا۔

EXIDE



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Directors' Report

The Directors of your Company have pleasure in submitting their report on audited statements of accounts for the year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

	(Rupees' 000)
Profit before taxation	193,962
Taxation	(172,341)
Profit after taxation	21,621
Un-appropriated profit brought forward	196,454
	218,075
Transferred from surplus on revaluation of property, plan and equipment - Current year - net of tax	12,686
Re-measurement of defined benefit plan net of tax	(2,207)
Un-appropriated profit carried forward	228,554
Earnings per share - Rs.	2.78

We confirm that:

- a) The financial statements have been drawn up in conformity with the requirements of the Companies Act, 2017 and present fairly state of its affairs, operating results, cash flow and changes in equity.
- b) Proper books of accounts have been maintained in the manner required under Companies Act, 2017.
- c) Appropriate accounting policies have been applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- d) International Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of the financial statements.
- e) The internal control system is being implemented and monitored.
- f) There are no significant doubts about the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as required by the listing regulations.
- h) The key operating and financial data of the past ten years is annexed to this report.
- i) Outstanding duties and taxes, if any, have been disclosed in the financial statements.
- j) The Chairman's Review dealing with the performance of the Company during the year ended March 31, 2018 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. 143.069 million and Rs.74.969 million, respectively as on March 31, 2018.
- l) The number of board meetings held during the year 2017-18 was four. The attendance of the directors is as under:
- | | |
|--------------------------------|---|
| 1. Mr. Arif Hashwani | 4 |
| 2. Mr. Arshad Shehzada | 4 |
| 3. Mr. Altaf Hashwani | 3 |
| 4. Mr. Hussain Hashwani | 4 |
| 5. Mr. Muhammad Kamran Shehzad | 4 |
| 7. Mr. Ayub Hameed | 4 |
| 8. Mr. S. Haider Mehdi | 4 |
| 9. Mr. S. M. Faiq | 4 |
- m) Pattern of shareholding as at March 31, 2018 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 30, 2018

- تصدیق کی جاتی ہے کہ ڈائریکٹرز، چیف فائینشیل آفیسران کی شریک حیات اور نابالغ بچوں نے کمپنی کے شیئرز میں مالی سال 2018-2017 میں کوئی لین دین نہیں کیا۔
- کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان اس رپورٹ سے منسلک ہے۔
- موجودہ آڈیٹر M/s. A.F. Ferguson & Co., Chartered Accountants جو اس سال ریٹائر ہوئے ہیں اور 2018-2019 کے آڈیٹر کی اہلیت رکھتے ہوئے دوبارہ اس سال میں آڈیٹر کی تقرری کیلئے پیش کرتے ہیں۔



عارف ہاشوانی

چیئرمین

کراچی: 30 جون 2018

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2018 کو ختم ہونے والے سال کیلئے آڈیٹڈ اکاؤنٹس اور ان کی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

روپے ہزار میں

193,962
(172,341)
21,621
196,454
218,075
12,686
(2,207)
228,554
2.78

مالیاتی اصول

قبل از ٹیکس منافع
ٹیکس
بعد از ٹیکس منافع
غیر منقسم شدہ منافع کی منتقلی
فکس ایسٹس کی دوبارہ ویلویویشن پر سرپلس برائے سال 2017-18
خالص ایکچوزرل آمدنی بعد از ٹیکس
غیر تقسیم شدہ منافع کی منتقلی
فی شیئر آمدنی

- مالی حسابات کمپنیز ایکٹ 2017 کے مطابق بالکل ایماندارانہ طور سے تیار کئے گئے ہیں جو کہ کمپنی کے آپریٹنگ رزلٹس، کیش فلوا اسٹیٹمنٹ اور ایکویٹی اسٹیٹمنٹ کے ساتھ شامل ہیں۔
- پراپرٹس آف اکاؤنٹس کمپنیز ایکٹ 2017 کے مطابق مینٹین کی گئی ہے۔
- بین الاقوامی رپورٹنگ معیارات، پاکستان میں قابل عمل کے طور پر مالی بیانات ان اکاؤنٹس کی تیاری میں شامل کئے گئے ہیں۔
- اندرونی کنٹرول کا نظام پورے سال نافذ کیا گیا اور اس کی نگرانی کی گئی۔
- کمپنی کے جاری رہنے کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔
- کارپوریٹ گورننس اور بہترین پریکٹس، لسٹنگ ریگولیشن سے کوئی بڑا فرق نہیں ہے۔
- ادا شدہ ٹیکس یا ڈیوٹی فنانشل اسٹیٹمنٹ میں بیان کی گئی ہیں۔
- چیئرمین کا جائزہ برائے کمپنی کی کارکردگی 31 مارچ 2018 اور مستقبل کے امکانات اور دیگر معاملات سے نمٹنے کا معاملہ اس رپورٹ کا حصہ ہے۔
- پروویڈنٹ اور گریجویٹ فنڈز کی مالیت 31 مارچ 2018 پر بالترتیب 143.069 ملین روپے اور 74.969 ملین روپے۔
- شیئر ہولڈرز چیئرمین برائے 31 مارچ 2018 اس رپورٹ کے ساتھ منسلک ہے۔

Statement of Compliance

with the Code of Corporate Governance for the year ended March 31, 2018.

Exide Pakistan Limited (“the Company”) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (“the Regulations”) in the following manner:

1. The total number of directors are eight as per the following:
 - a) Male: Eight
 - b) Female: Nil
2. The composition of the Board of Directors (“the Board”) is as follows:

Category	Names
Independent Director	Mr. Ayub Hameed
Other Non-Executive Directors	Mr. Hussain Hashwani
	Mr. Muhammad Kamran Shehzad
	Mr. Altaf Hashwani
	Mr. S. M. Faiq
Executive Directors *	Mr. Arif Hashwani **
	Mr. Arshad Shahzada
	Mr. S Haider Mehdi

* The number of Executive Directors on the Board exceeded the limit prescribed by the Regulations. The same will be rectified by the Board of Directors by September 30, 2018.

** The Chairman of the Board is an Executive Director.

3. The Directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and 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.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (“the Act”) and these Regulations.
7. 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. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board remained fully compliant with the provision with regard to their directors’ training program. Out of total

of eight directors, seven directors are exempt from training program as mentioned in regulation no. 20, sub-regulation 2 of the Regulations. Furthermore, remaining one director has already completed this training earlier.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
 - a) Audit Committee
 - Mr. Ayub Hameed (Chairman)
 - Mr. Altaf Hashwani
 - Mr. S. M. Faiq
 - b) HR and Remuneration Committee
 - Mr. Ayub Hameed (Chairman)
 - Mr. Arif Hashwani
 - Mr. Altaf Hashwani
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees were as per following:
 - a) Audit Committee: Four quarterly meetings during the financial year ended March 31, 2018
 - b) HR and Remuneration Committee: Four quarterly meetings during the financial year ended March 31, 2018
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan ("the ICAP") and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.



ARIF HASHWANI

Chairman

June 30, 2018

PAKISTAN
MOVES ON **EXIDE**[®]



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Statement Under Section 228 (1) of the Companies Act, 2017

The Audited Statements of Accounts for the year ended March 31, 2018 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.

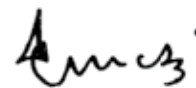
	Chloride Pakistan (Pvt) Ltd.
Extent of the interest of the holding Company (Exide Pakistan Limited) in the equity of its subsidiaries as at March 31, 2018	100%
The net aggregate amount of profits less losses of the subsidiary companies so far as these concern members of the holding company and have not been dealt with in the accounts of the holding company:	-
- for the year ended March 31, 2018;	-
- 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, 2018;	-
- for the previous years, but subsequent to the acquisition of the controlling interest by the holding Company.	-



Arif Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer

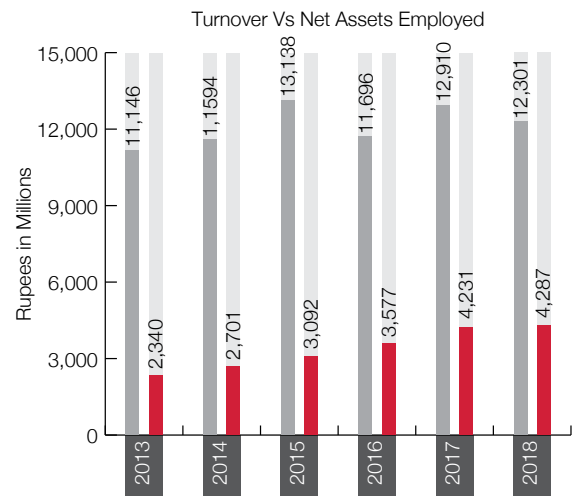
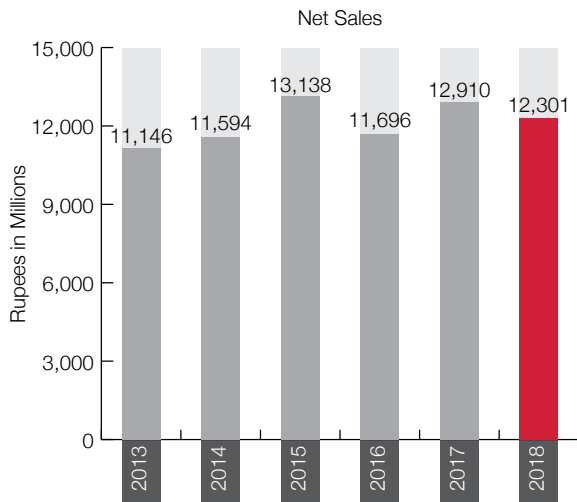
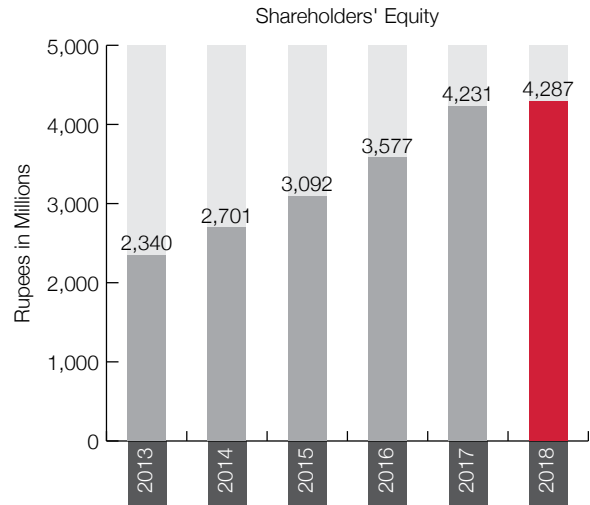
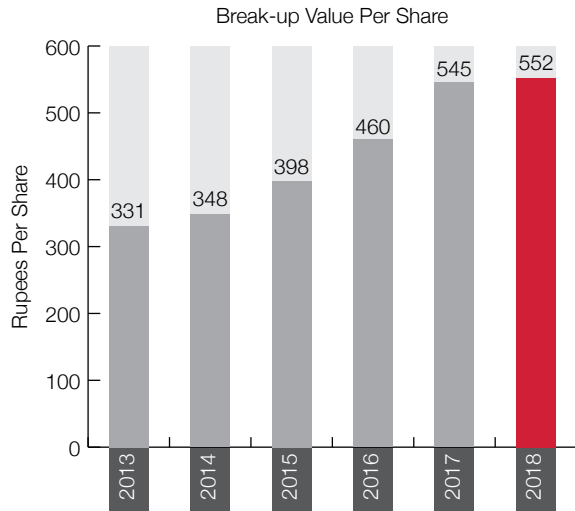


S. Haider Mehdi
Chief Financial Officer

Performance Highlights

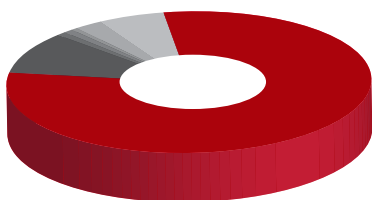
EXIDE PAKISTAN LIMITED	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net sales	5,630,385	6,189,135	7,711,452	9,465,724	11,145,295	11,593,822	13,138,079	11,695,892	12,909,940	12,301,411
Operating profit	264,524	382,502	558,215	658,025	791,779	699,880	871,707	825,706	1,125,900	336,220
Profit/(loss)before tax	182,003	303,554	429,726	500,926	753,452	603,457	617,481	651,542	1,060,935	193,962
Profit/(loss)after tax	118,206	197,287	276,390	320,145	485,856	401,092	447,685	424,616	739,256	21,621
Cash dividend	27,028	33,899	33,899	42,374	42,374	58,265	58,265	77,686	97,108	-
Cash dividend %	50	60	60	60	60	75	75	100	125	-
Stock dividend	-	-	14,125	-	7,062	-	-	-	-	-
Stock dividend %	-	-	25	-	10	-	-	-	-	-
Paid up share capital	54,057	56,499	56,499	70,624	70,624	77,686	77,686	77,686	77,686	77,686
Reserves & unappropriated profit	671,907	844,000	1,091,989	1,374,100	1,839,576	2,203,784	2,604,358	2,983,383	3,649,635	3,584,627
Surplus on revaluation of fixed assets	255,000	249,502	449,916	439,926	429,937	419,948	410,481	515,702	503,232	624,793
Share holders' equity	980,964	1,150,001	1,598,404	1,884,650	2,340,137	2,701,418	3,092,525	3,576,771	4,230,553	4,287,106
Tangible fixed assets	671,711	776,542	1,027,910	1,018,471	1,039,059	1,249,709	1,313,152	1,355,372	1,442,525	1,631,860
Net current assets	334,508	397,224	593,067	899,155	1,339,730	1,490,379	1,791,721	2,190,649	2,755,319	2,625,708
Earnings per share before tax	33.67	53.73	76.06	70.93	106.68	77.68	79.48	83.87	136.57	24.97
Earnings per share after tax	21.87	34.92	48.92	45.33	68.79	51.63	57.63	54.66	95.16	2.78
Share break-up value	181.47	203.54	282.91	266.86	331.35	347.74	398.08	460.41	544.57	551.85
Ratio of :										
Operating profit to sales	5%	6%	7%	7%	8%	6%	7%	7%	9%	3%
Profit/(loss)before tax to sales	3%	5%	6%	5%	7%	5%	5%	6%	8%	2%
Profit/(loss)after tax to sales	2%	3%	4%	3%	4%	3%	3%	4%	6%	0%
Return/(loss) on equity	12%	17%	17%	17%	21%	15%	14%	12%	17%	1%

Performance Highlights



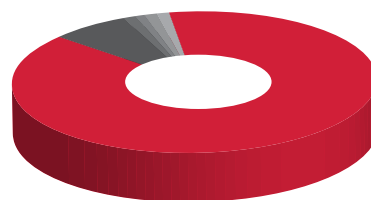
Performance Highlights

Cost and Expenses Analysis 2017



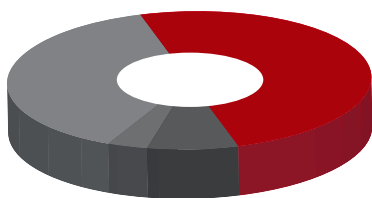
■ Cost of Goods Sold	80%
■ Selling and Distribution Expenses	10%
■ Administration Expenses	1%
■ Other Charges Including WPPF and WWF	1%
■ Financial Charges	0%
■ Taxation	2%
■ Net Profit	6%

Cost and Expenses Analysis 2018



■ Cost of Goods Sold	89%
■ Selling and Distribution Expenses	7%
■ Administration Expenses	1%
■ Other Charges Including WPPF and WWF	1%
■ Financial Charges	1%
■ Taxation	1%
■ Net Profit	0%

Sales Analysis 2017
Rupees in Millions



■ Gross Sales	16,903
■ Sales Tax and Special Excise Duty	2,740
■ Discounts	1,253
■ Net Sales	12,910

Sales Analysis 2018
Rupees in Millions



■ Gross Sales	16,185
■ Sales Tax and Special Excise Duty	2,608
■ Discounts	1,276
■ Net Sales	12,301

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, 2018 to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2017.

