



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*

HUMAN RESOURCES COMMITTEE

Arif Hashwani - *Chairman*
Arshad Shehzada - *Member*
Altaf Hashwani - *Member*
S. M. Faiq - *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



**THIRD QUARTERLY REPORT
DECEMBER 31, 2013**

EXIDE PAKISTAN LIMITED

CHAIRMAN'S REVIEW

I am pleased to present on behalf of the Board of Directors, un-audited Accounts of the Company for the 3rd Quarter ended December 31, 2013.

The Economy

Pakistan's trade deficit fell to US\$ 9 billion in July– December 2013 from US\$ 9.87 billion over the corresponding period last year down by 9 percent. Country's current account balance registered a deficit of US\$ 1.59 billion during the first half of the fiscal year 2014 compared to US\$ 83 million in the same period of last year, depicting an increase of 1.814 percent or US\$ 1.51 billion. Inflation was around 9.2 percent in December 2013 compared to 10 percent witnessed during November 2013. Average inflation for the first half of fiscal year 2014 stood at 8.9 percent compared to 8.3 percent during the same period of last year due to increase in power tariff, weakening of Pak Rupee and an upward revision in General Sales Tax. Foreign remittances improved to record high of US\$ 7.79 billion in July–December 2013 depicting a growth of 9.5 percent over same period of last year.

Foreign exchange reserves held by the central bank fell to US\$ 3.5 billion at the end of December 2013 as against US\$ 8.8 billion in December 2012. If this trend persists, then by March 2014 reserve could fall further to below US\$ 2.4 billion, enough only to meet eighteen days of imports.

After Election 2013, the new government is facing many challenges including energy crises, law and order issues, low economic growth, high inflation, but they seem to have good governance and economic revival on their agenda and hopefully will take measures accordingly.

The Industry

Growth of automotive sector in the preceding few years was instrumental in better capacity utilization of the battery industry. Sales of locally produced cars improved by 5 percent to 52,879 units in July–December 2013 as compared to 50,587 units in the corresponding period of the last year. Trucks and busses sales improved by 19 percent. Farm tractors sales decline during the period from July–December 2013 by 9,046 units due to sales tax and agricultural loan issues. Sales of motorcycles and three wheelers declined by 6 percent from 413,199 units to 387,805 units. Prices of refined and recycled lead increased during the quarter under review. The depreciation of Pak Rupee and increase in energy charges also had an impact on cost of goods sold.

Sales

Net sales revenue of the Company for the quarter under review was Rs. 2.795 billion as compared with Rs. 2.316 billion up by 20.7 percent during the same period of last year. This was due to volumetric growth on account of better availability and increase in selling price.

Cumulative sale for the nine months improved from Rs. 7.97 billion to Rs. 8.111 billion up by 1.7 percent as compared to corresponding period of the last year.

Production

Production activities were effectively planned and adjusted to cater to the market demand both in terms of quantity and quality. Stress on quality control at all stages of production processes was implemented with great vigor for further strengthening quality standards of the products of your company. It is with pleasure to inform that the Company has achieved normal production level as of December 2013.

Profitability

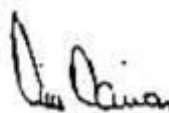
Gross profit during the quarter under review reduced from Rs. 350.9 million to Rs. 298.2 million down by 15.0 percent. Decline in profitability is due to increase in raw material price, electricity tariff, fuel expenses and increase in wages of workforce as a result of increase in minimum wages. Unprecedented natural gas load shedding and low pressure compelled the management to operate SNG based LPG, which substantially increased the fuel expenses. Operating profit decreased to Rs. 126.6 million from Rs. 184.8 million down by 31.5 percent recorded in the corresponding period of last year. Financial charges increased to Rs. 29.34 million from Rs. 7.58 million due to increase in working capital requirement.

Pre-tax profit for the nine months ended December 31, 2013 decreased from Rs. 615.0 million to Rs. 326.6 million as compared to corresponding period of last year down by 47 percent.

Earnings per share decreased to Rs: 27.52 as compared with restated Rs: 51.0 recorded in the previous year.

Future Prospects

It is anticipated that indigenous organized battery industry will experience tough time due to energy crises coupled with 60% increase in electricity tariff, increase in raw material prices on account of Rupee depreciation and other inflationary factors. Your management is in the process of investing heavily for obtaining dedicated feeder from KESC for reducing power breakdown. Your management is determined for continued focus on quality, productivity, cost control and after sale service to improve its competitiveness.



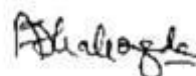
ARIF HASHWANI
Chairman
Karachi January 31, 2014

EXIDE PAKISTAN LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2013

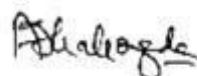
Note	(Unaudited) December 31, 2013	(Audited) March 31, 2013
	-----Rupees '000-----	
Property, plant and equipment	1,202,299	1,039,059
Long-term investments	224	224
Long-term loans and advances - unsecured	1,050	1,451
Long-term deposits	22,033	18,703
Current assets		
Spares	54,669	73,136
Stock-in-trade	2,470,184	1,605,155
Trade debts	435,346	286,504
Loans and advances	29,326	20,347
Short-term prepayments, deposits and other receivables	70,117	73,245
Taxation recoverable	352,366	102,600
Cash and bank balances	760,051	582,762
	4,172,059	2,743,749
Current liabilities		
Trade and other payables	1,519,405	963,604
Mark-up accrued	31,775	6,259
Short-term borrowings	1,271,554	451,748
	2,822,734	1,421,611
Net current assets	1,349,325	1,322,138
Deferred taxation	63,237	52,873
	2,511,694	2,328,702
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	77,686	70,624
Capital reserves	259	259
Revenue reserves	1,714,991	1,269,991
Reserves arising on amalgamation - net	25,823	25,823
Unappropriated profit	267,993	532,068
	2,086,752	1,898,765
Surplus on revaluation of fixed assets - net of tax	424,942	429,937
	2,511,694	2,328,702

