

HALF YEARLY REPORT
SEPTEMBER 30, 2012

BOOK POST

EXIDE
PAKISTAN LTD.
A/44, Hill Street,
Off: Manghopir Road,
S.I.T.E., Karachi-75700
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CORPORATE PROFILE

BOARD OF DIRECTORS

Arif Hashwani - *Chairman*
 Arshad Shahzada - *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*

BANKERS

Allied Bank Ltd.
 BankIslami Pakistan Ltd.
 Bank Al-Falah Limited
 Barclays Bank PLC Pakistan
 Habib Bank Ltd.
 Habib Metropolitan Bank Limited
 HSBC Middle East Bank 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

7.1 Working capital changes

(Increase) / decrease in current assets
 Spares
 Stock-in-trade
 Trade debts
 Loans and advances
 Short-term prepayments, deposits and other receivables
 Increase / (decrease) in current liabilities
 Creditors, accrued and other liabilities
 (excluding unclaimed dividends and provision for gratuity)

For the half year ended September 30, 2012	2011
1,473	(1,610)
152,633	140,388
76,902	(9,543)
(13,532)	(3,256)
(764)	(9,255)
216,712	116,724
229,293	(370,031)
446,005	(253,307)

8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprises of the following balance sheet amounts:

For the half year ended September 30, 2012	2011
528,633	492,341
(249,056)	(1,272,903)
279,577	(780,562)

9 SEGMENT INFORMATION

Operating segments are determined and presented in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

9.1 Segment information for the half year ended September 30, 2012

	Batteries		Chemical		Total	
	Unaudited September 30, 2012	Audited March 31, 2012	Unaudited September 30, 2012	Audited March 31, 2012	Unaudited September 30, 2012	Audited March 31, 2012
Segment assets	2,632,464	2,855,198	86,483	106,882	2,718,947	2,962,080
Unallocated assets					649,077	706,928
					3,368,024	3,669,008
Segment liabilities	350,103	365,345	9,973	11,243	360,076	376,588
Unallocated liabilities					897,811	1,898,251
					1,257,887	2,245,839

Half year ended September 30, 2012				Half year ended September 30, 2011
	Subsidiary company	Other related parties	Key management personnel	Total
Transactions (Rupees '000)				
Expenses charged to Mark-up on loan from a director	10	-	-	10
Transactions with key management personnel	-	-	-	-
- Salaries and wages	-	-	11,531	11,531
- Defined benefit plan - Post employment benefits	-	-	669	669
- Defined contribution plan	-	-	389	389
Rent expense	-	19,430	-	19,430
Expenses charged in respect of staff contribution plan	-	2,162	-	2,162
Expenses charged in respect of staff defined benefit plan	-	2,058	-	2,058
Royalty expense	-	7,002	-	7,002
Repayment of loan to director	-	28,000	-	28,000
Payment of rent	-	9,715	-	9,715

As at September 30, 2012				As at March 31, 2012
	Subsidiary company	Other related parties	Key management personnel	Total
Balances (Rupees '000)				
Payable to	46	-	-	46
Payable in respect of employee benefits	-	8,980	-	8,980
Royalty payable	25,210	-	-	25,210
Long term investment	224	-	-	224
Rent payable	9,715	-	-	9,715

11 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, whenever necessary, for the purpose of comparison. Earnings per share for the prior period has been restated consequent to the issue of bonus shares during the current period. No significant reclassifications were made during the current period.


12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on November 28, 2012 by the Board of Directors of the Company.

13 GENERAL

Figures in the condensed interim financial information have been rounded off to the nearest thousand rupees.


HUSSAIN HASHWANI
Director


ARSHAD SHAHZADA
Chief Executive

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5.2 Commitments

	(Unaudited) September 30, 2012	(Audited) March 31, 2012
Commitments in respect of:		
Capital expenditure contracted for but not incurred	11,823	13,461
Letters of credit	194,149	198,945
Letters of guarantee	52,757	56,097
	----- (Rupees '000) -----	

Letters of credit
Letters of guarantee

Note
For the half year ended
September 30,
2012

	September 30, 2012	2011
	----- (Rupees '000) -----	

6 COST OF SALES

Raw and packing materials consumed
Salaries, wages and benefits
Spares consumed
Rent, rates and taxes
Fuel, power and water
Insurance
Repairs and maintenance
Depreciation
General expenses