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.

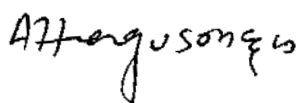
As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control 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, 2018.

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
2	During the year, the number of Executive Directors on the Board exceeded the limit prescribed by the Code
2	The Chairman of the Board is an Executive Director



Chartered Accountants
Dated: July 02, 2018
Karachi

Auditors' Report

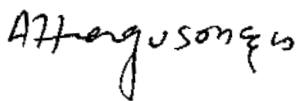
to the Members

We have audited the annexed statement of financial position of Exide Pakistan Limited (the Company) as at March 31, 2018 and the related statement of profit or loss, statement of comprehensive income, statement of cash flows 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 Act, 2017. 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 Act, 2017;
- (b) in our opinion:
 - (i) the statement of financial position and statement of profit or loss together with the notes thereon have been drawn up in conformity with the Companies Act, 2017, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied except for the change as explained in note 6 with which we concur;
 - (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 statement of financial position, statement of profit or loss, statement of comprehensive income, statement of cash flows 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 Act, 2017, 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, 2018 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 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.



Chartered Accountants

Engagement Partner: Noman Abbas Sheikh

Dated: July 2, 2018

Karachi

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MOVES ON **EXIDE**[®]





373 967
804 029
1 296 731
1 859 317
2 499 808
3 227 076
4 050 935
R 28 331

FINANCIAL **STATEMENTS**

Balance Sheet


as at March 31, 2018

	Note	2018	2017 (Restated)	2016 (Restated)
		----- (Rupees '000) -----		
ASSETS				
Non-current assets				
Property, plant and equipment	7	1,631,860	1,442,525	1,355,372
Long-term investment	8	224	224	224
Long-term loans	9	916	844	808
Long-term deposits	10	37,993	34,738	36,919
		1,670,993	1,478,331	1,393,323
Current assets				
Stores and spares	11	105,404	106,962	127,418
Stock-in-trade	12	2,266,384	3,866,881	2,770,081
Trade debts	13	3,146,701	2,331,845	2,510,293
Loans and advances	14	33,551	30,678	26,629
Trade deposits, short-term prepayments and other receivables	15	55,333	44,312	34,144
Taxation recoverable		713,417	498,644	520,599
Cash and bank balances	16	880,414	1,017,896	399,357
		7,201,204	7,897,218	6,388,521
		8,872,197	9,375,549	7,781,844
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorised share capital 18,000,000 (2017: 18,000,000) ordinary shares of Rs 10 each		180,000	180,000	180,000
Issued, subscribed and paid-up share capital	17	77,686	77,686	77,686
Capital reserve		259	259	259
Revenue reserves		3,329,991	2,729,991	2,379,991
Reserve arising on amalgamation - net		25,823	25,823	25,823
Unappropriated profit		228,554	893,562	577,310
Revaluation surplus on property, plant and equipment - net of tax	18	624,793	503,232	515,702
		4,287,106	4,230,553	3,576,771
LIABILITIES				
Non-current liabilities				
Deferred taxation - net	19	9,595	3,097	7,201
Current liabilities				
Trade and other payables	20	1,377,747	1,988,623	1,593,745
Unclaimed dividend		1,224	3,182	3,041
Unpaid dividend		-	-	-
Accrued profit / mark-up	21	40,644	32,638	31,954
Loan from a Director	22	305,550	-	-
Short-term borrowings	23	2,850,331	3,117,456	2,569,132
		4,575,496	5,141,899	4,197,872
TOTAL LIABILITIES		4,585,091	5,144,996	4,205,073
TOTAL EQUITY AND LIABILITIES		8,872,197	9,375,549	7,781,844
CONTINGENCIES AND COMMITMENTS	24			

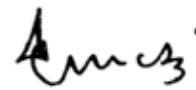
The annexed notes 1 to 48 form an integral part of these financial statements.



Arif Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer

Profit and Loss Account

For the year ended March 31, 2018

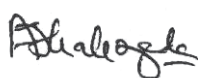
	Note	2018	2017
		----- (Rupees '000) -----	
Sales - net	25	12,301,411	12,909,940
Cost of sales	26	(10,944,793)	(10,342,279)
Gross profit		1,356,618	2,567,661
Selling and distribution expenses	27	(868,292)	(1,228,058)
Administration and general expenses	28	(109,280)	(103,834)
		379,046	1,235,769
Other income	29	12,000	5,727
		391,046	1,241,496
Other operating charges	30	(54,826)	(115,596)
Operating profit		336,220	1,125,900
Finance cost	31	(141,258)	(64,965)
Penalty	32	(1,000)	-
Profit before taxation		193,962	1,060,935
Taxation - net	33	(172,341)	(321,679)
Profit after taxation		21,621	739,256
		----- (Rupees) -----	
Earnings per share (basic and diluted)	34	2.78	95.16

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

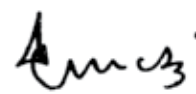
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Arif Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer

Statement of Comprehensive Income


For the year ended March 31, 2018

Note	2018	2017
	----- (Rupees '000) -----	
Profit for the year	21,621	739,256
Other comprehensive Income:		
Items that will not be reclassified to statement of profit or loss in subsequent periods		
Remeasurements of defined benefit plan	(2,943)	(11,434)
Deferred tax on remeasurements of defined benefit plan	736	3,430
	(2,207)	(8,004)
Items that may be reclassified to statement of profit or loss in subsequent periods		
Gain on revaluation of land and buildings - net	134,215	-
Deferred tax on gain on revaluation of buildings - net	(829)	-
	133,386	-
Total comprehensive income for the year	152,800	731,252

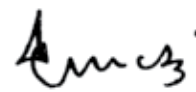
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Arif Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer

Cash Flow Statement


For the year ended March 31, 2018

	Note	2018	2017
		----- (Rupees '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	39	652,484	741,665
Financial charges paid		(133,252)	(64,281)
Taxes paid		(379,848)	(300,182)
(Increase) / decrease in long-term deposits		(3,255)	2,181
Increase in long-term loans		(72)	(36)
Net cash flows generated from operating activities		136,057	379,347
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		(224,800)	(236,967)
Proceeds from disposal of operating fixed assets		11,902	5,380
Net cash flows used in investing activities		(212,898)	(231,587)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(99,066)	(77,545)
Loan from a Director		305,550	-
Net cash flows generated from / (used in) financing activities		206,484	(77,545)
Net increase in cash and cash equivalents during the year		129,643	70,215
Cash and cash equivalents at the beginning of the year		(2,099,560)	(2,169,775)
Cash and cash equivalents at the end of the year	40	(1,969,917)	(2,099,560)

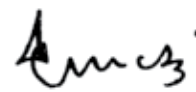
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Arif Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer

Statement of Changes in Equity

For the year ended March 31, 2018

	Capital reserves			Revenue reserves		Revaluation surplus on property, plant and equipment	Total
	Issued, subscribed and paid-up share capital	General capital reserve	Reserve arising on amalgamation - net	General revenue reserve	Unappropriated profit		
	(Rupees '000)						
Balance at April 1, 2016 - as previously reported	77,686	259	25,823	2,379,991	577,310	-	3,061,069
Impact of restatement - note 6	-	-	-	-	-	515,702	515,702
Balance at April 1, 2016 - as restated	77,686	259	25,823	2,379,991	577,310	515,702	3,576,771
Final dividend for the year ended March 31, 2016 declared subsequent to year end	-	-	-	-	(77,686)	-	(77,686)
Transfer to revenue reserves made subsequent to the year ended March 31, 2016	-	-	-	350,000	(350,000)	-	-
Profit after taxation for the year ended March 31, 2017	-	-	-	-	739,256	-	739,256
Other comprehensive income for the year							
Remeasurements of defined benefit plan	-	-	-	-	(11,434)	-	(11,434)
Deferred tax on remeasurements of defined benefit plan	-	-	-	-	3,430	-	3,430
Transferred from revaluation surplus on property, plant and equipment - net of tax (note 18)	-	-	-	-	(8,004)	-	(8,004)
Revaluation surplus on property, plant and equipment - adjustment due to change in tax rate (note 18)	-	-	-	-	-	216	216
Balance as at March 31, 2017 - as restated	77,686	259	25,823	2,729,991	893,562	503,232	4,230,553
Final dividend for the year ended March 31, 2017 declared subsequent to year end	-	-	-	-	(97,108)	-	(97,108)
Transfer to revenue reserves made subsequent to the year ended March 31, 2017	-	-	-	600,000	(600,000)	-	-
Profit after taxation for the year ended March 31, 2018	-	-	-	-	21,621	-	21,621
Other comprehensive income for the year							
Remeasurements of defined benefit plan	-	-	-	-	(2,943)	-	(2,943)
Deferred tax on remeasurements of defined benefit plan	-	-	-	-	736	-	736
	-	-	-	-	(2,207)	-	(2,207)
Gain on revaluation of land and buildings - net	-	-	-	-	-	134,215	134,215
Deferred tax on gain on revaluation of land and buildings - net	-	-	-	-	-	(829)	(829)
Transferred from revaluation surplus on property, plant and equipment - net of tax (note 18)	-	-	-	-	-	133,386	133,386
Revaluation surplus on property, plant and equipment - adjustment due to change in tax rate (note 18)	-	-	-	-	-	861	861
Balance as at March 31, 2018	77,686	259	25,823	3,329,991	228,554	624,793	4,287,106

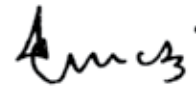
The annexed notes 1 to 48 form an integral part of these financial statements.



Arif Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

1 THE COMPANY AND ITS OPERATIONS

Exide Pakistan Limited (the Company) is a public limited company and is incorporated in Pakistan. The address of its registered office is A-44, Hill Street, Manghopir Road, S.I.T.E, Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange. The Company is engaged in the manufacturing and sale of batteries, chemicals and acid. Manufacturing facilities for batteries are located at S.I.T.E Karachi while facilities for chemicals and acid are located at S.I.T.E and Bin Qasim Karachi.

2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

- a) The Company has closed its battery manufacturing facility located at Hub Balochistan and has relocated the facility in its entirety to a new plot purchased at A-47, Hill Street, Manghopir Road, S.I.T.E, Karachi, Pakistan;
- b) The average price of lead (main raw material of battery manufacturing) has increased from USD 2,231.19 / MT during 2017 to USD 2,397 / MT during 2018;
- c) The exchange rate of USD to PKR has increased from PKR 104.84 as at March 31, 2017 to PKR 115.49 as at March 31, 2018;
- d) Due to applicability of the Companies Act, 2017 to the financial statements of the Company, amounts reported for the previous period have been restated. For detailed information please refer to note 3.3 and note 6; and
- e) For a detailed discussion about the Company's performance please refer to the Directors' report.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Accounting convention

These financial statements have been prepared under the historical cost convention except that inventories are carried at lower of cost or net realisable value, land and buildings are stated at revalued amounts and certain staff retirement benefits are carried at present value.

3.3 New and amended standards and interpretations to published approved accounting standards that are effective in the current year

The following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on or after April 1, 2017 and are considered to be relevant to the Company's financial statements:

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

IAS 7, 'Statement of cash flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's disclosure initiative, which continues to explore how financial statement disclosure can be improved. In the first year of adoption, comparative information need not be provided. The disclosure has been made in note 40.2 to these financial statements.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. These changes also include change in respect of recognition criteria of revaluation surplus of property, plant and equipment as more fully explained in note 6, change in nomenclature of primary statements, etc.

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements; and
- incorporation of significant additional disclosures.

3.4 New and amended standards and interpretations to published approved accounting standards that are not yet effective in the current year

3.4.1 The following standards, amendments and interpretations with respect to approved accounting standards would be effective from the date mentioned below against the respective standards, amendments or interpretations:

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

The standards highlighted above may impact the financial statements of the Company on adoption. The Management is currently in the process of assessing the impact on the financial statements of the Company.

