

EXIDE PAKISTAN LIMITED

CHAIRMAN'S REVIEW

I am pleased to present on behalf of the Board of Directors, un-audited Accounts of the Company for the 1st Quarter ended June 30, 2013.

The Economy

Pakistan's economy grew by 3.5 percent in the year 2012-13 as against target of 4.3 percent and growth of 3.7 percent in the year 2011-12. The set back is due to under performance of agriculture sector on account of 13 percent fall in cotton production compared to last year and below target output of basmati rice. Foreign Direct Investment grew by 130 percent during July – June 2012-13 and stood at US \$ 1.447 billion as against US \$ 0.627 billion in the corresponding period of last year. Current account deficit reduced to US\$ 2.30 billion in July-June 2012-13 compared to US\$ 4.66 billion in the preceding year due to reduction in trade deficit, improvement in home remittances and coalition support fund payment. Very little is left to rejoice over these positives, when the country's foreign exchange reserves and currency are under constant pressure due to continued repayments to the IMF. During Financial Year 2013, the foreign exchange reserves of the country declined by US\$ 4.28 billion and stood at US\$ 11.01 billion owing to a weak external account position coupled with IMF payment of US\$ 2.70 billion. The Pak Rupee depreciated by 5.4 percent against the green-back during Financial Year 2013 and USD/PK Rupee ended the year at 99.66. CPI inflation has reduced to 7.4 percent during 2012-13 as compared to 11.0 percent in the comparable period of last year. It was Pakistan's first year of single digit inflation after Financial Year 2007. Going forward inflation is expected to rise due to the inflationary measures announced in the budget and expected higher Rupee depreciation in Financial Year 2014.

The Industry

Growth of automotive sector in the preceding few years was instrumental in better capacity utilization of the battery industry. During July 2012-June 2013, locally produced cars' sale declined by 24% to 118,830 cars against 157,325 cars sold in corresponding period of the last year, whereas trucks and buses sales declined by 18%. Farm tractors sales grew during the period from July 2012-June 2013 by 848 units. Sales of motor cycles and three wheelers registered decrease of 1 percent from 829,893 units to 820,217 units.

Prices of major raw material of battery, refined and recycled lead increased during the period under review. This coupled with devaluation of Pak Rupee and increase in energy charges had an impact on cost of goods sold.

Your company has been honored with Brand of the Year Award for the consecutive third time in the year 2011.

Sales

Net sales revenue of the Company for the quarter under review was down by 17.6 percent to Rs. 2.631 billion from Rs. 3.193 billion compared to preceding year due to reduced production.

Production

Production activities were seriously affected due to energy crises, law and order situation and labor unrest. Stress on quality control at all stages of production processes was implemented with great vigor for further strengthening quality standards of the products of your Company.

Profitability

Gross profit for the quarter under review declined from Rs. 502.8 million to Rs.306.4 million down by 39.1 percent compared to preceding year due to reduced sales. Operating profit reduced to Rs. 175.9 million from Rs. 331.7 million recorded in same quarter of the last year. Financial charges decreased to Rs. 7.4 million from Rs. 18.6 million due to better management of working capital requirement. Profit before tax for the quarter under review was Rs. 152.6 million as compared to Rs. 281.9 million recorded in first quarter of the last year.

Earnings per share reduced to Rs. 14.48 as compared with Rs. 26.15 recorded in the previous year.