4,096,293	4,112,793
110,004	95,746
28,291	26,556
20,251	19,802
135,817	137,614
7,894	7,188
28,425	31,017
39,306	41,168
25,824	22,718
395,812	381,809

Opening stock of work-in-process
Closing stock of work-in-process

266,212	248,875
(273,654)	(461,532)
(7,442)	(212,657)

Cost of goods manufactured

Opening stock of finished goods
Finished goods purchased
Closing stock of finished goods

4,484,663	4,281,945
354,055	474,275
(61,069)	8,050
(166,640)	(166,640)
292,986	315,685
4,777,649	4,597,630

7 CASH GENERATED FROM OPERATIONS

Profit before taxation

450,701	282,848
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Adjustment for non-cash charges and other items:

Depreciation
Gain on sale of property, plant and equipment
Provision for gratuity
Mark-up charges
Working capital changes

42,919	43,085
(968)	(39)
2,058	2,158
22,149	61,012
446,005	(253,307)
962,864	135,757
7.1	

EXIDE PAKISTAN LIMITED

CHAIRMAN'S REVIEW

It is my pleasure to present to you the Financial Statements of your Company for the Half Year ended 30th September, 2012 duly reviewed by the auditors of the Company.

THE ECONOMY

Pakistan's trade deficit fell 9.6 percent to US\$4.7 billion in July-September, 2012 period this year as against US\$5.2 billion over the corresponding period last year. The reduction is due to improvement in Exports which rose by 4.3 percent while imports declined by 2.4 percent. As a result of improvement in export proceeds and worker's remittances, current account deficit also turned surplus with US\$432 million in July-September, 2012 over last year. In view of strict monetary policy of the State Bank of Pakistan, inflation was around 8.8 percent in September, 2012 compared to 11.0 percent in September, 2011.

Foreign exchange reserves fell to US\$14.4 billion on 30th September, 2012 as against US\$17.3 billion in September last year.

THE INDUSTRY

Growth of automotive sector in the preceding few years is instrumental in better capacity utilization of the battery industry. During the quarter under report, automotive industry sale declined by 30% to 26,806 cars as against 38,065 cars sold in corresponding period of the last year. Whereas trucks and buses sales remained static. Farm tractors sales grew during the period from July 2012 to September 2012 by 4086 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.

Your Company has been honored with Brand of the Year Award consecutively third time in the year 2011.

SALES

Net sales revenue of the Battery Division of your Company for the half year ended 30th September, 2012 was up by 8 percent to Rs.5,482 billion as compared with Rs.5,058 billion booked during the corresponding period of the last year. Net sales revenue of the Chemical Division decreased by 9 percent to Rs.180.1 million as against Rs.199.0 million. Total Company sales augmented by Rs.0.405 billion to Rs.5.662 billion from Rs.5.257 billion.

PRODUCTION

Your Company has completed its last round of capacity expansion. Having stabilized production, the Company is now fully concentrating on increasing efficiencies, in addition to improving quality control at all stages of the production processes. Production activities were effectively planned and adjusted to cater to the market demand both in terms of quality and quantity.

PROFITABILITY

Gross Profit improved to Rs.884.1 million from Rs.659.3 million, up by 34 percent. Operating profit increased to Rs.533.5 million from Rs.392.5 million up by 36 percent recorded in corresponding period of the last year. Financial charges decreased to Rs.22.1 million from Rs.61.0 million due to better management of working capital and reduction in mark up rates. Profit before tax for the half year under report was Rs.450.7 million as compared to Rs.282.8 million, up by 59.4 percent as compared to corresponding period of the last year.

Earnings per share increased to Rs.37.93 as compared with Rs.24.41 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, 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 November 28, 2012

EXIDE PAKISTAN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Exide Pakistan Limited** (the company) as at September 30, 2012 and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended September 30, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended September 30, 2012.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended September 30, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants

Engagement Partner: **Rashid A. Jafer**

Dated: November 28, 2012

Karachi

EXIDE PAKISTAN LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2012

1 THE COMPANY AND ITS OPERATIONS

Exide Pakistan Limited (the Company) is a limited liability 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 Karachi and Lahore Stock Exchanges. The Company is engaged in the manufacture and sale of batteries, chemicals and acid.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984 and the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 and the directives issued by SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all the information and disclosures made in the annual published financial information and should be read in conjunction with the financial information of the Company for the year ended March 31, 2012.

