

REG. No. 9907671



THIRD QUARTERLY REPORT DECEMBER 31, 2012

## 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. Faiq

## CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

S. Haider Mehdi

## AUDIT COMMITTEE

Altaf Hashwani - Chairman

Hussain Hashwani

S. M. Faiq

Saleem Abdul Ali - 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

## CHAIRMAN'S REVIEW

I am pleased to present on behalf of the Board of directors, un-audited Accounts of the Company for the third quarter ended December 31, 2012.

## The Economy

Pakistan's trade deficit fell by 14 percent to US\$ 9.87 billion in July-December 2012 period this year as against US\$ 11.48 billion over the corresponding period last year. The reduction is due to improvement in Exports which rose by 7.6 percent while imports declined by 4.7 percent. As a result of improvement in export proceeds, worker's remittances and two windfall Coalition Support Fund (CSF) payments of US\$ 1.9 billion, current account deficit also resulted in surplus of US\$ 250 million in July- December 2012. Very little is left to rejoice over these positives, when the country foreign exchange reserves and currency are under constant pressure due to continued repayments to the IMF. Large scale manufacturing posted a nominal growth of 2.38 percent during July November 2012 period of fiscal year 2013 as a result of poor law and order situation, political uncertainty, acute energy crisis and less domestic demand.

Foreign exchange reserves held by central bank fell to US\$ 8.8 billion at the end of December 2012 as against US\$ 12.5 billion in December 2011.

## The Industry

Growth of automotive sector in the preceding few years was instrumental in better capacity utilization of the battery industry. Sale of locally produced cars plunged to 50,587 units in July-December 2012 as compared to 71,886 Units in the corresponding period of last year. Whereas trucks and buses sales declined by 7.5 percent. Farm tractors sales grew during the period from July to December 2012 by 14,757 units. Prices of refined and recycled lead increased during the quarter under review, continued with depreciation of Pak Rupee and increase in energy charges also 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.

## **Operating Results**

Net sales revenue for the 3rd quarter was 2.316 billion as compared to Rs: 1.955 billion for the same period last year, up by 18.5 percent. Cost of sales for the period under review increased by 15.2 percent from 1.706 billion to 1.965 billion. Volumetric sales and better sales mix resulted in improvement of Gross profit margin to 15.2 percent as against 12.7 percent in the corresponding period of last year.

Gross profit during the quarter under review improved to 350.9 million from 249.2 million up by 40.8 percent. Operating profit increased from Rs: 110.8 million to Rs: 184.8 million up by 66.8 percent. Financial charges decreased from 47.5 million to Rs: 7.6 million due to better management of working capital and reduction in mark-up rates.

Cumulative sale for the nine months improved from Rs: 7.212 billion to Rs: 7.978 billion up by 10.6 percent as compared to corresponding period of the last year.

Pre-tax profit for the nine months ended December 31, 2012 increased from 343.6 million to Rs: 615.0 million as compared to the same period of corresponding up by 79 percent.

Earnings per share increased to Rs: 56.1 as compared with Rs: 30.3 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 depreciation, higher raw material prices, 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 January 30, 2013

## CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2012

AS AT DECEMBER 31, 2012	(Unaudited) December 31, 2012Rupees	(Audited) March 31, 2012
Property, plant and equipment	1,014,392	1,018,471
Long-term investments	224	224
Long-term loans and advances - unsecured	1,692	1,946
Long-term deposits	18,430	20,216
Current assets		
Spares	47,212	67,761
Stock-in-trade	1,601,178	1,497,121
Trade debts	336,673	346,205
Loans and advances	53,475	22,707
Short-term prepayments, deposits and other receivables	42,556	32,522
Taxation recoverable	82,769	182,395
Cash and bank balances	564,017	743,678
	2,727,880	2,892,389
Current liabilities	- Constitution	= constants
Trade and other payables	1,130,837	707,708
Mark-up accrued	5,769	32,005
Short-term borrowings	323,491	1,253,521
	1,460,097	1,993,234
Net current assets	1,267,783	899,155
Deferred taxation	64,042	55,362
	2,238,479	1,884,650
Financed by:		
Share Capital and Reserves Authorised capital		
18,000,000 ordinary shares of Rs 10 each	180,000	180,000
Issued, subscribed and paid-up capital	70,624	70,624
Capital reserves	259	259
Revenue reserves	1,269,991	981,991
Reserves arising on amalgamation - net	25,823	25,823
Unappropriated profit	434,169	366,027
	1,800,866	1,444,724
Surplus on revaluation of fixed assets - net of tax	437,613	439,926
	2,238,479	1,884,650

