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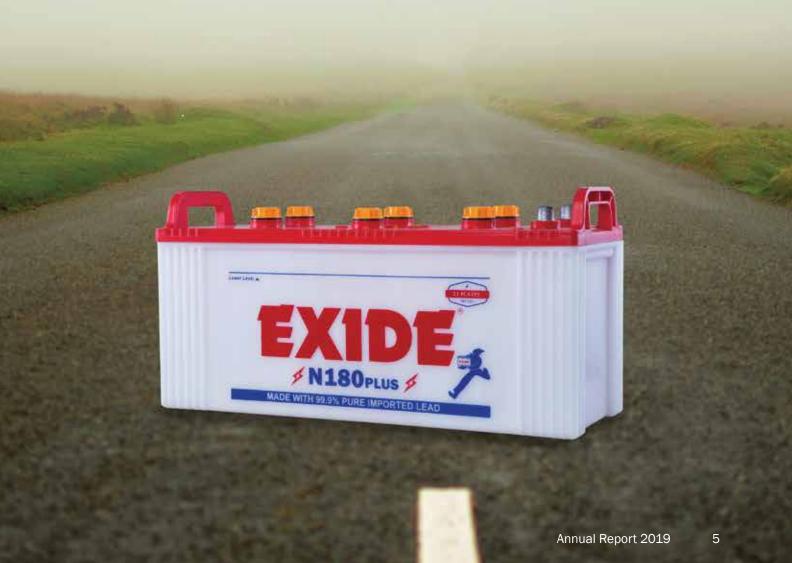


Vision

To remain leader in automotive battery industry by supplying quality product to the customers at affordable price and to satisfy their needs by providing reliable product as per international standard and best suited to local environment.

Mission

- 1. Continuous improvement in workmanship, process, productivity and elimination of wastage by effective implementation of total quality control.
- 2. To be honest and fair with all partners namely shareholders, employees, suppliers, financial institutions, government and the customers.
- 3. To train and motivate employees for building up dedicated and loyal team.
- 4. To be good citizen and contribute effectively in betterment and prosperity of our country.



DRIVE NON-STOP WITH EXIDE



Corporate Profile

Board Of Directors

Arif Hashwani - Chairman Arshad Shehzada - MD/CEO Altaf Hashwani Hussain Hashwani S. Haider Mehdi S. M. Faig

Ayub Hameed

Muhammad Kamran Shahzad

Chief Financial Officer

S. Haider Mehdi

Audit Committee

Ayub Hameed - Chairman Altaf Hashwani S. M. Faig Salim Abdul Ali - Secretary

Human Resource and Remuneration Committee

Ayub Hameed - Chairman Arif Hashwani - Member Altaf Hashwani - Member Syed Zulquarnain Shah - Secretary

Bankers

Allied Bank Ltd. Bank Alfalah Limited BankIslami Pakistan Ltd. Habib Bank Ltd. Habib Metropolitan Bank Limited JS Bank Ltd. MCB Bank Ltd. Meezan Bank Limited NIB Bank Limited Standard Chartered Bank (Pakistan) Ltd. United Bank Ltd. Dubai Islamic Bank Pakistan Limited

