



THIRD QUARTERLY REPORT DECEMBER 31, 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. 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

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

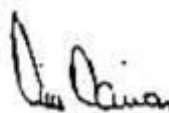
Gross profit during the quarter under review reduced from Rs. 350.9 million to Rs. 298.2 million down by 15.0 percent. Decline in profitability is due to increase in raw material price, electricity tariff, fuel expenses and increase in wages of workforce as a result of increase in minimum wages. Unprecedented 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.



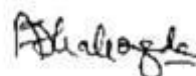
ARIF HASHWANI
Chairman
Karachi January 31, 2014

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

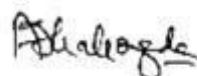
| Note | (Unaudited) December 31, 2013 | (Audited) March 31, 2013 |
|--|-------------------------------------|--------------------------------|
| | -----Rupees '000----- | |
| Property, plant and equipment | 1,202,299 | 1,039,059 |
| Long-term investments | 224 | 224 |
| Long-term loans and advances - 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 | 76,987 | 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 | | |
| | 136,839 | 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 | 110,364 | - | 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.

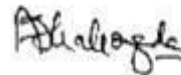
EXIDE PAKISTAN LIMITED

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

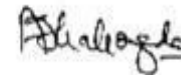
| | Issued, subscribed and paid-up capital | Capital reserves | Revenue reserves | Shares to be issued | Reserve arising on amalgamation of | Supernatural profit | Total |
|---|---|---------------------|---------------------|------------------------|--|------------------------|-----------|
| | (Rupees '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.

BOOK POST

If undelivered please return to:

EXIDE
PAKISTAN LTD.

A/44, Hill Street, Off: Manghopir Road,
S.I.T.E., Karachi-75700 Pakistan.