This condensed interim financial information is un-audited and has been reviewed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation of balances adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial information of the Company for the year ended March 31, 2012.

Standards, interpretations and amendments to published and approved accounting standards that are effective in the current period:

There are certain new and amended standards and interpretations that are mandatory / applicable for accounting periods beginning on or after April 1, 2012 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not disclosed in this condensed interim financial information.

4 PROPERTY, PLANT AND EQUIPMENT

The following operating assets have been added during the half year ended September 30, 2012:

Building on lease-hold land	Plant and machinery	Furniture, fixtures and appliances	Office equipment and	Vehicles	Total Mar - Sep 2012	Total Mar - Sep 2011

(Rupees' 000)

Additions during the half year ended September 30, 2012

500	16,481	593	1,374	6,705	25,653	70,278
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4.2 The property, plant and equipment disposed off during the half year ended September 30, 2012 amounted to Rs. 2,629 million (September 30, 2011 : Rs. 0,878 million)

5 CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There have been no changes in the status of contingencies as disclosed in the annual financial statements of the Company for the year ended March 31, 2012.


EXIDE PAKISTAN LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves	Reserve arising on amalgamation - net	Reserve for issue of bonus shares	Unappropriated profit	Total shareholders' equity
	(Rupees '000)						
Balance as at March 31, 2011	56,499	259	748,991	25,823	-	316,916	1,148,488
Final dividend for the year ended March 31, 2011 declared subsequent to year end	-	-	-	-	-	(33,899)	(33,899)
Transfer to revenue reserves made subsequent to the year ended March 31, 2011	-	-	233,000	-	-	(233,000)	-
Transfer to reserve for issue of bonus shares made subsequent to year end	-	-	-	-	14,125	(14,125)	-
Issue of bonus share	14,125	-	-	-	(14,125)	-	-
Total comprehensive income for the half year ended September 30, 2011	-	-	-	-	-	172,391	172,391
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	-	2,373	2,373
Balance as at September 30, 2011	70,624	259	981,991	25,823	-	210,566	1,289,353
Balance as 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 declared subsequent to year end	-	-	-	-	-	(42,374)	(42,374)
Transfer to revenue reserves made subsequent to the year ended March 31, 2012	-	-	288,000	-	-	(288,000)	-
Transfer to reserve for issue of bonus shares made subsequent to year end	-	-	-	-	-	-	-
Issue of bonus share	-	-	-	-	-	-	-
Total comprehensive income for the half year ended September 30, 2012	-	-	-	-	-	287,861	287,861
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	-	2,313	2,313
Balance as at September 30, 2012	70,624	259	1,269,991	25,823	-	305,827	1,672,524

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.


HUSSAIN HASHWANI
Director


ARSHAD SHAHZADA
Chief Executive

EXIDE PAKISTAN LIMITED


CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2012

	Note	(Unaudited) September 30, 2012	(Audited) March 31, 2012
		(Rupees '000)	
ASSETS			
Non-current assets			
Property, plant and equipment		1,005,562	1,018,471
Long-term investments		224	224
Long-term loans		1,829	1,946
Long-term deposits		17,135	20,216
		1,024,770	1,040,857
Current assets			
Spares		66,288	67,761
Stock-in-trade		1,344,488	1,497,121
Trade debts		289,303	346,205
Loans and advances		36,239	22,707
Trade deposits, short-term prepayments and other receivables		33,286	32,522
Taxation recoverable		65,017	182,395
Cash and bank balances		528,653	743,678
		2,343,254	2,892,389
TOTAL ASSETS		3,368,024	3,933,246
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		180,000	180,000
18,000,000 ordinary shares of Rs 10 each			
Issued, subscribed and paid-up share capital		70,624	70,624
Capital reserve		259	259
Revenue reserves		1,269,991	981,991
Reserve arising on amalgamation - net		25,823	25,823
Unappropriated profit		305,827	366,027
		1,672,524	1,444,724
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax		437,613	439,826
SHAREHOLDERS' EQUITY		2,110,137	1,884,550
LIABILITIES			
Non-current liabilities			
Deferred tax liability - net		64,043	55,362
Current liabilities			
Trade and other payables		939,080	707,708
Accrued mark-up		5,698	32,005
Short-term borrowings		249,056	1,253,521
		1,193,844	1,993,234
TOTAL LIABILITIES		1,257,887	2,048,596
Contingencies and Commitments			
TOTAL EQUITY AND LIABILITIES		3,368,024	3,933,246

5

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.