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

ARIF HASHWANI Chairman

# FOR THE NINE MONTHS ENDED DECEMBER 31, 2012 EXIDE PAKISTAN LIMITED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

	Prefit after taxation		- doferred	- current - for the period	Provises for taxation	Profit before taxation		Workers' welfare fund	Workers' profit partificipation find	Other operating changes	Financial disappe		Other operating macone	Operating profit / (loss)	Total Operating expenses	Administrative eigenses	Distribution cost	Gress profit	Cost of goods sold	Turnover				
														163,967	163,315	24,451	138,864	327,282	1,879,248	2,206,530		For the 3rd Quarter trifted Discounter 31, 2012		
														068,390	515,759	70,156	445,603	1,184,149	6,504,047	7,688,196		For the place months raded hearther 21, 2012	Balleries	
														99,466	135,984	20,752	115,232	235,450	1,635,091	1,573,141	A STATE OF THE PERSON NAMED IN	Quarter Quarter scaled Bosonibus 31, 2011	Trics.	
														457,427	400,588	57,343	343,245	858,015	6,071,064	6,929,079	Barrell Committee of the last	For the star For the 3rd meads Quarter redsci coded December December 31, 2011 31, 2012		
														20,795	2,820	1,141	1,679	23,615	85,961	109,576	B. C.	Quarter Quarter seded Bosseder 31, 2012		
														42,801	7,960	2,643	5,317	50,851	238.811	289,662	Rupe	nios nios nosathe coded December	Che	10.004
														11,320	2,382	899	1,483	13,702	69,999	83,701	(Rupers (BUS)	Quantity Quantity and and Bressed on 31, 2011	Chemicals	T. Parameters (1)
														43,608	6,855	2,339	4,516	50,463	232,256	282,719	ATTACABLE STATE	nine nine seedth carded Decomber		
	128,342	75,079		35,979		164,121	22,133	3,595	8,983	1,960	7,584	186,454	1,692	184,762	186,735	25,992	140,543	350,897	1,965,209	2,316,106	THE REAL PROPERTY.	For the 3rd Quarter seeked December 31, 2012		
181	390,203	938,850	8,680	210,139		615,022	104,883	13,292	33,229	28,629	29,733	719,905	8,624	711,281	523,719	72,799	450,920	1,235,000	6,742,858	7,977,838	Account of the Particular	For the 3rd For the above Quarter sensits contest ended December December 31, 2012 21, 2012	-	
Rupcesi	41.597		16	19,145		10,741		1,624			47,463	119,774		110,786	138,366	21,651	116,715	249,152	1,705,690	1,954,842		For the 3rd Quarter cached December 31, 2011	Total	
	213,988	129,402	12,657	116,945		343,500	168,720	7,396	18,492	34,357	108,475	512,310	11,228	301,035	407,443	59,682	347,761	968,478	6,303,320	7,211,798	The state of the s	Part of the second		

ARIF HASHWANI Chairman

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

Earnings per share

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS ENDED DECEMBER 31, 2012

2012	2011
(Ruj	pees '000)

## CASH FLOW FROM OPERATING ACTIVITIES

Cash generated from operations	997,275	(10,290)
Financial charges paid	(30,096)	(119,180)
Taxes paid	(110,999)	(204,326)
Gratuity paid	(2,107)	
Decrease / (Increase) in long-term loans	254	(556)
Decrease / (Increase) in long-term deposits	1,786	608
Net cash inflow from operating activities	856,113	(333,744)

## CASH FLOW FROM INVESTING ACTIVITIES

Payment for capital expenditure	(65,681)	(64,820)
Proceeds from sale of fixed assets	2,278	273
Net cash outflow on investing activities	(63,403)	(64,547)

## CASH FLOW FROM FINANCING ACTIVITIES

Dividends paid	(42,341)	(32,993)
Loan from Director	(28,000)	**
	(70,341)	(32,993)
Net Increase / (decrease) in cash and cash equivalents	722,369	(431,284)
Cash and cash equivalents at the beginning of the period	(481,843)	(671,846)
Cash and cash equivalents at end of the period	240,526	(1,103,130)