3.4.2 There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after April 1, 2018 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

4 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:

- Estimation of provision against doubtful trade debts (note 5.6 and note 13);
- Provision against battery warranty claims (note 5.9 and note 20.4);

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

- iii) Provision against slow moving and obsolete stock-in-trade (note 5.5 and note 12);
- iv) Provision against slow moving and obsolete stores and spares (note 5.4 and note 11);
- v) Estimation of liability in respect of staff retirement gratuity (note 5.11 and note 35);
- vi) Provision for taxation (note 5.13, note 19 and note 33); and
- vii) Estimation of useful lives and depreciation rates of property, plant and equipment (note 5.1 and note 7).

5 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 except for change in accounting policy as mentioned in note 6 to these financial statements.

5.1 Property, plant and equipment

5.1.1 Operating fixed assets

Leasehold land and buildings on leasehold land are stated at revalued amounts less accumulated depreciation 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 statement of profit or loss 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 7.1 to these financial statements and after taking into account residual values, if significant. The revalued amount of leasehold land and buildings on leasehold land is amortised / depreciated equally over the remaining life from the date of revaluation. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

Depreciation on additions is charged from the month in which the assets become available for use, while no depreciation is charged in the month of disposal.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit.

Gains / losses on disposal of property, plant and equipment are charged to the statement of profit or loss.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

5.1.2 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.

5.2 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 using the straight line method in accordance with the rate specified in note 7.9 to these financial statements.

Cost associated with maintaining computer software is charged to the statement of profit or loss.

5.3 Financial instruments

5.3.1 Financial assets

5.3.1.1 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 statement of financial position.

c) Held to maturity

These are financial assets with fixed or determinable payments and fixed maturity and for 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 either (a) financial assets at fair value through profit or loss (b) loans and receivables or (c) held to maturity.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

5.3.1.2 Initial recognition and measurement

All financial assets are recognised at the time the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Company commits to purchase or sell the assets. 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 statement of profit or loss.

5.3.1.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) Financial assets 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 statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the statement of profit or loss 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 statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognised in other comprehensive income.

For financial assets that are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the statement of financial position date.

Unquoted financial assets, where the fair value cannot be reliably determined, are recognised at cost less impairment, if any. Provision for impairment in value is taken to the statement of profit or loss.

b) 'Loans and receivables' and 'held to maturity'

Loans and receivables and held to maturity financial assets are carried at amortised cost.

5.3.1.4 Impairment

The Company assesses at each statement of financial position date whether there is objective evidence that a 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 statement of profit or loss.

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 statement of profit or loss.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

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 statement of profit or loss. 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 statement of profit or loss. Impairment losses recognised in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss.

5.3.2 Investment in subsidiary company

Investments in subsidiaries are valued at cost less impairment, if any.

The Company considers that a decline in the recoverable value of the investment in a subsidiary below its cost may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognized when the recoverable value falls below the carrying value and is charged to the statement of profit or loss. A subsequent reversal of an impairment loss, upto the cost of the investment in the subsidiary, is credited to the statement of profit or loss.

Gains and losses on disposal of investments in subsidiaries are included in the statement of profit or loss.

5.3.3 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

5.3.4 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 statement of profit or loss.

5.3.5 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.

5.4 Stores and spares

Stores and spares are valued cost less provision if any. The cost is determined using the weighted average method. Cost comprises invoice value plus other charges incurred thereon.

Provision is made in the financial statements for slow moving and obsolete stores and spares based on management's best estimate regarding their future usability whenever necessary and is recognised in the statement of profit or loss.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

5.5 Stock-in-trade

Stock in trade, except goods in transit, are valued at the lower of cost, determined using the weighted average method, and net realisable value. Cost in relation to stock-in-trade, except goods in transit, represents direct cost of materials, direct wages and an appropriate portion of production overheads and the related duties where applicable. Goods in transit are valued at cost comprising invoice values plus other charges incurred thereon.

Provision is made in the financial statements against slow moving and obsolete stock-in-trade based on management's best estimate regarding their future usability whenever necessary and is recognised in the statement of profit or loss.

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.

5.6 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made against doubtful trade debts and other receivables which is determined based on management's review of outstanding amounts and previous repayment pattern. Balances considered bad and irrecoverable are written off.

5.7 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 in cases where such costs are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) in which case such costs are capitalised as part of the cost of that asset.

5.8 Trade and other payables

Trade and other payables are recognised initially 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.

5.9 Provision against 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.

5.10 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 embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. The amount recognised represents the best estimate of the expenditure required to settle the obligation at the statement of financial position date. Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

5.11 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, 2018 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 statement of financial position immediately, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur; and
- (b) an approved contributory provident fund for all eligible employees. Monthly equal contributions are made to the fund by the Company and the employees at the rate of 10 % - 20 % of the basic salary.

Staff retirement benefits are payable to staff on completion of the prescribed qualifying period of service under these funds / scheme.

5.12 Employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned.

5.13 Taxation

Current

Provision for current taxation is based on taxable income for the year, if any, at the current rates of taxation after taking into consideration tax credits and rebates and exemptions available, if any. The charge for current tax also includes adjustments, where considered necessary, relating to prior years which arise from assessments / developments made during the year.

Deferred

Deferred tax is recognised using the balance sheet liability method on all major temporary differences arising between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. Deferred tax is calculated using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date.

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 carrying amount of the deferred tax asset is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

5.14 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 statement of profit or loss on a straight-line basis over the period of the lease.

5.15 Impairment

The carrying amount of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment loss. If any 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 recognised as an expense immediately in the statement of profit or loss.

5.16 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents include cash and cheques in hand, balances with banks and short-term borrowings with original maturities of three months or less.

5.17 Revenue recognition

Sales are stated net of sales tax and discounts and are recognised when persuasive evidence of sale exists. The key area of judgment in recognising revenue is the timing of recognition, which reflects the point or period when the Company has transferred significant risks and rewards of ownership to third parties. Revenue from sale of goods is measured at fair value of the consideration received or receivable and is recognised as revenue on dispatch of goods to customers.

Scrap sales are stated net of sales tax and are recognised in the year in which scrap sales are made.

Mark-up income on deposit accounts with banks and other income is recognised as revenue on accrual basis.

5.18 Proposed dividends and transfers between reserves

Dividends declared and transfers between reserves made subsequent to the statement of financial position 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.

5.19 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

5.20 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

5.21 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 statement of financial position 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 statement of profit or loss.

5.22 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.

6 CHANGE IN ACCOUNTING POLICY

The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS requirements. Accordingly, in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity.

Following the application of IAS 16, the Company's accounting policy for surplus on revaluation of land and building stands amended as follows:

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

The effect of change in accounting policy is summarised below:

	As at March 31, 2017			As at March 31, 2016		
	As previously reported	As re-stated	Re-statement	As previously reported	As re-stated	Re-statement
	Rupees '000					
Effect on statement of financial position						
Surplus on revaluation of property, plant and equipment	503,232	-	(503,232)	515,702	-	(515,71.2)
Share capital and reserves	-	503,232	503,232	-	515,702	515,702
Effect on statement of changes in equity						
Revaluation surplus on property, plant and equipment	-	503,232	503,232		515,702	515,702
				For the year ended March 31, 2017		
				As previously reported	As re-stated	Re-statement
				Rupees '000		
Effect on statement of comprehensive income						
Gain on revaluation of land and buildings - net of deferred tax				-	-	-

There was no cash flow impact as a result of the retrospective application of change in accounting policy.

7	PROPERTY, PLANT AND EQUIPMENT	Note	2018	2017
			(Rupees '000)	
	Operating fixed assets	7.1	1,501,590	1,258,825
	Capital work-in-progress	7.8	115,608	183,700
	Intangible assets	7.9	14,662	-
			1,631,860	1,442,525

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

7.1 Operating fixed assets

	2018						
	Leasehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment and appliances	Vehicles	Total
	Rupees '000						
At April 1, 2017							
Cost / revalued amount	570,297	66,236	1,504,739	18,000	29,920	129,959	2,319,151
Accumulated depreciation	(11,806)	(6,237)	(929,508)	(11,107)	(24,375)	(77,293)	(1,060,326)
Net book value	558,491	59,999	575,231	6,893	5,545	52,666	1,258,825
Additions / transfers from CWIP	118,383	15,367	114,263	2,769	3,530	16,587	270,899
Adjustments due to revaluation in							
Cost or revaluation	(25,579)	(3,316)	-	-	-	-	(28,895)
Accumulated depreciation	25,579	3,316	-	-	-	-	28,895
Surplus on revaluation during the year	130,899	3,316	-	-	-	-	134,215
Disposals:							
Cost	-	-	(4,226)	-	-	(13,562)	(17,788)
Depreciation	-	-	1,796	-	-	8,763	10,559
Depreciation charge for the year	(13,773)	(7,682)	(2,430)	(1,703)	(2,427)	(4,799)	(155,120)
Closing net book value	794,000	71,000	574,939	7,959	6,648	47,044	1,501,590
At March 31, 2018							
Cost / revalued amount	794,000	81,603	1,614,776	20,769	33,450	132,984	2,677,582
Accumulated depreciation	-	(10,603)	(1,039,837)	(12,810)	(26,802)	(85,940)	(1,175,992)
Net book value	794,000	71,000	574,939	7,959	6,648	47,044	1,501,590
Depreciation rate % per annum	1 - 2	5 - 10	10 - 20	10 - 20	10 - 20	10 - 20	
	2017						
	Leasehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment and appliances	Vehicles	Total
	Rupees '000						
At April 1, 2016							
Cost / revalued amount	570,297	66,236	1,450,830	15,754	28,199	104,581	2,235,897
Accumulated depreciation	(401)	-	(821,354)	(9,608)	(22,381)	(65,927)	(919,671)
Net book value	569,896	66,236	629,476	6,146	5,818	38,654	1,316,226
Additions / transfers from CWIP	-	-	53,909	2,246	2,968	33,290	92,413
Disposals:							
Cost	-	-	-	-	(1,247)	(7,912)	(9,159)
Depreciation	-	-	-	-	1,247	4,663	5,910
Depreciation charge for the year	(11,405)	(6,237)	(108,154)	(1,499)	(3,241)	(16,029)	(146,565)
Closing net book value	558,491	59,999	575,231	6,893	5,545	52,666	1,258,825
At March 31, 2017							
Cost / revalued amount	570,297	66,236	1,504,739	18,000	29,920	129,959	2,319,151
Accumulated depreciation	(11,806)	(6,237)	(929,508)	(11,107)	(24,375)	(77,293)	(1,060,326)
Net book value	558,491	59,999	575,231	6,893	5,545	52,666	1,258,825
Depreciation rate % per annum	1 - 2	5 - 10	10 - 20	10 - 20	10 - 20	10 - 20	

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

7.2 As at March 31, 2018, leasehold land and buildings on leasehold land of the Company have been revalued resulting in a surplus of Rs 134.215 million over the written down values of Rs 730.785 million. The valuation was carried out by an independent valuer - M/s Shahani & Co. on the basis of present market values for similar sized plots in the vicinity and replacement values of similar type of buildings based on present cost of construction. As at March 31, 2018, an amount of Rs 629.937 million (2017: Rs 509.055 million) remains undepreciated.

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

	2018	2017
	----- (Rupees '000) -----	
Leasehold land	184,640	68,846
Buildings on leasehold land	50,423	40,589

7.3 Forced sales value of leasehold land and buildings on leasehold land is Rs 650.400 million and Rs 56.800 million respectively.

7.4 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage of immovable property	Total Area (In acres)	Covered Area (In sq.ft)
a) 40-K, Block 6, P.E.C.H.S. Karachi.	Sale office	0.41	6,000
b) A/45, Hill Street, S.I.T.E. Karachi.	Manufacturing facility	2.92	90,238
c) D-7, S.I.T.E. Karachi.	Manufacturing facility (Chemicals)	2.61	91,630
d) B-119-121,124-127, H.I.T.E., Hub, Dist. Lasbella, Baluchistan	Manufacturing facility	3.91	68,000
e) E2/1/P-12 (F-11), Eastern Industrial Zone, Port Qasim Authority Area, Karachi	Manufacturing facility (Chemicals)	2.00	16,800
f) A/47, Hill Street, S.I.T.E. Karachi	Manufacturing facility (under construction)	1.91	2,500
g) 62-A-I and 62-A-II, Industrial Estate, Multan	Plot	6.00	N/A

7.5 Included in cost of fixed assets - own use are fully depreciated items which are still in use aggregating to Rs. 562.951 million (2017: Rs. 471.055 million).