Auditors

A. F. Ferguson & Co.

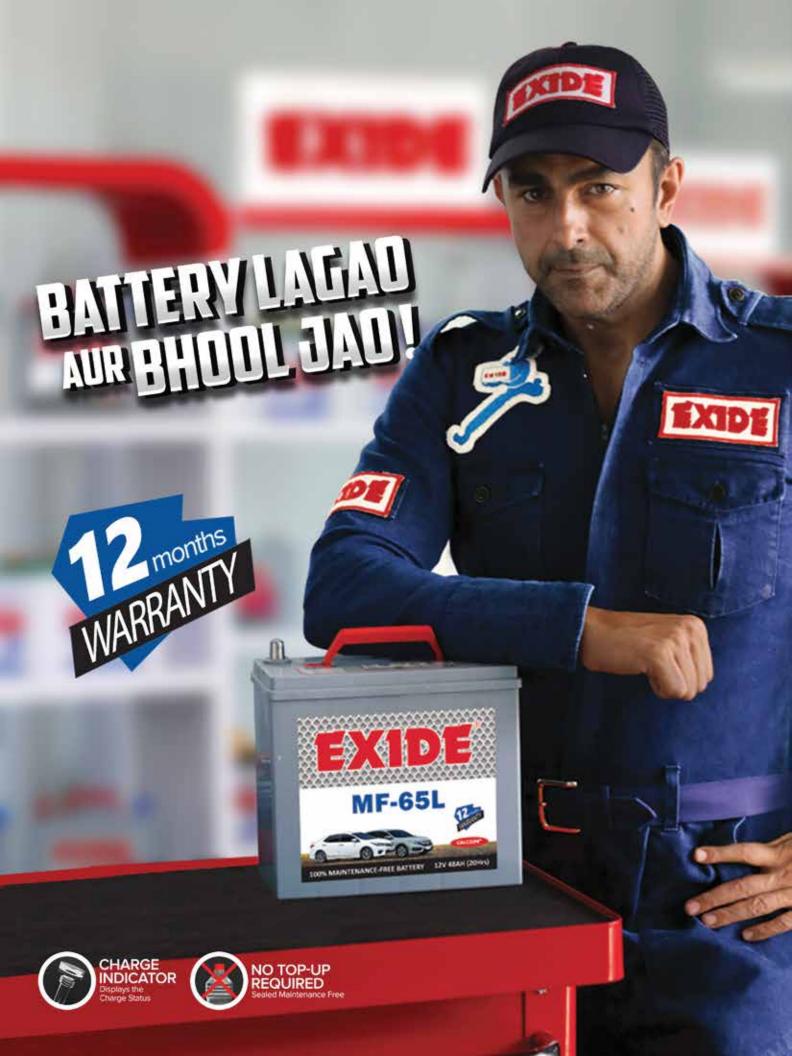
Solicitors

Orr, Dignam & Co.

Registered Office

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

Website: www.exide.com.pk E-mail: exidepk@exide.com.pk





Notice Of Annual General Meeting

Notice is hereby given that the Sixty Sixth Annual General Meeting of the shareholders of EXIDE Pakistan Limited will be held on Monday, the July 29, 2019 at 11.00 hours at Registered Office of the Company at A-44, Hill Street Manghopir Road, SITE, Karachi to transact the following business:

Ordinary Business

- 1. To read and confirm minutes of the Sixty Fifth Annual General Meeting of the shareholders of the Company held on Saturday, July 28, 2018.
- 2. To receive and adopt the Audited Statements of Accounts for the year ended March 31, 2019 together with the Directors' and Auditors reports thereon.
- 3. To appoint auditors for the year 2019-2020 and fix their remuneration.