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

ARIF HASHWANI Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS ENDED DECEMBER 31, 2012

	lowed, subscribed and peid-up capital	Capital reserves	Britiser	Shares to be issued	Recor elegia andparta-an	Engyryciaid yell	Tetal
	77.00		(	Rupers Wi	,		
Balance at March 30, 2011	56,499	199	748,001	12	25,823	316,966	(,)41,485
Final dividend for the year coded March 31, 2011		28	135	100	*0	(23,899)	63,89
Transfer to resent reserves for the year unded March 31, 2011	20	11.	233(0)		20	(233,000)	03
Toesder se reserves for bosses inser Ser for year exist. March 31, 300 T	5 57	领		14.125	28	(94,125)	82
hope of home drawn	14,125	2	100	(14,125)	+::		1
Portiration to sales for the nine storates ended December 31, 2011	*				11	213,988	213,96
Transferred from supples on exvaluation of grouposty, plant and equipment - net of tax	2	47	555	8	772	2,813	1,17
Belance at December 34, 2811	10,624	259	WEI.591	=	25,825	252,253	1,336,99
Balance at March 31, 2812	78/624	259	981,591	10	25,823	366,027	1.44,75
Final dividend for the year coded March 31, 2012	8	-	1	-	+0	(42,354)	440,57
Tuesdante reference receives for the just ended March 31, 2012	*		288,000		51	(288,000)	-
Portrader social or for the sine words ended December 31, 2012	-	3	3	ě		396,207	7631
Transferred from supples on emphasion of property, plant and appipment - not of tax.	<b>3</b>	1	10	12	**	2313	130
Bolasce at December 34, 2012	70,024	299	1,289,991	=	25,823	434,197	1,800,000

The amenal soles furm as integral part of these fasticial statements.

ARIF HASHWANI Chairman

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED DECEMBER 31, 2012

- Three financial statements are manufated and are being submitted to sharehelders in accordance with the requirements of section 245 of the Compariso Onlinence, 1984
- These financial statements have been prepared in accordance with the requirements of International Accounting Standard -54 (IAS-34) "Interior Financial Reporting".
- The accounting policies adopted in preparation of these financial statements are the name as those applied in the preparation of the proceeding annual published financial statements of the Company.

## 4. PROPERTY, PLANT AND EQUIPMENT

Following is the cost of operating property, plant and equipment that have been added / disposed off during the nine months ended December 31, 2012

	Cost of additions/(deletions)					
	Decarber	Decomber				
	2012	2011				
	(Rupe	es '900)				
Building	670	2,965				
Plant and machinery	25,390	67,245				
Furniture and fixture	842	900				
Обісе ециринетя	2,491	1,271				
Vehicles	6,765	6,642				
	(3,370)	(877)				
	32,728	78,146				
4.1 CAPITAL WORK-IN-PROGRESS	The second second					
	December	March				
	31, 2012	31, 2012				
	(Rupe	es '900)				
Building	4	1.0				
Pleat and machinery	39,281	8,325				
Advances to suppliers/contractors	16,633	11,009				
	48,912	19,184				

## 5. TRANSACTIONS WITH RELATED PARTIES

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

	December 2012	December 2011		
	(Rupees '000)			
Expenses charged to associated undertakings	10	12		
Interest charged on loan from director		5,378		
Rent expense	29,145	29,145		
Expenses charged in respect of scaff retirement benefits	3,082	3,087		
Payment made to the employee defined benefit plan.	2,197	3,664		

Key management personnel received in amount of Rs. 17,000 thousand (2011; Rs.14,560 thousand) out of which Rs. 1,221 thousand (2011; Rs. 1,671 thousand) relates to post employment benefits.

## 6. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

## T. ESTIMATES

Judgments and estimates made by the management in the proporation of these interior financial statements were the same as those that were applied to the financial statements for the year ended Mayah 31, 2012.

## S GENERAL

Amounts have been rounded off to the numer thousand of Rapon unless otherwise stated.

## 9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on January 30, 2013 by the Board of Directors of the Company.

ARIF HASHWANI Chairman

ARSHAD SHEHZADA Chief Executive

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