7.6 Particulars of property, plant and equipment disposed of during the year, having net book value exceeding Rs 500,000 are as follows:

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposals / settlement	Particulars of buyers / purchasers
	----- (Rupees '000) -----						
Vehicles							
Honda City	1,667	250	1,417	1,517	100	Company Policy	Mr. Ali Asim
Honda City	1,663	915	748	1,140	392	Company Policy	Mr. Mukarram Khan
Suzuki Cultus	1,034	379	655	810	155	Company Policy	Mr. Sheeraz Hussain
Suzuki Cultus	1,039	381	658	810	152	Company Policy	Mr. Sohail Aslam
Machinery							
Panel of SNG Plant	4,226	1,796	2,430	2,971	541	Insurance claim	Jubilee General Insurance
2018	9,629	3,721	5,908	7,248	1,340		
2017	7,368	4,119	3,249	5,137	1,888		

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

7.7 The Company allocates amortisation and depreciation charge to cost of sales, selling and distribution expense and administration and general expenses. Amounts allocated during the year are as follows:

	Note	Amortisation		Depreciation	
		2018	2017	2018	2017
		----- (Rupees '000) -----		----- (Rupees '000) -----	
Cost of sales	26	6,964	-	147,364	139,237
Selling and distribution expenses	27	147	-	3,102	2,931
Administration and general expenses	28	220	-	4,654	4,397
		7,331	-	155,120	146,565

7.8 Capital work-in-progress

	2018	2017
	----- (Rupees '000) -----	
Plant and machinery	115,608	31,506
Advance against purchase of land	-	130,201
Advances to suppliers / contractors	-	21,993
	115,608	183,700

7.9 Intangible assets

Particulars	2018							
	Cost			Accumulated Depreciation			Net book value as at March 31	Amortisation rate % per annum
	As at April 1	Transfers from CWIP	As at March 31	As at April 1	Charge for the year	As at March 31		
Software	7,331	21,993	29,324	7,331	7,331	14,662	14,662	33

Particulars	2017							
	Cost			Accumulated Depreciation			Net book value as at March 31	Amortisation rate % per annum
	As at April 1	Transfers from CWIP	As at March 31	As at April 1	Charge for the year	As at March 31		
Software	7,331	-	7,331	7,331	-	7,331	-	33

8 LONG-TERM INVESTMENT

Percentage holding	2018	2017
	----- (Rupees '000) -----	
Investment in related party - at cost		

Subsidiary company - Unquoted

22,350 (2017: 22,350) ordinary shares of Rs 10 each held in Chloride Pakistan (Private) Limited, a private limited company incorporated in Pakistan

100%	224	224
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8.1 Chloride Pakistan (Private) Limited (CPL) has not yet commenced production. The auditors of CPL have included an emphasis of matter paragraph in their report on the matter highlighting that the financial statements have not been prepared on a going concern basis and consequently all the assets appearing in the financial statements have been measured at their realisable values and the liabilities are reported at amounts not less than those at which these are expected to be settled.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

- 8.2** The Securities and Exchange Commission of Pakistan vide letter no. EMD/233/443/2002.1526 dated June 13, 2018, has granted exemption to the Company from the preparation of consolidated financial statements. The audited balance sheet as at March 31, 2018 and the profit and loss account for the year ended March 31, 2018 of CPL are as follows:

BALANCE SHEET	2018	2017
	----- (Rupees '000) -----	
ASSETS		
Current assets		
Receivable from Exide Pakistan Limited - Holding Company	15	18
Cash and bank balance	6	19
TOTAL ASSETS	21	37
EQUITY AND LIABILITIES		
Authorised capital		
10,000,000 (2017: 10,000,000) ordinary shares of Rs. 10/- each	100,000	100,000
Share capital	224	224
Accumulated losses	(960)	(894)
	(736)	(670)
Current liability		
Accrued and other liabilities	82	82
Loan from a Director - subordinated	675	625
	757	707
TOTAL EQUITY AND LIABILITIES	21	37
PROFIT AND LOSS ACCOUNT		
Revenue	-	-
Direct expenses	-	-
Gross profit / (loss)	-	-
Administrative and general expenses		
Legal and professional charges	(23)	(14)
Auditors' remuneration	(43)	(40)
Bank charges	-	-
Loss before taxation	(66)	(54)
Taxation	-	-
Loss after taxation	(66)	(54)
	----- (Rupees) -----	
Loss per share - basic	(2.98)	(2.43)

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

- 8.4** Investment in subsidiary company has been made in accordance with the requirements under the Companies Act, 2017.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

9	LONG-TERM LOANS (considered good - unsecured)	Note	2018	2017
			----- (Rupees '000) -----	
	Due from:			
	Executives	9.1, 9.2 & 9.3	972	1,197
	Employees	9.1	1,459	922
			2,431	2,119
	Less: receivable within one year	14	(1,515)	(1,275)
			916	844

9.1 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.

2018	2017
----- (Rupees '000) -----	

9.2 Reconciliation of carrying amount of loans due from Executives

Opening balance	1,197	641
Disbursements during the year	994	1,035
Repayments during the year	(1,219)	(479)
Closing balance	972	1,197

9.3 The maximum aggregate amount due from Executives at the end of any month during the year was Rs 0.972 million (2017: Rs 1.197 million).

10	LONG-TERM DEPOSITS	Note	2018	2017
			----- (Rupees '000) -----	
	Utilities		19,708	19,008
	Others		18,285	15,730
			37,993	34,738

11 STORES AND SPARES

Spares (including in transit of Rs. 2.028 million (2017: Rs. 0.97 million))	102,833	94,769
Stores	13,200	24,060
	116,033	118,829
Less: provision against slow moving and obsolete stores and spares	11.1 (10,629)	(11,867)
	105,404	106,962

11.1 Provision against slow moving and obsolete stores and spares

11.1	Provision against slow moving and obsolete stores and spares	Note	2018	2017
			----- (Rupees '000) -----	
	Opening balance		11,867	11,024
	(Reversal of provision) / provision made during the year	29 & 30	(1,238)	843
	Closing balance		10,629	11,867

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

	Note	2018	2017
		----- (Rupees '000) -----	
12 STOCK-IN-TRADE			
Raw and packing materials and components (including goods-in-transit of Rs 364 million (2017: Rs 626 million))		1,136,753	1,551,855
Work-in-process		452,817	513,418
Finished goods		706,272	1,828,928
		2,295,842	3,894,201
Less: Provision against slow moving and obsolete stock-in-trade	12.1	(29,458)	(27,320)
		2,266,384	3,866,881
12.1 Provision against slow moving and obsolete stock-in-trade			
Opening balance		27,320	26,056
Provision made during the year	30	2,138	1,264
Closing balance		29,458	27,320
12.2			
Raw materials and components amounting to Rs 37.733 million (2017: Rs 114.051 million) were held by Precision Polymers (Private) Limited, Wakil Enterprises and Mesia Inc. who under an arrangement with the Company, manufacture plastic containers, lids and vent plugs for the Company.			
13 TRADE DEBTS (unsecured)	Note	2018	2017
		----- (Rupees '000) -----	
Considered			
- good		3,146,701	2,331,845
- doubtful		44,528	38,407
		3,191,229	2,370,252
Less: Provision against doubtful trade debts	13.1	(44,528)	(38,407)
		3,146,701	2,331,845
13.1 Provision against doubtful trade debts			
Opening balance		38,407	31,564
Provision made during the year	30	6,171	6,843
Reversals made during the year	29	(50)	-
Closing balance		44,528	38,407
13.2			
As at March 31, 2018, Rs 935.106 million (2017: Rs 724.084 million) of the gross trade debts are over due out of which Rs 44.528 million (2017: Rs 38.407 million) are impaired and provided for. These balances relate to various customers for whom there is no recent history of default. The age analysis of these trade debts is as follows:			
		2018	2017
		----- (Rupees '000) -----	
By 3 months		547,042	421,355
4 to 6 months		196,781	161,271
Over 6 months		191,283	141,458
		935,106	724,084

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

	Note	2018	2017
----- (Rupees '000) -----			
14			
LOANS AND ADVANCES (considered good - unsecured)			
Current portion of long term loans due from employees and executives	9	1,515	1,275
Advances to:			
- employees	14.1	92	113
- suppliers		31,944	29,290
		33,551	30,678

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

	Note	2018	2017
----- (Rupees '000) -----			
15			
TRADE DEPOSITS, SHORT-TERM PREPAYMENTS AND OTHER RECEIVABLES			
Short-term prepayments		23,464	5,415
Insurance claims		429	6,304
Receivable from defined benefit plans	15.1	26,904	31,358
Workers' Profits Participation Fund	20.3	1,272	-
Container deposits		2,025	-
Others		1,239	1,235
		55,333	44,312

15.1 Receivable from defined benefit plans

	2018			2017		
	Exide	ABCL	Total	Exide	ABCL	Total
----- (Rupees '000) -----						
Balance at April 1	(28,824)	(2,534)	(31,358)	(15,918)	(3,664)	(19,582)
Charge for the year	969	571	1,540	(19,768)	(3,005)	(22,773)
Other comprehensive income	3,610	(667)	2,943	7,299	4,135	11,434
Contributions paid	(29)	-	(29)	(437)	-	(437)
Balance at March 31	(24,274)	(2,630)	(26,904)	(28,824)	(2,534)	(31,358)

15.2 Automotive Battery Company Limited (ABCL) was merged with Exide Pakistan Limited (Exide) in accordance with the scheme of amalgamation approved by the Honorable High Court of Sindh on March 11, 2009. The said amalgamation was effective from March 31, 2008. However, the resulting amalgamation did not affect the staff retirement funds operated by both the companies as a result of which separate funds are being operated for the employees of both companies.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

16 CASH AND BANK BALANCES

Balances with banks - current accounts
Cheques in hand
Cash in hand

2018	2017
----- (Rupees '000) -----	
36,746	239,056
843,572	778,553
96	287
880,414	1,017,896

17 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2018	2017
----- (Number of shares) -----	

359,248	359,248	Ordinary shares of Rs 10 each issued as fully paid in cash
20,894	20,894	Ordinary shares of Rs 10 each issued for consideration other than cash
7,144,309	7,144,309	Ordinary shares of Rs 10 each issued as fully paid bonus shares
244,167	244,167	Ordinary shares of Rs 10 each issued to minority shareholders of Automotive Battery Company Limited
7,768,618	7,768,618	

2018	2017
----- (Rupees '000) -----	

3,592	3,592
209	209
71,443	71,443
2,442	2,442
77,686	77,686

17.1 Shares held by the related parties of the Company

Name of the shareholders

Mr. Arif Hashwani
Mr. Hussain Hashwani
Mr. Altaf Hashwani
Mr. S. Haider Mehdi
Syed Muhammad Faiq
Ms. Sana Arif Hashwani
Ms. Zaver Hashwani
Mr. Ayub Hameed
Mr. Arshad Shehzada

2018	2017
----- Number of shares -----	

500	500
1,250,601	1,250,601
1,412,945	1,412,945
652	652
87	87
1,593,053	1,593,053
1,595,687	1,594,087
100	100
13	13

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

18 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - NET OF TAX

This represents surplus arising on revaluation of leasehold land and buildings on leasehold land, net of deferred tax thereon.

Note	2018	2017
	----- (Rupees '000) -----	
Surplus on revaluation of operating fixed assets as at April 1	509,055	522,388
Surplus arising on revaluation during the year	134,215	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(12,686)	(12,686)
Related deferred tax liability	(647)	(647)
Surplus on revaluation of operating fixed assets as at March 31	629,937	509,055
Less: related deferred tax liability:		
- at beginning of the year	5,823	6,686
- on surplus arising on revaluation during the year	829	-
- on adjustment due to change in tax rate	(861)	(216)
- on incremental depreciation charged during the year	(647)	(647)
	5,144	5,823
	624,793	503,232

19 DEFERRED TAXATION - NET

Deferred tax liability arising on taxable temporary differences due to:

- Accelerated tax depreciation
- Revaluation surplus on property, plant and equipment
- Remeasurement of defined benefit obligations
- Provision for gratuity

Deferred tax assets arising on deductible temporary differences due to:

- Provision against slow moving and obsolete stock-in-trade
- Provision against slow moving and obsolete stores and spares
- Provision against doubtful trade debts
- Provision against battery warranty claims

2018	2017
----- (Rupees '000) -----	
48,051	61,877
5,144	5,823
4,166	3,430
2,560	5,977
59,921	77,107
(7,365)	(8,196)
(2,657)	(3,560)
(11,132)	(11,522)
(29,172)	(50,732)
(50,326)	(74,010)
9,595	3,097

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

	Note	2018	2017
		----- (Rupees '000) -----	
20 TRADE AND OTHER PAYABLES			
Creditors		329,354	461,579
Bills payable		329,108	613,079
Accrued liabilities	20.1 & 20.2	452,007	560,402
Advances from customers		27,116	27,173
Workers' Profits Participation Fund	20.3	-	2,022
Workers' Welfare Fund		32,051	33,871
Provision against battery warranty claims	20.4	116,687	169,108
Payable to provident funds		2,380	1,564
Royalty payable		11,268	11,934
Sales tax payable		66,366	90,006
Penalty payable		1,000	-
Others	20.5	10,410	17,885
		1,377,747	1,988,623

20.1 This includes an amount of Rs 4.926 million (2017: Rs 5.733 million) in respect of employees compensated absences.

20.2 This includes an amount of Rs 36.345 million (2017: Rs 32.745 million) in respect of rent payable to Zaver Enterprises - related party.

	Note	2018	2017
		----- (Rupees '000) -----	
20.3 Workers' Profits Participation Fund			
Balance at April 1		2,022	(424)
Allocation for the year	30	10,443	56,978
		12,465	56,554
Interest on funds utilised in the Company's business	31	-	134
		12,465	56,688
Less: Amount paid during the year		(13,737)	(54,666)
Balance at March 31		(1,272)	2,022
20.4 Provision against battery warranty claims			
Balance at April 1		169,108	143,904
Charge for the year	27	294,960	629,732
Claims paid during the year		(347,381)	(604,528)
Balance at March 31		116,687	169,108

20.5 This includes an amount of Rs 0.015 million (2017: Rs 0.018 million) payable to the subsidiary company, Chloride Pakistan (Private) Limited (CPL).

20.6 Based on the un-audited financial information of the provident and gratuity funds ('the Funds') as at March 31, 2018, investments in collective investment schemes and listed equity securities out of the Funds have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

21	ACCRUED PROFIT / MARK-UP	Note	2018	2017
			----- (Rupees '000) -----	
	Profit accrued on:			
	- Running musharakah		29,185	23,631
	- Istisna		9,973	9,007
			39,158	32,638
	Markup accrued on:			
	- Running finance		1,486	-
			40,644	32,638
22	LOAN FROM A DIRECTOR (unsecured)			
	Loan from a Director	22.1	305,550	-

22.1 This represents loan provided by the Chairman of the Company at his own discretion for the purpose of working capital requirements. The loan is unsecured and does not carry any interest. The expected time of repayment of the loan is less than one year.

23	SHORT-TERM BORROWINGS	Note	2018	2017
			----- (Rupees '000) -----	
	From banking companies - secured	23.1		
	- Running musharakah		1,953,210	2,317,509
	- Istisna		399,422	799,947
			2,352,632	3,117,456
	- Running finance		497,699	-
			2,850,331	3,117,456

23.1 These facilities, representing Running Musharakah, Istisna and Running Finance facilities, are available from certain commercial banks up to Rs. 4,710 million (2017: Rs. 5,210 million) and carry profit / mark-up ranging from 6.22% to 7.50% (2017: 6.04% to 7.26%) per annum. These facilities are valid until July 15, 2018 and are generally renewable. At March 31, 2018, unutilised facilities aggregated to Rs. 1,860 million (2017: Rs. 2,093 million).