By order of the Board



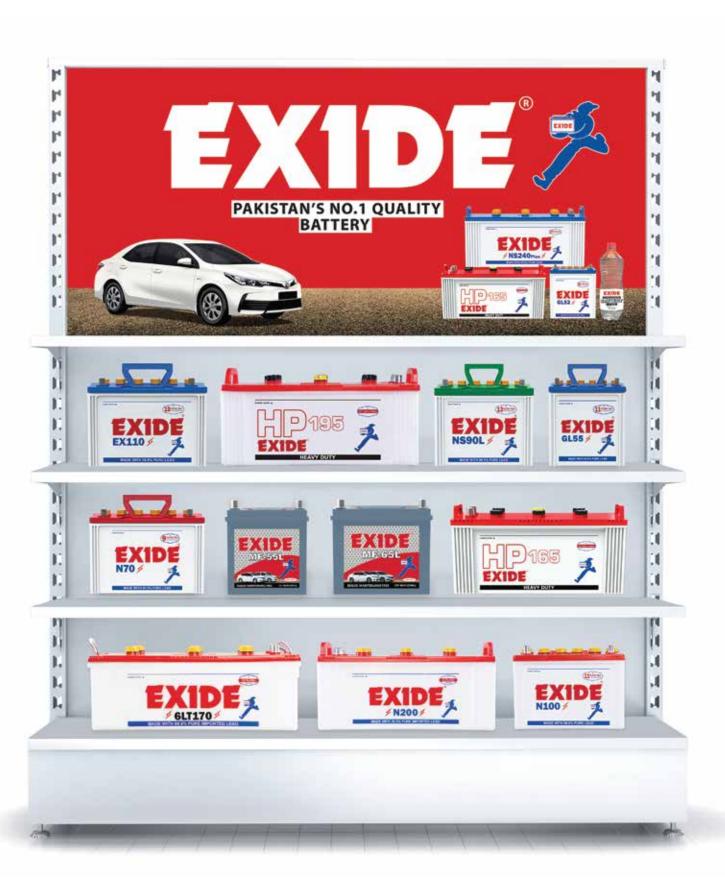
S. HAIDER MEHDI

Director

Karachi: June 29, 2019

NOTES

- a) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend and vote on his/her behalf. Proxies in order to be valid must be deposited with the Company not less than 48 hours before the time appointed for the meeting.
- b) The Share Transfer Books of the Company will remain closed from July 22, 2019 to July 29, 2019, both days inclusive.
- c) Shareholders are requested to immediately notify the Company any change in their address and also forward a photocopy of the Computerised National Identity Card if not yet furnished at the Office of our Registrar M/s. THK Associates (Private) Limited, 1st Floor, 40-C, Block 6, P.E.C.H.S. Karachi 75400.
- d) CDC shareholders or their proxies are required to bring with them original Computerised National Identity Cards or Passports along with the participant's I.D. number and their account numbers at the time of attending the Annual General Meeting in order to authenticate their identity.
- e) SECP through its SRO 470(1)/2016, dated 31 May 2016, had allowed companies to circulate Annual Audited Accounts to its members through CD/DVD/USB at their registered addresses. In view of this, the Company is being sent its 2019 annual report to its shareholders in form of CD. Any member requiring printed copy of 2019 annual report may send a request using the related standard request form placed on the Company's website.



سیکوریٹیزاینڈ ایکیچنج کمیشن آف پاکستان نے بذر بعد ایس آراو 1040) /2016 مورخہ 31 مئی 2016، کمپنیوں کواجلاس عام میں شیئر ہولڈرز کی رائے حاصل کرنے کے بعد سالانہ آڈٹ شدہ اکا وُنٹس، اجلاس عام کے نوٹس اور کمپنی کی دیگر معلومات بذر بعد سی ڈی /ڈی وی ڈی / پوالیس بی ممبران کوارسال کرنے کی اجازت دے دی ہے۔ تاہم کمپنی شیئر ہولڈر زطلب کرنے پرایک ہفتے کے اندر بلا معاوضہ مذکورہ دستاویزات کی ہارڈ کا پی فراہم کردے گی۔ ان دستاویزات کی ہارڈ کا پی کیلئے ویب سائٹ پرایک اسٹینڈرڈریکو یسٹ فارم مع کمپنی سیکر یٹری / شیئرر جسٹر ارکے میل ایڈریس، جاری کردے گی جواس درخواست برمل کریگھ۔

سالا نها جلاسِ عمل كا نوٹس

اطلاع دی جاتی ہے کہ ایکسائیڈیا کستان کمیٹڈ کا چھیاسٹھواں سالانہ اجلاسِ عام مورخہ 29 جولائی 2019 کو صبح 11 بجے نمپنی کے رجسڑ دوفتر بہقا م A-44 مل اسٹریٹ منگھو پیر روڈ، سائٹ کراچی میں منعقد ہوگا۔اس اجلاسِ میں مندرجہ ذیل امور زیرِ بحث لائے جائیں گے۔

عام كاروبار:

- تحمینی کا پینسٹھواں سالا نہا جلاسِ عام منعقد ہر وز ہفتہ 28 جولائی 2018 کی کاروائی کو پڑھنااوراس کی توثیق۔
- 31 مارچ 2019 میں مکمل ہونے والے سال کیلئے نمپنی کے آڈٹشدہ اکاؤنٹس معہڈ ائیریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی اور منظوری۔
 - سال 20 2019 کے لئے آڈیٹرز کے تقرر اور ان کے معاوضے کا تعین۔