Future Prospects

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

ARIF HASHWANI

Chairman
Karachi July 30, 2013

EXIDE PAKISTAN LIMITED

BALANCE SHEET AS AT JUNE 30, 2013

	(Unaudited)		(Audited)	
	June 30, 2013	March 31, 2013	June 30, 2013	March 31, 2013
	-----Rupees '000-----			
Property, plant and equipment	1,066,175	1,039,059	1,066,175	1,039,059
Long-term investments	224	224	224	224
Long-term loans and advances - unsecured	1,320	1,451	1,320	1,451
Long-term deposits	19,032	18,703	19,032	18,703
Current Assets				
Spares	56,920	73,136	56,920	73,136
Stock-in-trade	2,187,996	1,605,155	2,187,996	1,605,155
Trade debts	138,876	286,504	138,876	286,504
Loans and advances	38,940	20,347	38,940	20,347
Short-term prepayments, deposits and other receivables	87,975	73,245	87,975	73,245
Taxation recoverable	193,410	102,600	193,410	102,600
Cash and bank balances	414,065	582,762	414,065	582,762
	3,118,182	2,743,749	3,118,182	2,743,749
Current Liabilities and Provisions				
Trade and other payables	1,496,892	963,604	1,496,892	963,604
Mark-up accrued on finances	8,193	6,259	8,193	6,259
Short-term finances	258,418	451,748	258,418	451,748
	1,763,503	1,421,611	1,763,503	1,421,611
Net Current Assets	1,354,679	1,322,138	1,354,679	1,322,138
Long-term Financing				
Deferred Taxation	-	-	-	-
	52,873	52,873	52,873	52,873
Total Net Assets	2,388,557	2,328,702	2,388,557	2,328,702
Financed by:				
Share Capital and Reserves				
Authorised capital	180,000	180,000	180,000	180,000
18,000,000 ordinary shares of Rs 10 each				
Issued, subscribed and paid-up capital	70,624	70,624	70,624	70,624
Capital reserves	259	259	259	259
Reserve for issuance of Bonus Shares	7,062	-	7,062	-
Revenue reserves	1,714,991	1,269,991	1,714,991	1,269,991
Reserve arising on amalgamation - net	25,823	25,823	25,823	25,823
Unappropriated profit	139,861	522,068	139,861	522,068
	1,958,620	1,898,765	1,958,620	1,898,765
Surplus on Revaluation of Fixed Assets - net of tax	429,937	429,937	429,937	429,937
	2,388,557	2,328,702	2,388,557	2,328,702

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

ARIF HASHWANI

Chairman
Karachi July 30, 2013

EXIDE PAKISTAN LIMITED

FOR THE QUARTER ENDED JUNE 30, 2013

	(Unaudited)		(Unaudited)	
	For the 1st Quarter ended June 30, 2013	For the 1st Quarter ended June 30, 2012	For the 1st Quarter ended June 30, 2013	For the 1st Quarter ended June 30, 2012
Net sales	2,539,198	3,103,662	2,539,198	3,103,662
Cost of goods sold	2,247,012	2,616,607	2,247,012	2,616,607
Gross profit	292,186	487,055	292,186	487,055
Distribution cost	106,300	147,851	106,300	147,851
Administrative expenses	22,214	21,063	22,214	21,063
Total Operating expenses	129,316	168,914	129,316	168,914
Operating profit	162,870	318,141	162,870	318,141
Other operating income				
Financial charges	18,568	336,888	18,568	336,888
Other charges	15,941	36,391	15,941	36,391
Profit before taxation	152,580	281,929	152,580	281,929
Provision for taxation - current - for the period	-	-	-	-
- deferred	50,351	97,231	50,351	97,231
Profit after taxation	102,229	184,698	102,229	184,698
Earnings per share	14.48	26.15	14.48	26.15

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ARIF HASHWANI

Chairman
Karachi July 30, 2013

EXIDE PAKISTAN LIMITED

FOR THE QUARTER ENDED JUNE 30, 2013

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ARIF HASHWANI

Chairman
Karachi July 30, 2013

EXIDE PAKISTAN LIMITED

CASH FLOW STATEMENT FOR THE QUARTER ENDED JUNE 30, 2013 (UNAUDITED)

2013 2012
----- (Rupees '000) -----

	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations	225,441	933,177
Financial charges paid	(6,291)	(40,694)
Gratuity paid	-	-
Taxes paid	(141,161)	(57,458)
Decrease in long-term Loan	131	408
Increase in long-term deposits	(329)	1,120
Net cash inflow/(outflow) from operating activities	77,791	836,553

CASH FLOW FROM INVESTING ACTIVITIES

Payment for capital expenditure	(53,158)	(7,470)
Proceeds from sale of fixed assets	-	326
Net cash outflow on investing activities	(53,158)	(7,144)

CASH FLOW FROM FINANCING ACTIVITIES

Dividends paid	-	-
Repayment of loan from a Director	-	(28,000)
Long-term financing	-	-
Net cash outflow on financing activities	-	(28,000)
Net Increase/(decrease) in cash and cash equivalents	24,633	801,409
Cash and cash equivalents at the beginning of the year	131,014	(481,843)
Cash and cash equivalents at the end of the first quarter	155,647	319,566

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

ARIF HASHWANI

Chairman
Karachi July 30, 2013

EXIDE PAKISTAN LIMITED

CASH FLOW STATEMENT FOR THE QUARTER ENDED JUNE 30, 2013 (UNAUDITED)

2013 2012
----- (Rupees '000) -----

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Cash generated from operations	225,441	933,177
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The annexed notes form an integral part of these financial statements.