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


ARIF HASHWANI
 Chairman


ARSHAD SHEHZADA
 Chief Executive


ARIF HASHWANI
 Chairman


ARSHAD SHEHZADA
 Chief Executive

EXIDE PAKISTAN LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2013

	Bariatrics		Chemicals		Total	
	For the 3rd Quarter ended December 31, 2013	For the nine months ended December 31, 2013	For the 3rd Quarter ended December 31, 2012	For the nine months ended December 31, 2012	For the 3rd Quarter ended December 31, 2012	For the nine months ended December 31, 2012
Turnover	2,721,715	7,844,415	2,206,530	7,688,196	73,266	266,190
Cost of goods sold	2,432,483	6,965,423	1,879,248	6,504,047	64,300	223,620
Gross profit	289,232	848,992	327,282	1,184,149	8,966	42,570
Distribution cost	140,683	365,047	138,864	445,603	2,313	5,404
Administrative expenses	27,200	74,217	24,451	70,156	1,197	2,750
Total Operating expenses	167,883	439,264	163,315	515,759	3,710	8,154
Operating profit / (loss)	121,349	409,728	163,967	668,390	5,256	34,416
Other operating income						
Financial charges						
Other operating charges						
Workers' profit participation fund						
Workers' welfare fund						
Profit before taxation						
Provision for taxation - current - for the period - deferred						
Profit after taxation						
Earnings per share						
	2,794,981	8,110,605	2,216,106	7,977,858		
	2,496,783	7,219,043	1,965,209	6,742,858		
	298,198	891,562	350,897	1,235,000		
	143,196	370,431	140,543	450,920		
	28,307	76,087	25,592	72,799		
	171,593	447,438	166,135	523,719		
	126,605	444,124	184,762	711,281		
	10,284	12,666	1,692	8,624		
	136,859	456,790	186,454	719,905		
	29,342	57,612	7,584	29,733		
	4,230	49,203	1,969	28,629		
	3,882	16,696	8,985	33,229		
	1,553	6,679	3,595	13,292		
	39,007	130,190	22,133	104,883		
	97,882	326,600	164,321	615,022		
	36,740	102,482	35,979	210,139		
	36,740	110,844	-	8,680		
	61,142	213,754	35,979	218,819		
			128,342	398,203		
	7.87	27.52	16.52	51.00		

Restated

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

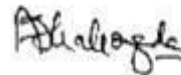
EXIDE PAKISTAN LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2013

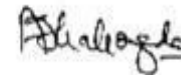
	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves	Shares to be issued	Reserve arising on revaluation of assets	Unappropriated profit	Total
	(Rupees '000)						
Balance at March 31, 2012 - Restated	70,624	256	981,991	-	25,823	375,521	1,454,215
Final dividend for the year ended March 31, 2012	-	-	-	-	-	(42,374)	(42,374)
Issue of share capital	-	-	-	-	-	-	-
Transfer to revenue reserves for the year ended March 31, 2012	-	-	288,000	-	-	(288,000)	-
Profit after taxation for the nine months ended December 31, 2012	-	-	-	-	-	396,203	396,203
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	-	2,313	2,313
Balance at December 31, 2012 - Restated	70,624	256	1,269,991	-	25,823	443,663	1,810,360
Balance at March 31, 2013 - Restated	70,624	256	1,269,991	-	25,823	543,680	1,910,377
Final dividend for the year ended March 31, 2013	-	-	-	-	-	(42,374)	(42,374)
Transfer to revenue reserves for the year ended March 31, 2013	-	-	445,000	-	-	(445,000)	-
Transfer to reserve for issuance of bonus shares March 31, 2013	-	-	-	7,062	-	(7,062)	-
Issue of bonus shares	7,062	-	-	(7,062)	-	-	-
Profit after taxation for the nine months ended December 31, 2013	-	-	-	-	-	213,754	213,754
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	-	4,995	4,995
Balance at December 31, 2013	77,686	256	1,714,991	-	25,823	267,993	2,086,752

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


ARIF HASHWANI
Chairman


ARSHAD SHEHZADA
Chief Executive


ARIF HASHWANI
Chairman


ARSHAD SHEHZADA
Chief Executive

EXIDE PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2013

- 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.

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, 2013:

	Cost of additions/(deletions)	
	December 2013	December 2012
	(Rupees '000)	
Building	-	670
Plant and machinery	150,960	25,390
Furniture and fixtures	248	842
Office equipment	592	2,491
Vehicles	12,632	6,705
	(1,515)	(3,370)
	162,917	32,728

4.1 CAPITAL WORK-IN-PROGRESS

	December 31, 2013	March 31, 2013
	(Rupees '000)	
Building	7,144	1,953
Plant and machinery	87,553	12,629
Advances to suppliers/contractors	20,615	18,964
	115,312	33,546

5. TRANSACTIONS WITH RELATED PARTIES

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

	December 2013	December 2012
	(Rupees '000)	
Expenses charged to associated undertakings	10	10
Rent expense	29,415	29,415
Expenses charged in respect of staff retirement benefits	3,350	3,087
Payment made to the employee defined benefit plan	3,087	2,107

Key management personnel received an amount of Rs. 15,698 thousand (2012: Rs.17,600 thousand) out of which Rs. 1,057 thousand (2012: 1,221 thousand) relates to post employment benefits.

6. 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.

7. 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.

8. GENERAL

Amounts have been rounded off to the nearest thousand of Rupees unless otherwise stated.

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on January 31, 2014 by the Board of Directors of the Company.

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PAKISTAN LTD.

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