حسب حكم بورد

Amis

السحيدرمهدي

ڈائیریکٹر

کراچی 29 جون 2019

نو ط:

کوئی بھی ممبرسالانہ اجلاس عام میں شرکت اورووٹ دینے کاحق کسی بھی کمپنی کے مبرکواپنی پراکسی کے طور پرمقرر کرنے کاحق رکھتا ہے۔جائز پراکسیز میٹنگ کیلئے مقرر رکر دہ وقت سے 48 گھنٹے تبل کمپنی کے دجٹر ڈ آفس میں جمع کرائی جاسکتی ہے۔

سمپنی کے شیئرز کی کتابیں مورخہ 22 جولائی 2019 سے 29 جولائی 2019 جن میں دونوں دن شامل ہیں بندر ہیں گی۔

شیئر ہولڈرز سے درخواست ہے کہا پنے کمپنی کے بتائے ہوئے پتہ میں اگر کوئی تبدیلی ہے تو وہ کمپنی کے شیئر رجسڑار ٹیا بچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڑ، جن کا پتہ پہلی منزل C-40 بلاک6 ، پی ای سی ایچ ایس ، کراچی پر اطلاع دیں۔

سی ڈیسی شیئر ہولڈرزا پنی پراکسیز کوان کی شناخت کی تصدیق کرنے کے لئے سالانہ اجلاسِ عام میں شرکت کے دوران شناختی کار ڈنمبراوری ڈیسی کے اکا ونٹس کی تفصیلات لانی ضروری ہے۔





Chairman's Review

I am pleased to welcome you on the 66th Annual General Meeting of your Company and present you on the behalf of the Board of Directors, the Audited accounts of the Company for the year ended March 31, 2019 along-with my review on the performance of the Company.

I am pleased to report that your Company's Board of Directors have continued to provide valuable guidance and oversight to ensure strong governance and effectively provide encouragement and input to the management throughout the year. A review of the Board's own performance and effectiveness on a self-assisment basis has been conducted and appreciated, during the year under review, to ensure Best Practices.

The Economy

Country's GDP (gross domestic product) growth rate for the FY ending June'19 is estimated at 3.9 percent down from 5.2 percent last year (Source: Asian Development Bank. Asian Development Outlook 2019). Agricultural sector grew at 0.85 percent against target of 3.8 percent, reduction was due to less cultivation area, lower water availability and drop in fertilizer off-take. Industrial sector grew at 1.4 percent against target of 7.6 percent while services sector grew 4.7 percent against target of 6.5 percent. The growth momentum of the Pakistani economy became unsustainable due to rising macroeconomic imbalances i.e. high and increasing fiscal and current account deficits.

Pakistan trade deficits has decreased by US\$ 3.944 billion in the first ten months of current fiscal year which is 13.1% i.e. from US\$ 30.114 billion to US\$ 26.17 billion. Pakistan's exports during the period stood at US\$ 20.01 billion compared to US\$ 20.49 billion during the corresponding period of last year. Imports stood at US\$ 45.33 billion compared to US\$ 49.205 billion corresponding period last year. The current account deficit declined by 27 percent to US\$ 11.586 billion in first ten months of current fiscal year from US\$ 15.864 billion in the same period last year. This contraction comes on the back of a reduction in trade deficit coupled with 8.5 percent increase in foreign remittances to US\$ 17.875 billion. Inflation rose to five year high of 8.4 percent in April-2019 as compared to 3.7 percent last year. Total foreign exchange reserves of the Country amounted to US\$ 15.722 billion compared to US\$ 17.519 billion during the same period last year. Foreign Direct Investment dropped by 52 per cent to US\$ 1.376 billion as compared to US\$ 2.849 billion in the same period last year.