23.2 At March 31, 2018, unutilised letter of credit and letter of guarantee facilities from certain banks amounted to Rs. 3,580 million (2017: Rs. 3,421 million) in addition to the limit mentioned in note 23.1. Total letter of credit and letter of guarantee facilities sanctioned to the Company amounted to Rs. 4,015 million (2017: Rs. 4,015 million).

23.3 All the above mentioned facilities are secured by way of pari passu and joint hypothecation charge over the company's present and future stock-in-trade and trade debts.

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 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

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

of law to the Honorable Sindh High Court, which upheld the order of the Tribunal vide its judgment dated January 27, 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.

24.1.2 The Company received notice from the Directorate of Intelligence and Investigation – Federal Board of Revenue (FBR), Lahore on April 15, 2011. In the said notice it was alleged that the Company had purchased goods from certain dummy / fake suppliers who got themselves registered with the Regional Tax Officers at Lahore, Faisalabad and Karachi and issued fake sales tax invoices to the Company and accordingly the Company has claimed illegal / inadmissible input tax adjustment amounting to Rs 157.297 million for the period from July 2005 to February 2011. As a result the name of the Company was included as an accused person in the First Information Report (FIR) No. 04/2011 dated March 26, 2011 registered by the Additional Director, Intelligence and Investigation – FBR, Lahore.

The management of the Company is of the view that the Company always purchases taxable goods from active taxpayers only as per the guidelines of the FBR in order to claim valid input tax under section 7 of the Sales Tax Act, 1990 (Act). The management is also of the view that on the 15th calendar day of the following month the Company electronically files its Sales Tax Returns and the web portal of FBR accepts input tax claim for only active tax payers. The dummy / fake suppliers as alleged in the FIR were active at the time of purchase of goods and were filing their sales tax returns which was accepted by the web portal of FBR. This made the Company believe that it was safe and legitimate to conclude that the alleged suppliers at the time of supplying taxable goods to the Company were making their output tax payments. The Company had no other means of confirmation. The Company further explained that the payments to these alleged dummy suppliers were made through crossed cheques after physical receipt of goods in order to comply with the requirement of Section 73 of the Act. Income tax was deducted at source under section 153 of the Income Tax Ordinance, 2001.

The Company has, therefore, filed a Constitutional Petition in the Honorable Sindh High Court (the Court) and prayed to quash the FIR against the Company and declare the notice illegal. The Court has restrained the tax authorities from proceeding with the matter and the notices issued by the tax authorities have been stayed. The department filed an appeal in the Honorable Supreme Court of Pakistan against interim injunction order passed by a learned Division Bench of the Honorable Sindh High Court. The department's appeal was rejected by the Honorable Supreme Court of Pakistan. Majority of alleged accused persons challenged the said FIR no. 04/2011 in the Lahore High Court, however, the Lahore High Court has quashed the said FIR no. 04/2011. 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.

24.1.3 The Company received notice no. 10(1)/IRAO(IANDI)/IR/2014/553 dated 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

24.1.4 Through the Finance Act, 2017, Section 5A of the Income Tax Ordinance, 2001 was amended. Through the revised provision a tax equal to 7.5 percent of accounting profit for the year will be levied on every public company, other than a scheduled bank and modaraba, if distribution of cash dividend or bonus shares of at least 40 percent of the accounting profit after tax for the year is not made. However, the management is of the view that this amendment is opposed to the principles of economic growth and has, therefore, challenged the amendment in the Honorable Sindh High Court. In this respect, the Company has been granted a stay order by the Honorable Sindh High Court in respect of levy of the above tax. Accordingly, provision amounting to Rs 79.57 million for the year ended March 31, 2017 has not been made in these financial statements in respect of the additional tax liability and the management expects a favourable outcome in this respect.

Further, through the Finance Act, 2018, Section 5A of the Income Tax Ordinance, 2001 has been further amended. Through the revised provision a tax equal to 5 percent of accounting profit for the year will be levied on every public company, other than a scheduled bank and modaraba, if distribution of cash dividend of at least 20 percent of the accounting profit after tax for the year is not made. Keeping in view the stay order granted by the Honorable Sindh High Court in respect of levy of the above tax, provision amounting to Rs 9.73 million for the year ended March 31, 2018 has not been made in these financial statements in respect of the additional tax liability and the management expects a favourable outcome in this respect.

24.2 Commitments 2018 2017
----- (Rupees '000) -----

24.2.1 Commitments in respect of:

Capital expenditure contracted for but not incurred	7,287	6,462
Letters of credit	366,402	534,585
Letters of guarantee	68,206	59,819

25 SALES - net

	Note	Batteries		Chemicals		Total	
		2018	2017	2018	2017	2018	2017

----- (Rupees '000) -----							
Sales		15,840,559	16,574,343	345,094	328,482	16,185,653	16,902,825
Sales tax		2,557,763	2,692,034	50,142	47,728	2,607,905	2,739,762
Discounts to distributors and customers		1,276,337	1,253,123	-	-	1,276,337	1,253,123
		3,834,100	3,945,157	50,142	47,728	3,884,242	3,992,885
Net sales		12,006,459	12,629,186	294,952	280,754	12,301,411	12,909,940

26 COST OF SALES

Opening stock		1,526,085	1,147,870	25,770	12,032	1,551,855	1,159,902
Purchases		8,052,629	10,086,913	160,386	169,569	8,213,015	10,256,482
		9,578,714	11,234,783	186,156	181,601	9,764,870	11,416,384
Closing stock		(1,128,024)	(1,526,085)	(8,729)	(25,770)	(1,136,753)	(1,551,855)
Raw and packing materials consumed		8,450,690	9,708,698	177,427	155,831	8,628,117	9,864,529
Salaries, wages and benefits	26.1	320,911	343,397	31,986	30,210	352,897	373,607
Spares consumed		53,615	61,654	-	-	53,615	61,654
Rent, rates and taxes		44,722	49,994	232	440	44,954	50,434
Fuel, power and water		310,569	357,608	39,595	35,873	350,164	393,481
Insurance		25,915	21,326	2,208	2,601	28,123	23,927
Repairs and maintenance		82,331	64,214	7,033	6,953	89,364	71,167
Depreciation	7.7	144,164	136,294	3,200	2,943	147,364	139,237
Amortisation	7.7	6,813	-	151	-	6,964	-
General expenses		54,830	63,767	5,144	6,587	59,974	70,354
Opening stock of work-in-process		511,522	521,214	1,896	2,466	513,418	523,680
Closing stock of work-in-process		(450,546)	(511,522)	(2,271)	(1,896)	(452,817)	(513,418)
Cost of goods manufactured		9,555,536	10,816,644	266,601	242,008	9,822,137	11,058,652
Opening stock of finished goods		1,824,210	1,106,669	4,718	5,886	1,828,928	1,112,555
		11,379,746	11,923,313	271,319	247,894	11,651,065	12,171,207
Closing stock of finished goods		(696,760)	(1,824,210)	(9,512)	(4,718)	(706,272)	(1,828,928)
		10,682,986	10,099,103	261,807	243,176	10,944,793	10,342,279

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

26.1 Salaries, wages and benefits include Rs 7.153 million (2017: Rs 7.088 million) in respect of staff retirement benefits.

27 SELLING AND DISTRIBUTION EXPENSES

Note	Batteries		Chemicals		Total		
	2018	2017	2018	2017	2018	2017	
(Rupees '000)							
Salaries, wages and benefits	27.1	92,085	72,689	443	528	92,528	73,217
Repairs and maintenance		1,743	1,430	-	-	1,743	1,430
Royalty	27.2	11,267	11,934	-	-	11,267	11,934
Advertising		117,492	111,012	-	-	117,492	111,012
Sales promotion		25,180	31,086	-	-	25,180	31,086
Rent, rates and taxes		18,387	18,762	-	-	18,387	18,762
Insurance		25,322	22,107	-	-	25,322	22,107
Printing and stationery		988	1,663	-	-	988	1,663
Carriage and forwarding		233,166	263,055	4,138	4,677	237,304	267,732
Battery warranty claims	20.4	294,960	629,732	-	-	294,960	629,732
Travelling, conveyance and entertainment		14,635	16,267	-	-	14,635	16,267
Depreciation	7.7	3,036	2,867	66	64	3,102	2,931
Amortisation	7.7	144	-	3	-	147	-
Postage, telegram, telephone and telex		2,901	2,651	-	-	2,901	2,651
General expenses		22,209	37,403	127	131	22,336	37,534
		863,515	1,222,658	4,777	5,400	868,292	1,228,058

27.1 Salaries, wages and benefits include Rs 1.404 million (2017: Rs 1.391 million) in respect of staff retirement benefits.

27.2 Royalty is paid by the Company to The Furukawa Battery Company Limited, Japan, having its registered office at 4-1, Hoshikawa 2-Chome, Hodogaya-Ku, Yokohama-Shi, Kanagawa-Ken, Japan, and has been computed in accordance with the provisions of the agreements dated April 01, 2010 and April 10, 2017 between The Furukawa Battery Company Limited, Japan and Exide Pakistan Limited.

28 ADMINISTRATION AND GENERAL EXPENSES

Note	Batteries		Chemicals		Total		
	2018	2017	2018	2017	2018	2017	
(Rupees '000)							
Salaries, wages and benefits	28.1	70,856	66,306	1,513	1,471	72,369	67,777
Repairs and maintenance		3,839	5,495	84	122	3,923	5,617
Legal and professional charges		6,196	2,600	135	58	6,331	2,658
Rent, rates and taxes		268	124	5	3	273	127
Insurance		1,211	1,411	27	31	1,238	1,442
Depreciation	7.7	4,555	4,302	99	95	4,654	4,397
Amortisation	7.7	215	-	5	-	220	-
Printing and stationery		1,578	1,781	34	40	1,612	1,821
Travelling, conveyance and entertainment		9,245	9,916	201	220	9,446	10,136
Communication and postage		2,335	2,411	50	53	2,385	2,464
General expenses		6,683	7,235	146	160	6,829	7,395
		106,981	101,581	2,299	2,253	109,280	103,834

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

28.1 Salaries, wages and benefits include Rs 1.300 million (2017: Rs 1.288 million) in respect of staff retirement benefits.

	Note	2018	2017
----- (Rupees '000) -----			
29 OTHER INCOME			
Profit on margin deposits		1,511	3,278
Gain on disposal of property, plant and equipment		4,673	2,131
Reversal of provision for impairment in trade debts	13.1	50	-
Reversal of provision against slow moving and obsolete stores and spares	11.1	1,238	-
Scrap sales		4,229	318
Others		299	-
		12,000	5,727
30 OTHER OPERATING CHARGES			
Auditors' remuneration	30.1	3,962	5,867
Workers' Profits Participation Fund	20.3	10,443	56,978
Workers' Welfare Fund		3,897	21,652
Donations	30.2	499	425
Provision against doubtful trade debts	13.1	6,171	6,843
Provision against slow moving and obsolete stores and spares	11.1	-	843
Provision against slow moving and obsolete stock-in-trade	12.1	2,138	1,264
Bank charges		9,835	9,596
Exchange loss		17,881	12,128
		54,826	115,596
30.1 Auditors' remuneration			
Audit fee		1,617	1,540
Tax advisory services		762	2,677
Fee for the review of half yearly financial information		380	380
Special reports and certifications, audit of provident and gratuity funds		620	825
Out of pocket expenses		583	445
		3,962	5,867
30.2 Donations were not made to any donee in which the Company or a director or his spouse had any interest.			
	Note	2018	2017
----- (Rupees '000) -----			
31 FINANCE COST			
Interest on Workers' Profit Participation Fund	20.3	-	134
Profit on short-term running musharakah		108,478	50,205
Profit on short-term istisna		31,216	14,626
Mark-up on short-term financing finance		1,564	-
		141,258	64,965

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

	Note	2018	2017
		----- (Rupees '000) -----	
32 PENALTY			
Penalty imposed during the year by the Competition Commission of Pakistan	32.1	1,000	-
32.1	During the year, the Competition Commission of Pakistan has imposed a penalty of Rs 1 million on the Company for violating section 10 of the Competition Act, 2010 by omitting to disclose material information related to the products' capacity and characteristics to consumers, and also by engaging in misleading advertisements through various mediums.		
33 TAXATION - NET		2018	2017
		----- (Rupees '000) -----	
Current - for the year		153,768	353,007
- for prior years		11,307	(30,870)
Deferred - net		6,530	(3,888)
Remeasurement of defined benefit obligations to be routed through other comprehensive income		736	3,430
		7,266	(458)
		172,341	321,679
33.1 Relationship between tax expenses and accounting profit			
Accounting profit before tax			1,060,935
Tax rate			31%
Tax on accounting profit			328,890
Tax effect of differences relating to:			
- tax for prior years			(30,870)
- depreciation charged in the financial statements on leasehold land			3,535
- export sales			(602)
- super tax			31,620
- others			(10,894)
Tax expense for the current year			321,679
33.2	Tax charge for the year ended March 31, 2018 represents minimum tax payable under the Income Tax Ordinance, 2001, and for this reason, relationship between tax expense and accounting profit has not been presented.		
33.3	The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available which can be analysed as follows:		

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

	Provision for taxation	Tax assessed (Rupees '000)	Excess / (shortage)
2017	353,007	344,644	8,363
2016	234,858	234,858	-
2015	209,440	212,363	(2,923)

34 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:

	2018 (Rupees '000)	2017 (Rupees '000)
Profit after taxation attributable to ordinary shareholders	<u>21,621</u>	<u>739,256</u>
Weighted average number of ordinary shares outstanding during the year	<u>7,768,618</u>	<u>7,768,618</u>
Earnings per share (EPS)	<u>2.78</u>	<u>95.16</u>

34.1 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2018 and 2017 which would have any effect on the earnings per share if the option to convert is exercised.