ARIF HASHWANI


Chairman
Karachi July 30, 2013

EXIDE PAKISTAN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED JUNE 30, 2013
(UNAUDITED)

	Issued, subscribed and paid-up capital	Capital reserves and reserves	Revenue Shares to be issued	Reserve to be arising on reorganisation	Retain- ment profit	Total
	(Rupees '000) --					
Balance at March 31, 2012	70,624	259	981,991	25,823	366,027	1,444,724
Final dividend for the year ended March 31, 2012	-	-	-	-	(42,374)	(42,374)
Transfer to revenue reserve for the year ended March 31, 2012	-	-	288,000	-	(288,000)	-
Profit after taxation for the first quarter ended June 30, 2012	-	-	-	-	184,698	184,698
Balance at June 30, 2012	<u>70,624</u>	<u>259</u>	<u>1,269,991</u>	<u>25,823</u>	<u>220,351</u>	<u>1,387,048</u>
Balance at March 31, 2013	70,624	259	1,269,991	25,823	512,068	1,898,765
Final dividend for the year ended March 31, 2013	-	-	-	-	(42,374)	(42,374)
Transfer to reserve for issuance of bonus shares for the year ended March 31, 2013	-	-	-	7,062	(7,062)	-
Transfer to revenue reserve for the year ended March 31, 2013	-	-	445,000	-	(445,000)	-
Profit after taxation for the first quarter ended June 30, 2013	-	-	-	-	102,229	102,229
Balance at June 30, 2013	<u>70,624</u>	<u>259</u>	<u>1,714,991</u>	<u>7,062</u>	<u>25,823</u>	<u>1,938,620</u>

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


ARIF HASHWANI
Chairman


ARSHAD SHEHZADA
Chief Executive

EXIDE PAKISTAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED JUNE 30, 2013 (UNAUDITED)


- These financial statements are unaudited and are being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984
- These financial statements have been prepared in accordance with the requirements of International Accounting Standard -34 (IAS-34) "Interim Financial Reporting".
- The accounting policies adopted in preparation of these financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the Company.
- PROPERTY, PLANT AND EQUIPMENT**
Following is the cost of operating property, plant and equipment that have been added / disposed off during the quarter ended 30 June 2013.

	Additions	Disposals
	(Rupees '000) -----	
Plant and machinery	4,570	-
Furniture and equipments	80	-
Vehicles	657	-
Office equipment	433	-
	<u>5,740</u>	<u>-</u>
- TRANSACTIONS WITH RELATED PARTIES**
The related parties and associated undertakings comprise of local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel, which are under the terms of their employment, are as follows:

	2013	2012
	(Rupees '000) -----	
Interest charged on loan from director	-	-
Rent expense	9,715	9,715

Key management personnel received an amount of Rs. 5,639 thousand (2012: Rs. 6,542 thousand) out of which Rs. 723 thousand (2012: Rs. 870 thousand) relates to post employment benefits.
- FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**
The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.
- ESTIMATES**
Judgments and estimates made by the management in the preparation of these interim financial statements were the same as those that were applied to the financial statements for the year ended March 31, 2013
- GENERAL**
Amounts have been rounded off to the nearest thousand unless otherwise stated.
- DATE OF AUTHORIZATION FOR ISSUE**
These financial statements were authorised for issue on July 30, 2013 by the Board of Directors of the Company.