HUSSAIN HASHWANI
Director

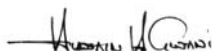

ARSHAD SHAHZADA
Chief Executive

EXIDE PAKISTAN LIMITED

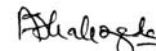
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2012

Note	Batteries				Chemicals				Total			
	Quarter ended September 30, 2012	Half year ended September 30, 2012	Quarter ended September 30, 2011	Half year ended September 30, 2011	Quarter ended September 30, 2012	Half year ended September 30, 2012	Quarter ended September 30, 2011	Half year ended September 30, 2011	Quarter ended September 30, 2012	Half year ended September 30, 2012	Quarter ended September 30, 2011	Half year ended September 30, 2011
	(Rupees '000)											
Net sales	2,378,004	5,481,666	2,331,885	5,057,938	91,066	180,086	83,372	199,018	2,469,070	5,661,752	2,415,257	5,256,956
Cost of sales	2,008,192	4,624,799	2,012,648	4,435,373	79,589	152,850	72,249	162,257	2,087,781	4,777,649	2,084,897	4,597,630
Gross profit	369,812	856,867	319,237	622,565	11,477	27,236	11,123	36,761	381,289	884,103	330,360	659,326
Selling and distribution expenses	158,888	306,739	125,305	228,013	2,001	3,638	1,305	3,033	160,889	310,377	126,610	231,046
Administrative and general expenses	24,642	45,705	18,893	36,591	898	1,502	689	1,440	25,540	47,207	19,582	38,031
	183,530	352,444	144,198	264,604	2,899	5,140	1,994	4,473	186,429	357,584	146,192	269,077
Other operating income	186,282	504,423	175,039	357,961	8,578	22,096	9,129	32,288	194,860	526,519	184,168	390,249
									1,703	6,932	2,150	2,287
Workers' profit participation fund									196,563	533,451	186,318	392,536
Workers' welfare fund									9,086	24,244	6,697	15,190
Other operating charges									3,634	9,697	2,375	5,772
Operating profit									11,490	26,660	20,865	27,714
Finance cost									172,353	472,850	156,381	343,860
Profit before taxation									3,581	22,149	30,084	61,012
Taxation - net									168,772	450,701	126,297	282,848
Profit after taxation									85,609	182,840	56,749	110,457
Other comprehensive income									83,163	267,861	69,548	172,391
Total comprehensive income for the period									-	-	-	-
									83,163	267,861	69,548	172,391
									Rupees			
Earnings per share (basic and diluted)									11.78	37.93	9.85	24.41

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.



HUSSAIN HASHWANI
Director



ARSHAD SHAHZADA
Chief Executive

EXIDE PAKISTAN LIMITED CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED SEPTEMBER 30, 2012

Note	Half year ended September 30,	
	2012	2011
	(Rupees '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations	962,864	135,757
Financial charges paid	(48,456)	(83,550)
Gratuity paid	-	(4,429)
Income taxes paid	(56,782)	(148,617)
Decrease in long-term deposits	3,081	1,083
Increase/(Decrease) in long-term loans	117	(324)
Net cash (used in) / generated from operating activities	860,824	(100,080)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(30,790)	(23,865)
Proceeds from disposal of property, plant and equipment	1,728	273
Net cash used in investing activities	(29,062)	(23,612)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loan to director	(28,000)	(55,000)
Dividends paid	(42,342)	(30,024)
Net cash used in financing activities	(70,342)	(85,024)
Net (decrease) / increase in cash and cash equivalents	761,420	(208,716)
Cash and cash equivalents at the beginning of the period	(481,843)	(571,846)
Cash and cash equivalents at the end of the period	279,577	(780,562)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.



HUSSAIN HASHWANI
Director



ARSHAD SHAHZADA
Chief Executive