35 DEFINED BENEFIT AND DEFINED CONTRIBUTION PLANS

35.1 Defined benefit plan - Staff retirement gratuity plan

General description

As mentioned in note 5.11 (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, 2018 and expense has been recorded based on this latest actuarial valuation report. Presently, separate funds are operating for the employees of Exide Pakistan Limited (Exide) and Automotive Battery Company Limited (ABCL) respectively.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

Principal actuarial assumptions

The following significant assumptions have been used for valuation of this scheme.

	2018		2017	
	Exide	ABCL	Exide	ABCL
a. Valuation discount rate	8.75%	8.75%	8.00%	8.00%
b. Salary increase rate	8.75%	8.75%	8.00%	8.00%
c. Expected rate of return on plan assets	8.75%	8.75%	8.00%	8.00%

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 plans.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Risk of insufficiency of assets

This is managed by making regular contribution to the Fund as advised by the actuary.

Withdrawal risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

35.1.1 The amount recognised in the statement of financial position is determined as follows: (note 15.1)

Note	2018			2017		
	Exide	ABCL	Total	Exide	ABCL	Total
	(Rupees '000)					
Present value of defined benefit obligation	34,956	13,109	48,065	33,668	15,508	49,176
Less: fair value of plan assets	(59,230)	(15,739)	(74,969)	(62,492)	(18,042)	(80,534)
	(24,274)	(2,630)	(26,904)	(28,824)	(2,534)	(31,358)

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

35.1.2 Plan assets comprise of the following:

	2018			
	(Rupees '000)	Percentage composition	(Rupees '000)	Percentage composition
	EXIDE		ABCL	
Debt instruments	42,458	72%	10,437	66%
Mutual funds	14,281	24%	2,991	19%
Equity instruments	462	1%	410	3%
Cash at bank	2,030	3%	1,901	12%
	59,230	100%	15,739	100%

	2017			
	(Rupees '000)	Percentage composition	(Rupees '000)	Percentage composition
	EXIDE		ABCL	
Debt instruments	45,516	77%	-	-
Mutual funds	15,089	25%	1,840	12%
Equity instruments	394	1%	349	2%
Cash at bank	1,493	3%	15,853	101%
	62,492	100%	18,042	100%

	2018						
	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	33,668	(62,492)	(28,824)	15,508	(18,042)	(2,534)	(31,358)
Current service cost	3,320	-	3,320	778	-	778	4,098
Interest expense / (income)	2,424	(4,775)	(2,351)	1,144	(1,351)	(207)	(2,558)
Past service cost	-	-	-	-	-	-	-
	39,412	(67,267)	(27,855)	17,430	(19,393)	(1,963)	(29,818)
Remeasurements:							
- Return on plan assets, excluding amounts included in interest expense	-	-	-	-	-	-	-
- Gain from change in demographic / financial assumptions	-	-	-	-	-	-	-
- Experience adjustment	1,176	2,434	3,610	(2,006)	1,339	(667)	2,943
	1,176	2,434	3,610	(2,006)	1,339	(667)	2,943
Contribution	-	(29)	(29)	-	-	-	(29)
Benefit payments	(5,632)	5,632	-	(2,315)	2,315	-	-
At March 31	34,956	(59,230)	(24,274)	13,109	(15,739)	(2,630)	(26,904)

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

	2017						
	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	43,122	(59,040)	(15,918)	18,586	(22,250)	(3,664)	(19,582)
Current service cost	3,294	-	3,294	2,745	-	2,745	6,039
Interest expense / (income)	3,020	(4,378)	(1,358)	1,291	(1,575)	(284)	(1,642)
Past service cost	(21,704)	-	(21,704)	(5,466)	-	(5,466)	(27,170)
	27,732	(63,418)	(35,686)	17,156	(23,825)	(6,669)	(42,355)
Remeasurements:							
- Return on plan assets, excluding amounts included in interest income	-	-	-	-	-	-	-
- Gain from change in demographic / financial assumptions	-	-	-	-	-	-	-
- Experience adjustment	11,479	(4,180)	7,299	2,211	1,924	4,135	11,434
	11,479	(4,180)	7,299	2,211	1,924	4,135	11,434
Contribution	-	(437)	(437)	-	-	-	(437)
Benefit payments	(5,543)	5,543	-	(3,859)	3,859	-	-
At March 31	33,668	(62,492)	(28,824)	15,508	(18,042)	(2,534)	(31,358)

	2018			2017		
	Exide	ABCL	Total	Exide	ABCL	Total
	(Rupees '000)					

35.1.3 Charge for defined benefit plan

Current service cost	3,320	778	4,098	3,294	2,745	6,039
Interest expense	(2,351)	(207)	(2,558)	(1,358)	(284)	(1,642)
Past service cost	-	-	-	(21,704)	(5,466)	(27,170)
	969	571	1,540	(19,768)	(3,005)	(22,773)

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

	2018					
	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%	-6.14%	6.97%	1.0%	-6.27%	6.94%
Salary increase rate	1.0%	5.46%	-4.82%	1.0%	5.98%	-5.46%
Withdrawal rate	10.0%	0.10%	-0.11%	10.0%	0.06%	-0.06%

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

	Increase by 1 year in assumption	Decrease by 1 year in assumption	Increase by 1 year in assumption	Decrease by 1 year in assumption
	Exide		ABCL	
	(Rupees '000)			
Life expectancy / withdrawal rate	34,974	34,838	13,113	13,102

	2017					
	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%	-5.53%	6.01%	1.0%	-6.24%	6.95%
Salary increase rate	1.0%	3.99%	-3.56%	1.0%	5.66%	-5.13%
Withdrawal rate	10.0%	0.14%	-0.14%	10.0%	-4.57%	-0.07%

	Increase by 1 year in assumption	Decrease by 1 year in assumption	Increase by 1 year in assumption	Decrease by 1 year in assumption
	Exide		ABCL	
	(Rupees '000)			
Life expectancy / withdrawal rate	33,689	33,648	15,515	15,500

Analysis of the above sensitivities 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 statement of financial position.

35.1.5 The weighted average duration of the defined benefit obligation is 6.56 and 6.61 (2017: 5.68 and 6.60) years in Exide and ABCL respectively.

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

At March 31, 2018	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	(Rupees '000)				
Gratuity Exide	4,378	2,016	10,345	52,640	69,379
Gratuity ABCL	324	1,263	3,343	20,222	25,152
Total	4,702	3,279	13,688	72,862	94,531

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

35.1.7 Historical information

	2018	2017	2016	2015	2014
	(Rupees '000)				
Defined benefit obligation - Exide	34,956	33,668	43,122	41,334	38,146
Defined benefit obligation - ABCL	13,109	15,508	18,586	16,072	16,482
	48,065	49,176	61,708	57,406	54,628
Fair value of plan assets - Exide	(59,230)	(62,492)	(59,041)	(56,692)	(55,409)
Fair value of plan assets - ABCL	(15,739)	(18,042)	(22,250)	(19,837)	(18,419)
	(74,969)	(80,534)	(81,290)	(76,529)	(73,828)
Surplus	(26,904)	(31,358)	(19,582)	(19,123)	(19,200)
Remeasurement (gain) / loss on obligation - Exide	1,176	11,479	(1,417)	(2,369)	(1,074)
Remeasurement (gain) / loss on obligation - ABCL	(2,006)	2,211	(1,417)	(3,372)	261
	(830)	13,690	(3,181)	(5,741)	(813)
Gain / (loss) on plan assets - Exide	2,434	(4,180)	(861)	3,319	(3,183)
Gain / (loss) on plan assets - ABCL	1,339	1,924	(861)	781	52
	3,773	2,256	617	(4,100)	3,130

35.1.8 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. 1.640 million and Rs. 0.393 million for Exide and ABCL respectively as per the actuarial valuation report of the Company as of March 31, 2018.

35.1.9 The disclosures made in notes 35.1 to 35.1.8 are based on the information included in the actuarial valuation report of the Company as of March 31, 2018.

35.2 Defined contribution plan - provident fund

An amount of Rs 7.710 million (2017: Rs 5.651 million) has been charged during the year in respect of contributory provident fund maintained by the Company.

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Directors		Executives		Total	
	2018	2017	2018	2017	2018	2017*	2018	2017*
	(Rupees '000)							
Short-term employee benefits								
Managerial remuneration	3,518	1,537	7,712	5,457	17,720	9,591	28,950	16,585
Bonus	-	-	679	757	1,018	61	1,697	818
Leave pay	144	102	190	128	84	403	418	633
Housing, utilities and reimbursable expenses	-	1,643	2,282	3,609	7,142	3,590	9,424	8,842
Medical expenses	381	132	471	243	1,848	959	2,700	1,334
Retirement benefits								
Defined benefit plan	-	-	642	455	567	83	1,209	538
Defined contribution plan	-	-	367	546	681	326	1,048	872
	4,043	3,414	12,343	11,195	29,060	15,013	45,446	29,622
Number of persons	1	1	2	2	7	4	10	7

* Comparative figures have been restated to reflect changes in the definition of executive as per Companies Act, 2017.

Notes to and Forming Part of the Financial Statements

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36.1 The chief executive and directors are provided with free use of Company maintained cars and residential telephones in accordance with their entitlement. Certain executives are also provided with Company maintained cars.

36.2 Remuneration to other directors

Aggregate amount charged in the financial statements for fee to directors was Rs 0.2 million (2017: Rs 0.12 million).

37 TRANSACTIONS WITH RELATED PARTIES

Related parties include subsidiary company, entities under common directorship, directors, major shareholders, key management personnel and retirement benefit funds. Transactions with related parties essentially entail rent expense and transactions with key management personnel. Details of transactions with related parties and the balances with them as at year end other than those which have been disclosed else where are as follows:

	Subsidiary company		Key management personnel		Other related parties	
	2018	2017	2018	2017	2018	2017
	(Rupees'000)					
Expenses charged to	3	7	-	-	-	-
Transactions with key management personnel:						
- Salaries	-	-	29,979	25,654	-	-
- Defined benefit plan - post employment benefits	-	-	642	538	-	-
- Defined contribution plan	-	-	367	587	-	-
- Sale of motor vehicle having cost of Rs. 1.663 million (2017: Rs 1.374 million) and book value of Rs. 0.748 million (2017: Nil) for	-	-	637	611	-	-
Rent expense	-	-	-	-	42,460	42,460
Expenses charged in respect of staff contribution plan	-	-	-	-	7,710	5,651
Expenses charged in respect of staff defined benefit plan	-	-	-	-	1,540	(22,773)

37.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S. No.	Company name	Basis of association	Aggregate % of shareholding
1	Chloride Pakistan (Private) Limited	Subsidiary company	100%
2	Zaver Enterprises	Common directorship	N/A

37.2 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 of Chief Executive, Directors and Executives are disclosed in note 36 to these financial statements.

37.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

37.4 Particulars of transactions with workers' profit participation fund and staff retirement benefit plans are disclosed in note 20.3 and 20.1 respectively to these financial statements.

Notes to and Forming Part of the Financial Statements

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38 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 (2017: 33,000 MT) per annum whereas actual production during the year was 30,128 MT (2017: 29,305 MT).

39 CASH GENERATED FROM OPERATIONS	Note	2018	2017
		----- (Rupees '000) -----	
Profit before taxation		193,962	1,060,935
Adjustments:			
Depreciation	7.7	155,120	146,565
Amortisation	7.7	7,331	-
Gain on disposal of property, plant and equipment	29	(4,673)	(2,131)
Provision against slow moving and obsolete stores and spares - net	29	(1,238)	843
Provision against doubtful trade debts - net	29 & 30	6,121	6,843
Provision against slow moving and obsolete stock-in-trade	30	2,138	1,264
Finance cost	31	141,258	64,965
Working capital changes	39.1	152,465	(537,619)
		652,484	741,665
39.1 Working capital changes			
Decrease / (increase) in current assets			
Spares		2,796	19,613
Stock-in-trade		1,598,359	(1,098,064)
Trade debts		(820,977)	171,605
Loans and advances		(2,873)	(4,049)
Trade deposits, short-term prepayments and other receivables		(13,964)	(21,602)
		763,341	(932,497)
(Decrease) / increase in trade and other payables		(610,876)	394,878
		152,465	(537,619)

40 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise of the following statement of financial position amounts:

	Note	2018	2017
		----- (Rupees '000) -----	
Cash and bank balances	16	880,414	1,017,896
Short-term borrowings	23	(2,850,331)	(3,117,456)
		(1,969,917)	(2,099,560)

40.1 Reconciliation of liabilities arising from financing activities

	As at March 31, 2017	Non-cash changes	Cash Flows	As at March 31, 2018
	----- (Rupees '000) -----			
Unclaimed dividend	3,182	97,108	(99,066)	1,224
Loan from a Director	-	-	305,550	305,550
Total liabilities from financing activities	3,182	97,108	206,484	306,774

Notes to and Forming Part of the Financial Statements

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41 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	Note	Batteries		Chemicals		Company	
		2018	2017	2018	2017	2018	2017
(Rupees '000)							
Net Sales	25	12,006,459	12,629,186	294,952	280,754	12,301,411	12,909,940
Cost of sales	26	(10,682,986)	(10,099,103)	(261,807)	(243,176)	(10,944,793)	(10,342,279)
Gross profit		1,323,473	2,530,083	33,145	37,578	1,356,618	2,567,661
Selling and distribution expenses	27	(863,515)	(1,222,658)	(4,777)	(5,400)	(868,292)	(1,228,058)
Administration and general expenses	28	(106,981)	(101,581)	(2,299)	(2,253)	(109,280)	(103,834)
Other income		4,229	318	-	-	4,229	318
Unallocated other income	41.7	-	-	-	-	7,771	5,409
	29					12,000	5,727
Unallocated other operating charges	41.7 & 30	-	-	-	-	(54,826)	(115,596)
Operating profit		357,206	1,206,162	26,069	29,925	336,220	1,125,900
41.1 Segment assets		7,032,911	7,623,059	172,771	169,466	7,205,682	7,792,525
41.2 Unallocated assets	41.7					1,666,515	1,583,024
						8,872,197	9,375,549
41.3 Segment liabilities		475,638	807,370	8,541	13,924	484,179	821,294
41.4 Unallocated liabilities	41.7					4,100,912	4,323,702
						4,585,091	5,144,996
41.5 Capital expenditure		219,410	231,814	5,390	5,153	224,800	236,967
41.6 Depreciation expense		151,401	143,378	3,719	3,187	155,120	146,565

41.7 Certain liabilities, assets, other income and other operating charges of the Company cannot be allocated to a specific segment. Accordingly, these amounts have been classified as unallocated.