The Industry

Growth of automotive sector in the preceding years was instrumental in better capacity utilization for the battery industry. Sales of locally produced cars, LTV and Jeeps declined by 7% to 223,085 units in July - May-19 as compared to 240,227 sold during corresponding period of last year. Trucks and Buses sales declined by 31% from 9194 to 6351 units. Farm tractors sale declined by 30% to 46,771 from 66,992 units. Sale of motorcycles and three wheelers declined by 7% from 1,771,629 to 1,642,482 units. Local car industry sale declined from July-2018 onward due to restrictions on non-tax filer to buy new cars and frequent increase in prices. Also, the prices of refined and recycled lead increased considerably during the year under review.

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 process was implemented with great vigour for further strengthening quality standards of the products of your Company.

Sales

Net sales revenue of the Company for the year under review decreased to Rs.9.507 billion down by 22.7 percent as compared to Rs.12.301 billion during the last year due to decrease in sales volume of Battery Division.

Profitability

Gross profit for the year under review decreased from Rs.1,356.6 million to Rs.972.2 million, down by 28.3 percent, mainly due to increase in cost of raw materials and lower sales revenues.

Selling and distribution expenses increased by 8.1 percent and administration & general expenses increased by 11.5 per cent from 109.3 million to 121.9 million due to inflation. Operating loss Rs.151.7 million recorded as against last year profit achieved Rs.336.2 million. Financial charges increased to Rs.259.1 million from Rs.141.3 million on account of higher borrowings and increased markup rates.

Loss before tax for the year under review was Rs.410.8 million compared to last year profit of Rs.194.0 million. Loss after tax for the period under report was Rs.504.5 million as against profit of Rs.21.6 million recorded last year. Loss per share is recorded at Rs.64.94 compared to earnings of Rs.2.78 per share of last year.



Future Prospects

It is anticipated that indigenous organized battery industry will face tough competition due to capacity expansion of existing battery plants, new entrants, inflow of imported batteries and changing market dynamics. Profitability in next year will also be adversely impacted owing to increase in prices of basic raw materials, utilities, labour charges and devaluation of Pak Rupee. Nevertheless 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.



Acknowledgement

On my behalf and on behalf of the Board of Directors of your Company, I take this opportunity of acknowledging the devoted and sincere services of employees of all cadres of the company. I am also grateful to our bankers, shareholders, the Furukawa Battery Company Limited (Japan), vendors, main dealers/distributors, retailers and valued customers, including Fauji Fertilizer Bin Qasim Limited, the Original Equipment Manufacturers (OEM) and the government organizations.





Chairman

Karachi: June 29, 2019

بروو منسن:

پیداواری سرگرمیوں کی موثر طریقے سے منصوبہ بندی کی گئی اورا سے طلب اور رسد کے مطابق بنایا گیاا ورپیداوار کے تمام مراحل پر معیار کے کنڑول پر بھر پورطریقے سے عملدرامد ہوا۔

سيلن:

آ کی کمپنی کی نیٹ سیزا آمدنی %22.7 کی کمی کے بعد 12.301 بلین روپے ہے کم ہوکر 9.507 بلین روپے رہی جسکی وجہ بیٹری کی فروخت میں کمی ہونا تھا۔

منافع:

امسال مجموعی منافع 1,356.6 ملین روپے سے کم ہوکر 972.2 ملین روپے رہاجو کہ 28.3 نیصد کی تھی ۔منافع میں کمی کی وجہ خام مال کی قیمتوں کا بڑھنا اور آمدنی میں کمی ہے۔فروخت اور تقسیم کے اخراجات میں 8.1 نیصد اضافے کے بعد 109.3 ملین روپے سے 121.9 ملین روپے سے 121.9 ملین روپے سے 121.9 ملین روپے ہوگئے۔

آپریٹنگ نقصان 151.7 ملین روپے بچھلے سال منافع 336.2 ملین روپے کے مقابلے میں ہوا۔ فائنانس لاگت 117 فیصداضا فے کے ساتھ 141.3 ملین روپے سے بڑھ کر 259.1 ملین روپے ہوگئی جس کی وجہ قرضوں اور شرح سود میں اضافہ ہے۔