ARIF HASHWANI
Chairman

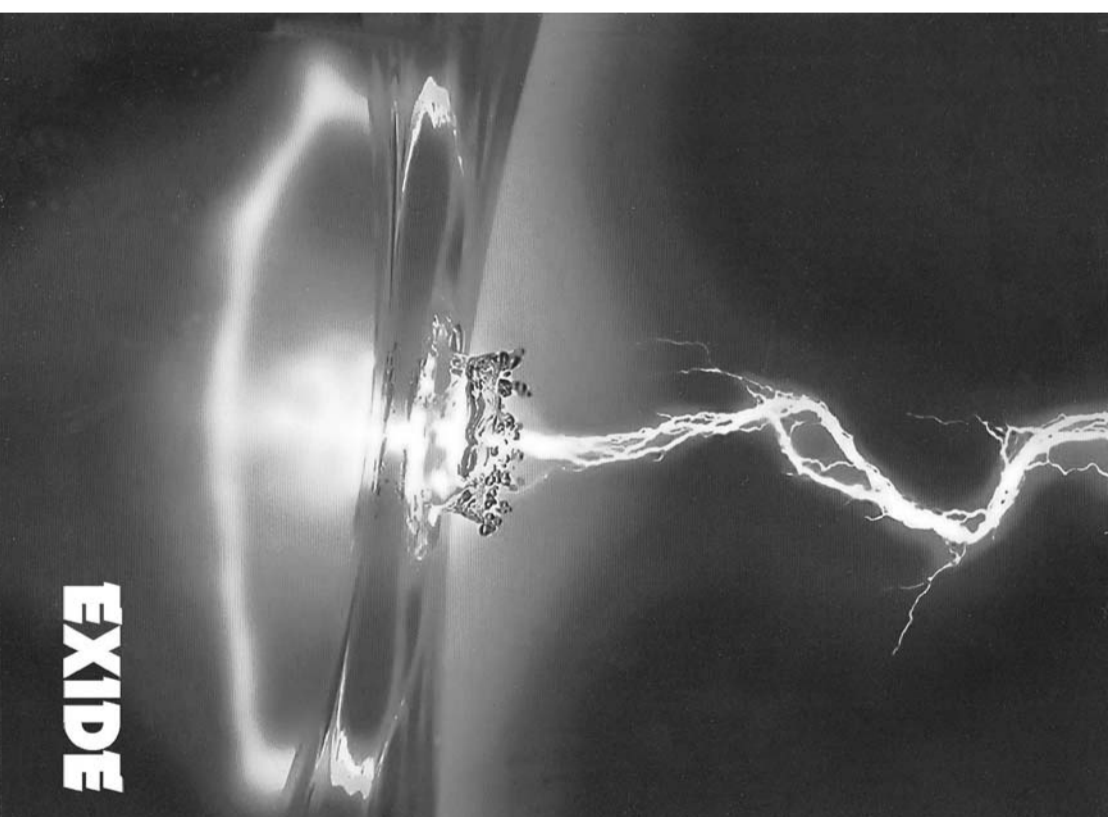

ARSHAD SHEHZADA
Chief Executive

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PAKISTAN LTD.

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S.I.T.E., Karachi-75700 Pakistan.



FIRST QUARTERLY REPORT
JUNE 30, 2013

CORPORATE PROFILE

BOARD OF DIRECTORS

Arif Hashwani - *Chairman*
Arshad Shehzada - *Managing Director / Chief Executive*
Altaf Hashwani
Hussain Hashwani
S. Haider Mehdi
Engr. M. A. Jabbar
S. M. Faig

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

S. Haider Mehdi

AUDIT COMMITTEE

Altaf Hashwani - *Chairman*
Hussain Hashwani
S. M. Faig
Saleem Abdul Ali - *Secretary*

HUMAN RESOURCES COMMITTEE

Arif Hashwani - *Chairman*
Arshad Shehzada - *Member*
Altaf Hashwani - *Member*
S. M. Faig - *Member*
Zulqarnain Shah - *Secretary*

BANKERS

Allied Bank Ltd.
BankIslami Pakistan Ltd.
Bank Al-Falah Limited
Barclays Bank PLC Pakistan
Habib Bank Ltd.
Habib Metropolitan Bank Limited
HSBC Bank Middle East Ltd.
JS Bank Ltd.
MCB Bank Ltd.
Meezan Bank Ltd.
NIB Bank Ltd.
Standard Chartered Bank (Pakistan) Ltd.
United Bank Ltd.

AUDITORS

A. F. Ferguson & Co.

SOLICITORS

Orr Dignam & Co.

REGISTERED OFFICE

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