42 FINANCIAL INSTRUMENTS BY CATEGORY

2018	2017
(Rupees '000)	

42.1 Financial assets and financial liabilities

Financial assets

Loans and receivables

Long-term investment	224	224
Loans and advances	34,467	31,522
Long-term deposits	37,993	34,738
Trade debts	3,146,701	2,331,845
Trade deposits and other receivables	30,597	38,897
Cash and bank balances	880,414	1,017,896
	4,130,396	3,455,122

Financial liabilities

Financial liabilities at amortised cost

Trade and other payables	1,251,214	1,835,551
Unclaimed dividend	1,224	3,182
Accrued mark-up	40,644	32,638
Loan from a Director	305,550	-
Short-term borrowings	2,850,331	3,117,456
	4,448,963	4,988,827

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43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities are exposed to a variety of financial risks namely 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.

43.1 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.

Concentration of credit risk

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. The financial assets of the Company that are subject to credit risk amounted to Rs 4,130.300 million (2017: Rs 3,454.835 million).

Out of the total bank balance of Rs 36.746 million (2017: Rs 239.056 million) placed with banks maintained in current accounts, amounts aggregating Rs 17.099 million (2017: Rs 233.038 million) have been placed with banks having short-term credit rating of A1+. Whereas the remaining amounts are placed with banks having minimum short term credit rating of A1. Management, after giving due consideration to their strong financial standing, does not expect non-performance by these counter parties on their obligations to the company.

The most significant financial asset exposed to credit risk is the trade debts of the company. For trade debts, individual credit limits are assigned to customers based on the recommendations from respective business unit heads keeping in view their payment history, financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. The concentration of credit risk lies in the top 15 (2017: 15) customers which constitute 26% (2017: 20%) of the company's trade debts.

The breakup of gross amounts due from customers other than related parties as disclosed in note 13 to these financial statements is presented below:

	2018	2017
	----- (Rupees '000) -----	
Due from customers other than related parties		
Direct customers	184,808	167,222
Distributors	3,006,421	2,203,030
	3,191,229	2,370,252

Out of Rs 3,191.229 million (2017: Rs 2,370.252 million), the company has provided Rs 44.528 million (2017: Rs 38.407 million) as amounts being doubtful. The age profile of trade debts overdue and impaired to the extent of Rs 44.528 million (2017: Rs 38.407 million) has been disclosed in note 13.2 to these financial statements.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

43.2 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 43.3.2 of these financial statements.

43.3 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, interest rate risk and other price risks.

43.3.1 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 and Japanese Yen. 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:

	2018	2017
	----- (Rupees '000) -----	
Bills payable		
US Dollar	2,824	5,657
Japanese Yen	9,173	14,918
GB Pound	-	20
Euro	-	50

As at March 31, 2018, if the Pakistani Rupee had weakened / strengthened by 1% against US Dollar, Japanese Yen, GB Pound and Euro with all other receivables held constant, profit before taxation for the year would have been higher / lower by Rs 3.362 million (2017: Rs 6.141 million).

43.3.2 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 borrowings 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, 2018, with all other variables held constant, the net assets and profit before taxation for the year would have been lower / higher by Rs 28.503 million (2017: Rs 28.433 million).

The movement in liability under short-term borrowings and KIBOR rates are expected to change over time. Therefore, the sensitivity analysis prepared as at March 31, 2018 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.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

The company is exposed to interest / mark-up rate risk in respect of the following:

2018							
Effective interest rate (in percentage)	Interest / mark-up bearing			Non interest / mark up bearing			Total
	Maturity upto one year	Maturity upto 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							
Long-term investment	-	-	-	-	224	224	224
Loans and advances	-	-	-	33,551	916	34,467	34,467
Long-term deposits	-	-	-	-	37,993	37,993	37,993
Trade debts	-	-	-	3,146,701	-	3,146,701	3,146,701
Trade deposits and other receivables	-	-	-	30,597	-	30,597	30,597
Cash and bank balances	-	-	-	880,414	-	880,414	880,414
	-	-	-	4,091,263	39,133	4,130,396	4,130,396
Financial liabilities							
Financial liabilities at amortised cost							
Trade and other payables	-	-	-	1,251,214	-	1,251,214	1,251,214
Unclaimed dividend	-	-	-	1,224	-	1,224	1,224
Accrued profit / mark-up	-	-	-	40,644	-	40,644	40,644
Loan from a Director	-	-	-	305,550	-	305,550	305,550
Short-term borrowings	2,850,331	-	2,850,331	-	-	-	2,850,331
	2,850,331	-	2,850,331	1,598,632	-	1,598,632	4,448,963
	(2,850,331)	-	(2,850,331)	2,492,631	39,133	2,531,764	(318,567)
On balance sheet gap							
Off-balance sheet financial instruments							
Commitments in respect of capital expenditure	-	-	-	7,287	-	7,287	7,287
Commitments in respect of Letter of credit	-	-	-	366,402	-	366,402	366,402
Outstanding bank guarantees	-	-	-	68,206	-	68,206	68,206
	-	-	-	441,895	-	441,895	441,895

2017							
Effective interest rate (in percentage)	Interest / mark-up bearing			Non interest / mark up bearing			Total
	Maturity upto one year	Maturity upto 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							
Long-term investment	-	-	-	-	224	224	224
Loans and advances	-	-	-	30,678	844	31,522	31,522
Long-term deposits	-	-	-	-	34,738	34,738	34,738
Trade debts	-	-	-	2,331,845	-	2,331,845	2,331,845
Trade deposits and other receivables	-	-	-	38,897	-	38,897	38,897
Cash and bank balances	-	-	-	1,017,896	-	1,017,896	1,017,896
	-	-	-	3,419,316	35,806	3,455,122	3,455,122
Financial liabilities							
Financial liabilities at amortised cost							
Trade and other payables	-	-	-	1,835,551	-	1,835,551	1,835,551
Unclaimed dividend	-	-	-	3,182	-	3,182	3,182
Accrued profit / mark-up	-	-	-	32,638	-	32,638	32,638
Short-term borrowings	3,117,456	-	3,117,456	-	-	-	3,117,456
	3,117,456	-	3,117,456	1,871,371	-	1,871,371	4,988,827
	(3,117,456)	-	(3,117,456)	1,547,945	35,806	1,583,751	(1,533,705)
On balance sheet gap							
Off-balance sheet financial instruments							
Commitments in respect of capital expenditure	-	-	-	6,462	-	6,462	6,462
Commitments in respect of Letter of credit	-	-	-	534,585	-	534,585	534,585
Outstanding bank guarantees	-	-	-	59,819	-	59,819	59,819
	-	-	-	600,866	-	600,866	600,866

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

43.3.3 Price risk

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

43.4 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 repriced periodically.

International Financial Reporting Standard 13, 'Fair Value Measurements' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Currently there are no financial assets or financial liabilities which are measured at their fair value in the statement of financial position.

43.4.1 Certain categories of operating fixed assets (leasehold land and buildings on leasehold land) are carried at revalued amounts (level 2 measurement) determined by a professional valuer based on their assessment of the market values as disclosed in note 7 to these financial statements.

44 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 statement of financial position plus net debt.

Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018

	2018	2017
	----- (Rupees '000) -----	
Total borrowings	2,850,331	3,117,456
Less: Cash and bank balances	880,414	1,017,896
Net debt	1,969,917	2,099,560
Total equity	4,287,106	4,230,553
	6,257,023	6,330,113

Gearing ratio	31.48%	33.17%
----------------------	---------------	--------

	2018	2017
	----- Number -----	

45 NUMBER OF EMPLOYEES

45.1 Number of employees at March 31

- Permanent	444	438
- Contractual	33	32
	477	470

This includes 177 (2017: 101) number of factory employees

45.2 Average number of employees during the year

- Permanent	454	440
- Contractual	33	32
	487	472

This includes 183 (2017: 109) number of factory employees

46 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

As per the requirements of the fourth schedule to the Companies Act, 2017, shariah compliant companies and the companies listed on Islamic Index shall disclose the following:

- (i) Loans / advances obtained as per Islamic mode - refer note 23
- (ii) Mark up paid on Islamic mode of financing - refer note 31
- (iii) Profits earned or interest paid on any conventional loan or advance - refer note 29 and 31

47 GENERAL AND CORRESPONDING FIGURES

Amounts have been rounded to the nearest thousand rupees unless otherwise stated. Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. There were no significant reclassifications / restatements to these financial statements during the year except as mentioned below:


Notes to and Forming Part of the Financial Statements

For the year ended March 31, 2018


Reclassification from Statement of Financial Position	Reclassification to Statement of Financial Position	2017 Rupees '000
Trade and other payables	Unclaimed dividend	3,182

48 DATE OF AUTHORISATION

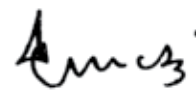
These financial statements were authorised for issue on June 30, 2018 by the Board of Directors of the Company.



Arif Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer

Pattern of Shareholding

as on 31 March 2018

NO. OF SHAREHOLDERS	HAVING SHARES		SHARES HELD	PERCENTAGE
	From	To		
1286	1	100	42566	0.5479
440	101	500	115232	1.4833
129	501	1000	89364	1.1503
85	1001	5000	162170	2.0875
3	5001	10000	18100	0.2330
1	10001	15000	11360	0.1462
1	15001	20000	16104	0.2073
1	20001	25000	22790	0.2934
2	45001	50000	97599	1.2563
1	105001	110000	106040	1.3650
1	110001	115000	114582	1.4749
1	180001	185000	182420	2.3482
1	425001	430000	427499	5.5029
1	510001	515000	510724	6.5742
1	1250001	1255000	1250601	16.0981
1	1410001	1415000	1412944	18.1878
1	1590001	1595000	1592836	20.5035
1	1595001	1600000	1595687	20.5402
1956	Company Total		7768618	100.0000

Categories of Shareholders

as on 31 March 2018

Particulars	No of Folio	Balance Share	Percentage
DIRECTORS, CEO, & CHILDREN	11	5853538	75.3485
NIT & ICP	3	510889	6.5763
BANKS, DFI & NBFI	2	347	0.0045
INSURANCE COMPANIES	2	609919	7.8511
MUTUAL FUNDS	4	78910	1.0158
GENERAL PUBLIC (LOCAL)	1864	391395	5.0382
GENERAL PUBLIC (FOREIGN)	42	11180	0.1439
OTHERS	21	197131	2.5375
JOINT STOCK COMPANIES	3	76	0.0010
FOREIGN COMPANIES	3	114623	1.4755
CHARITABLE TRUST	1	12	0.0002
MODARABAS	1	598	0.0077
Company Total	1957	7768618	100.0000

Folio No	Name	Code	Balance Held	Percentage
000000000916	MRS SANA HASHWANI	001	217	0.0028
000000001026	SYED HAIDER MEHDI	001	638	0.0082
000000001190	MR ALTAF HASHWANI	001	1	0.0000
000000001733	MR SYED HAIDER MEHDI	001	14	0.0002
003277005882	ARIF HASHWANI	001	500	0.0064
003277007548	HUSSAIN HASHWANI	001	1250601	16.0981
003277007974	ALTAF HASHWANI	001	1412944	18.1878
003277012059	ARSHAD SHAHZADA	001	13	0.0002
003277070721	SYED MUHAMMAD FAIQ	001	87	0.0011
003277086852	SANA ARIF HASHWANI	001	1592836	20.5035
003277086965	ZAVER HASHWANI	001	1595687	20.5402
000000000360	INVESTMENT CORPN OF PAKISTAN	003	19	0.0002
000000001349	M/S INVESTMENT CORPORATION OF PAKISTAN	003	146	0.0019
014902000021	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	003	510724	6.5742
000083000036	IDBL (ICP UNIT)	004	48	0.0006
003889000028	NATIONAL BANK OF PAKISTAN	004	299	0.0038
002683000023	STATE LIFE INSURANCE CORP. OF PAKISTAN	005	427499	5.5029
003277002538	EFU LIFE ASSURANCE LTD	005	182420	2.3482
003277004962	FIRST ALNOOR MODARABA	006	120	0.0015
005645000024	CDC - TRUSTEE PICIC INVESTMENT FUND	006	22790	0.2934

Categories of Shareholders

as on 31 March 2018

Folio No	Name	Code	Balance Held	Percentage
005777000029	CDC - TRUSTEE PICIC GROWTH FUND	006	48700	0.6269
012120000028	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	006	7300	0.0940
000000000417	KHADIM ALI SHAH BUKHARI & CO	010	68	0.0009
000000001301	M/S HABIB BROTHERS (PVT) LTD	010	304	0.0039
000000001544	M/S MUTUAL TRDG. CO. (PVT) LTD.	010	595	0.0077
000000001822	ZAVER ENTERPRISE	010	106040	1.3650
003277001225	HASHOO HOLDINGS (PVT) LTD	010	16104	0.2073
003277001339	PREMIER FASHION (PVT) LTD	010	2050	0.0264
003277044333	FATEH TEXTILE MILLS LTD.	010	359	0.0046
003277045148	TRUSTEES MRS.KHORSHED H.DINSHAW &MR.HOSHANG N.E.DINSHAW C.TR	010	1061	0.0137
003277078335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	010	48899	0.6294
003277082127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	010	1716	0.0221
003277089566	LIBERTY MILLS LIMITED	010	11360	0.1462
003525057191	SARFRAZ MAHMOOD (PRIVATE) LTD	010	85	0.0011
003525064045	NH CAPITAL (PRIVATE) LIMITED	010	29	0.0004
003525087235	MAPLE LEAF CAPITAL LIMITED	010	1	0.0000
003525089724	SUNRAYS TEXTILE MILLS LIMITED	010	560	0.0072
004457000045	FDM CAPITAL SECURITIES (PVT) LIMITED	010	1500	0.0193
004895000026	DJM SECURITIES (PRIVATE) LIMITED	010	4950	0.0637
005736000015	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	010	200	0.0026
006684000029	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES (PVT) LTD	010	500	0.0064
010629141740	SHADAB INNOVATIONS (PRIVATE) LIMITED	010	250	0.0032
016576000020	INTERMARKET SECURITIES LIMITED - MF	010	500	0.0064
000000000348	HOSHANG DINSHAW (PVT) LTD	011	24	0.0003
000000000811	PERIN DINSHAW (PVT) LTD	011	17	0.0002
000000000812	PERIN DINSHAW (PVT) LTD-MQURESH	011	35	0.0005
000000000795	NOMURA BANK (LUXEMBOURG) SA	012	5	0.0001
000000001053	TEMPLETON GLOBAL STRATEGY SICAV	012	36	0.0005
000000001292	M/S FURUKAWA BATTERY CO LTD	012	114582	1.4749
000000001818	GHULAMAN-E-ABBAS EDUCATIONAL & MEDICAL TRUST	013	12	0.0002
000000001289	M/S FIRST UDL MODARABA	014	598	0.0077

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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 Fifth Annual General Meeting of the Company to be held on July 28, 2018 and at any adjournment
thereof.

Signature this _____ day of _____ 2018.

Signature on
Revenue
Stamp

Signature of Proxy

Signature should agree with
the specimen signature
registered with the Company

فارم برائے پراکسی

سالانہ اجلاس عام

میں/ہم _____ سکنہ _____ ضلع _____ بحیثیت ممبر ایسائیڈ پاکستان لیمیٹڈ، بذریعہ ہذا کمپنی کے ممبر _____ سکنہ _____ کو، اور اس کی عدم موجودگی کی صورت میں دوسرے ممبر _____ سکنہ _____ کو اپنی جگہ 28 جولائی 2018 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام یا کسی ملتوی شدہ اجلاس میں شرکت کرنے اور ووٹ دینے کیلئے اپنا پراکسی مقرر کرتا/کرتی ہوں/کرتے ہیں۔
مورخہ _____ 2018 کو درج ذیل گواہان کی موجودگی میں دستخط کئے گئے۔

۱۔ دستخط _____

نام: _____

پتہ: _____

CNIC یا پاسپورٹ نمبر _____

۲۔ دستخط _____

نام: _____

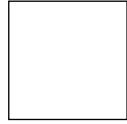
پتہ: _____

CNIC یا پاسپورٹ نمبر _____

فولیو / CDC اکاؤنٹ نمبر

10/- روپے کے ریونیو ٹکٹ پر دستخط

یہ دستخط کمپنی میں رجسٹرڈ نمونے کے دستخط کے مطابق ہونا چاہئیں



اہم ہدایات:

- ہر لحاظ سے مکمل اور دستخط شدہ پراکسی فارم، کمپنی کے رجسٹرڈ آفس 44-A سائٹ کراچی میں اجلاس شروع ہونے کے وقت سے کم از کم 48 گھنٹے پہلے لازمی طور پر پہنچ جانا چاہئے۔
- کوئی ایسا شخص پراکسی مقرر نہیں کیا جاسکتا جو کمپنی کا ممبر نہ ہو، البتہ کارپوریشن کسی غیر ممبر کو پراکسی مقرر کر سکتی ہے۔
- اگر کوئی شخص ایک سے زیادہ پراکسی مقرر کرے اور پراکسی کی ایک سے زیادہ دستاویز جمع کرائے تو ایسی تمام دستاویز مسترد کر دی جائیں گی۔

CDC اکاؤنٹ ہولڈرز / کارپوریشن اکائیوں کیلئے ہدایات

درج بالا کے علاوہ درج ذیل شرائط پوری ہونا بھی لازمی ہے:

- پراکسی فارم پر دو گواہان کے دستخط مع ان کے نام، پتے اور CNIC نمبر درج ہونا لازمی ہے۔
- پراکسی فارم کے ہمراہ مستفید ہونے والے ممبر (Beneficial Owner) اور پراکسی کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپی منسلک ہونا لازمی ہے۔
- پراکسی کو اجلاس میں شرکت کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- کارپوریٹ اکائی کی صورت میں پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نمونے کے دستخط (اگر پہلے سے جمع نہ کرائے گئے ہوں) کمپنی کے پاس جمع کرانا ضروری ہے۔

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

Tariq Abdul Ghani Maqbool & 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, 2018.

Accounts:

The Audited Accounts of the Company for the year ended March 31, 2018 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: Tariq Abdul Ghani Maqbool & 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 06, 2018

Auditors' Report to the Members

We have audited the annexed balance sheet of Chloride Pakistan (Private) Limited (the Company) as at March 31, 2018 and the related profit and loss account, statement of comprehensive income, statement of cash flows 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.

Management Responsibility for the Financial Statements

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.

Auditor's Responsibility

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:

Opinion

- i) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- ii) in our opinion:
 - a) the balance sheet, profit and loss account and the statement of comprehensive income together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - b) the expenditure incurred during the year was for the purpose of the Company's business; and
 - c) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

- iii) 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, statement of cash flows 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, 2018 and of the loss, total comprehensive loss, its cash flows and changes in equity for the year then ended; and
- iv) In our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Other Matters

We draw attention to note 3.1 to the financial statements, which states that these financial statements have not been prepared on a going concern basis as the Company was not able to commence its operations since inception from March 20, 1994 till March 31, 2018. Accordingly, the carrying value of the assets as at March 31, 2018 are presented at the estimated net realisable values and all liabilities are presented at estimated settlement amounts. Our opinion is not qualified in respect of this matter.

Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants *Tagm*

Audit Engagement Partner: Younus Mohiuddin

Date: June 6, 2018

Karachi.

Balance Sheet

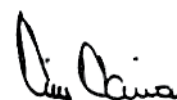
as at March 31, 2018

Note	2018	2017
	----- (Rupees) -----	
ASSETS		
Current Assets		
	Receivable from Exide Pakistan Limited	5
	Cash and bank balances	6
	TOTAL ASSETS	
EQUITY AND LIABILITIES		
Authorized Capital		
	10,000,000 (2017: 10,000,000) ordinary shares of Rs.10/- each	
	Share capital	7
	Accumulated losses	
Current Liabilities		
	Accrued and other liabilities	8
	Loan from Director- unsecured	9
	TOTAL EQUITY AND LIABILITIES	
CONTINGENCIES AND COMMITMENTS		
		10

The annexed notes 1 to 15 form an integral part of these financial statements.



Altaf Hashwani
Chief Executive



Arif Hashwani
Director

Profit and Loss Account


For the year ended March 31, 2018

Note	2018	2017
	----- (Rupees) -----	
Revenue	-	-
Direct expenses	-	-
Gross profit/ (loss)	-	-
Administrative and general expenses:		
Legal and professional charges	23,325	14,350
Auditors' remuneration	43,200	40,000
Bank charges	250	40
	(66,775)	(54,390)
Loss before taxation	(66,775)	(54,390)
Taxation	-	-
Loss after taxation	(66,775)	(54,390)
Loss per share- Basic (Rupees)	(2.98)	(2.43)

The annexed notes 1 to 15 form an integral part of these financial statements.



Altaf Hashwani
Chief Executive



Arif Hashwani
Director

Statement of Comprehensive Income

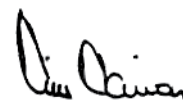
For the year ended March 31, 2018

	2018	2017
	----- (Rupees) -----	
Loss after taxation	(66,775)	(54,390)
Other comprehensive income	-	-
Total comprehensive loss for the year	(66,775)	(54,390)

The annexed notes 1 to 15 form an integral part of these financial statements.



Altaf Hashwani
Chief Executive



Arif Hashwani
Director

Cash Flow Statement

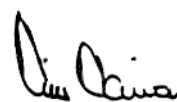
For the year ended March 31, 2018

Note	2018	2017
	(Rupees)	
	(66,775)	(54,390)
	-	-
	(66,775)	(54,390)
	Working capital changes:	
	3,325	6,850
	-	6,472
	50,000	50,000
	(13,450)	8,932
	(13,450)	8,932
	19,221	10,289
6	5,771	19,221

The annexed notes 1 to 15 form an integral part of these financial statements.



Altaf Hashwani
Chief Executive



Arif Hashwani
Director

Statement of Changes in Equity

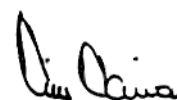
For the year ended March 31, 2018

	Share Capital	Accumulated losses (Rupees)	Total
Balance as at March 31, 2016	223,800	(839,297)	(615,497)
Loss for the year	-	(54,390)	(54,390)
Other comprehensive loss for the year	-	-	-
Total comprehensive loss for the year	-	(54,390)	(54,390)
Balance as at March 31, 2017	223,800	(893,687)	(669,887)
Loss for the year	-	(66,775)	(66,775)
Other comprehensive loss for the year	-	-	-
Total comprehensive loss for the year	-	(66,775)	(66,775)
Balance as at March 31, 2018	223,800	(960,462)	(736,662)

The annexed notes 1 to 15 form an integral part of these financial statements.



Altaf Hashwani
Chief Executive



Arif Hashwani
Director

Notes to the Financial Statements

For the year ended March 31, 2018

1. STATUS AND NATURE OF BUSINESS

Chloride Pakistan Private Limited, a subsidiary of Exide Pakistan Limited, was incorporated in Pakistan on March 20, 1994 as a private limited company under the Companies Ordinance, 1984 to take the benefit of tax exemption in Hattar. However, the exemption was taken off after its incorporation and therefore the Company did not commence its operations. The principal activity of the Company is to manufacture and market automotive batteries and industrial cells. The registered office of the Company is situated at A-44 Hill Street Mangopir Road, S.I.T.E Karachi.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PREPARATION

3.1 Basis of measurement

These financial statements have not been prepared on a going concern basis as the Company was not able to commence its operations. Therefore, all assets and liabilities are classified as current and assets are measured at lower of their carrying amount and fair value less cost of sell.

3.2 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.

3.3 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates, judgments and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. The estimates made during the year include judgments made in respect of financial instruments (note 14).

3.4 New accounting standards/ amendments and IFRS interpretations that are effective for the year ended March 31, 2018

The following standards, amendments and interpretations are effective for the year ended March 31, 2018. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	Effective from accounting period beginning on or after January 01, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	Effective from accounting period beginning on or after January 01, 2017

Notes to the Financial Statements

For the year ended March 31, 2018

3.5 New accounting standards/ amendments and IFRS interpretations that are not yet effective:

There are certain standards, amendments and interpretations are effective for accounting periods beginning on or after January 1, 2018, but are considered not relevant or are not expected to have significant impact on the Company's financial statements, therefore, not detailed in these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below:

4.1 Cash and cash equivalents

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

4.2 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, If the Company has a legally enforceable right to setoff the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 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.

Note	2018	2017
	-----	-----
	(Rupees)	

5. RECEIVABLE FROM EXIDE PAKISTAN LIMITED - Holding Company

Balance as on April 01,
Legal and professional charges paid on behalf of the
Company

17,861	24,711
(3,325)	(6,850)
14,536	17,861

Balance as at March 31,

- 5.1** 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.

Note	2018	2017
	-----	-----
	(Rupees)	

6. CASH AND BANK BALANCES

Cash in hand
Cash at bank in current account

276	276
5,495	18,945
5,771	19,221

7. ISSUED, SUBSCRIBED & PAID-UP CAPITAL

22,380 (2017: 22,380) ordinary shares of
Rs. 10/- each fully paid in cash

223,800	223,800
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Notes to the Financial Statements

For the year ended March 31, 2018

7.1 As at March 31, 2018, M/s. Exide Pakistan Limited (Holding Company) holds 22,350 (2017: 22,350) ordinary shares of Rs. 10/- each.

8. ACCRUED AND OTHER LIABILITIES

The above includes accruals relating to audit fee and professional tax.

9. LOAN FROM 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.

10. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at March 31, 2018.

11. AUDITORS' REMUNERATION

Audit fee
Out-of-Pocket expenses

	2018	2017
	----- (Rupees) -----	
	38,000	34,000
	5,200	6,000
	43,200	40,000

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise M/s. Exide Pakistan Limited (Holding Company) and Mr. Arif Hashwani (Director) of the Company. All transactions with related parties entered on agreed basis. Detail of transactions with related parties have been disclosed in note 5 and 9.

13. STAFF STRENGTH

The Company has no employee and is run by its Directors.

14. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

14.1 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placement or other arrangements, to fulfil their obligations.

The Company believes that the credit risk is minimum as financial assets only comprise of balances with bank and receivable from Exide Pakistan Limited and such receivables is adjusted against expenses paid by Exide on behalf of the company.

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

	Note	2018	2017
		----- (Rupees) -----	
Receivable from Exide Pakistan Limited	5	14,536	17,861
Bank balances	6	5,495	18,945

Notes to the Financial Statements

For the year ended March 31, 2018

Bank balances

Credit risk from balances with banks are managed by placing surplus funds with financial institutions having sound external credit rating.

The credit quality of Company's bank balances can be assessed with reference of external credit ratings as follows:

	Rating Agency	Rating Short term	Rating Long term
Habib Bank Limited	JCR-VIS	<u>A-1+</u>	<u>AAA</u>

14.2 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	Note	2018 ----- (Rupees) -----	2017 -----
Accrued and other liabilities	8	<u>81,969</u>	<u>81,969</u>

14.3 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.

15. DATE OF AUTHORISATION

15.1 These financial statements were authorised for issue by the Board of Directors in their meeting held on June 6, 2018.

15.2 Figures have been rounded off to the nearest rupee.



Altaf Hashwani
Chief Executive



Arif Hashwani
Director