ا مسال کے لئے محصولات سے پہلے منافع 194.0 ملین روپے سے کم ہوکر 410.8 ملین روپے نقصان رہا۔ گزشتہ سال 21.6 ملین روپے منافع کے مقابلے میں امسال ٹیکس کے بعد نقصان 504.5 ملین روپے رہا۔ فی حصص آمد نی 2.78 روپے سے کم ہوکر 94.94 روپے نقصان ہوگئی۔

مستقبل کے امکانات:

بیمتوقع ہے کہ مقامی منظم بیٹری صنعت پیداری صلاحیتوں اور نئے بیٹری مینوفیکچرز درآ مداوراسمگل شدہ بیٹریوں کی وجہ سے اور مارکیٹ کی حرکیات کی وجہ سے تخت مقابلے کا سامنا کرے گی۔ بنیادی خام مال کی قیمتوں میں اضافے ، توانائی ، مزد وروں کی تخواہ اور روپے کی قدر میں کمی الگے سال میں بھی منافع پراثر انداز ہو سکتے ہیں۔لیکن آپکی کمپنی کی انتظامیہ یقین دلاتی ہے کہ بیٹری کے معیار ، پیدا واری صلاحیت لاگت پر کنٹرول اور مسلسل توجہ مرکوز کرتے ہوئے ممل فائدہ اٹھانے کا ارادہ رکھتی ہے۔

عتراف حدمات:

میری جانب سے اور آپ کی تمپنی کے بورڈ آف ڈائر کیٹرز کی جانب سے میں تمپنی کے تمام کیڈرز کے ملاز مین کی مخلص خدمات کو تسلیم کرنے کا موقع لیتا ہوں۔ میں کمپنی کے بینکوں ،خصص داروں ،فرور کو وا بیٹری تمپنی لمیٹٹ (جاپان) ،تھوک اور خور دہ فروش حضرات، مین ڈیلرز ، تمپنی کے سپلائز ،فوجی فرٹیلائزرز بن قاسم لمیٹٹراورگاڑیوں کے پیداواری نوٹٹس اور سرکاری تنظموں سمیت اپنے تمام گا کہوں کا بھی شکرگزار ہوں



الطاف ہا شوانی

چیئر مین

کراچی:29جون2019

چيئر مين كا حائزه:

میں آپ کی کمپنی کے 66 ویں سالانہ جنرل میں آپکوخوش اامدید کہتا ہوں۔ میں اپنی اور موجودہ بورڈ آف ڈائر یکٹر کی جانب سے کمپنی کی مجموعی کارکر دی گی برائے سال 31 مارچ2019 اور آڈینیڈ اکا ونٹس اور آڈٹ دریورٹ کا جائزہ پیش کار ہاہوں۔

مجھے بیر پورٹ کرتے ہوئے خوشی ہے کہ آپ کی کمپنی کے بورڈ آف ڈائر کیٹرز نے ایک مظبوط انتظامیہ کویقنی بنانے کیلئے قابل قد ررہنمائی اورنگرانی فراہم کی ہے اور سال بھر میں انتظامیہ کی بھر پور حوصلہ افز ائی کی ہے۔ جائزہ کے سال دوران خود شخیصی کی بنیاد پر بہترین طریقوں کویقنی بنانے کیلئے منظم طریقے سے بورڈ کی اپنی کارکردگی اور تاثیر کا جائزہ لیا گیا ہے۔

معشين:

ملک کی جی ڈی پی (مجموعی مصنوعات) مالی سال جون 2019 ختم ہونے کا تخینہ 3.8 فیصد لگایا گیا ہے جو کہ گرشتہ سال 5.2 فیصد سے نیچے ہے۔ زرعی شعبے کی ترقی 6.85 فیصد رہی آس کا ہوف 8.8 فیصد تھا جس کی بنیادی وجہ کم کاشت والے علاقے ، پانی کی کم دستیا بی اور کھاد میں کی وجہ تھی۔ صنعتی شعبے میں 7.6 فیصد ہوف کے مقابلے میں کہ وجہ تھی۔ صنعتی شعبے میں 7.6 فیصد ہوف کے مقابلے میں کہ وجہ تھی۔ صنعتی شعبے میں 7.6 فیصد ہوف کے مقابلے میں کہ وجہ بڑی صنعتوں میں عدم توازن اور بڑھتا ہوا مالیاتی اور کرنٹ اکا ؤنٹ خسارے میں اضافہ ہو۔ پاکستانی تجارتی خسارہ رواں مالی سال کے 10 ماہ میں 2044 بلین امریکی ڈالر سے کم ہوا ہے جو کہ 13.1 فیصد بنتا ہے جو کہ 10.11 اضافہ ہے۔ پاکستانی تجارتی خسارہ رواں مالی سال کے 10 ماہ میں 2044 بلین امریکی ڈالر سے کم ہوا ہے جو کہ 13.11 فیصد بنتا ہے جو کہ 20.49 بلین امریکی ڈالر تھی۔ موجودہ مالی سال کے پہلے دس مہینوں کے 40.00 بلین ڈالر تھی در آمدات 20.34 بلین رہی جبکہ پیچھلے سال 20.54 بلین امریکی ڈالر تھی۔ موجودہ مالی سال کے پہلے دس مہینوں کے دوران کرنٹ اکاؤنٹ 27 فیصد سے کم ہوکر 13.56 بلین امریکی ڈالر ہوا جو کہ پیچھلے سال 20.58 بلین امریکی ڈالر تھا تجارتی خسارے میں 8.4 فیصد رہا جو کہ پیچھلے سال 20.5 بلین امریکی ڈالر کے مقابلے میں سالوں میں سب سے زیادہ رہا اور پیچھلے سال 3.7 بلین امریکی ڈالر کے مقابلے میں سب سے زیادہ رہا اور پیچھلے سال 3.7 بلین امریکی ڈالر کے مقابلے میں 15.722 بلین امریکی ڈالر کے مقابلے میں 13.72 بلین امریکی ڈالر کے مقابلے میں 13.72 بلین امریکی ڈالر کے مقابلے میں 13.74 بلین امریکی ڈالر کے مقابلے میں 13.75 بلین امریکی ڈالر کے مقابلے میں 13.76 بلین امریکی ڈالر کے مقابلے میں 13.74 بلین امریکی ڈالر کے

صنعت:

پچھلے چندسالوں میں آٹو موٹوسیٹری ترقی نے بیٹری کی صنعت کے لئے بہتر مواقع پیدا کئے۔مقامی پیداوار شدہ کاروں اور درمیانی در جے کی نقل وحرکت کی گڑیوں اور جیپوں کی فروخت 7 فیصد کم ہوکر 223,085 گڑیاں تھی جو بچھلے سال جولائی تامئی 2019 میں 227,227 یونٹ فروخت ہوئی تھی۔ گڑک اور بسوں کی فروخت 31 کمیسے 194,99 ہے کم ہوکر 66,351 ہوئی۔ زرعی ٹریکٹر کیٹر کی فروخت 30 فیصد کی کے ساتھ 992,66 ٹریکٹر سے کم ہوکر کر 1,771,629 سے کم ہوکر 21,771 ہونٹ سے کم ہوکر 21,642,482 سے مقامی کارون کی فروخت 7 فیصد کی کی وجہ سے مقامی کارون کی فروخت کی میں بول کی میں بول کارون کی خریداری کے لیے غیرٹیکس فائلروں پر پاپندی اور قیمتوں میں اضافے کی وجہ سے مقامی کارصنعت کی فروخت میں جولائی 2019 سے کی واقع ہوئی۔ا مسال خالص ری سائیکل لیڈ کی قیمتوں میں اضافہ ہوا۔





Directors' Report

Einanaial Lighlighta

The Directors of your Company have pleasure in submitting their report on audited statements of accounts for the year ended March 31, 2019.

| Financial Highlights | (Rupees' 000) |
|---|-----------------------|
| Loss before taxation Taxation | (410,838) (93,673) |
| Loss after taxation Un-appropriated profit brought forward | (504,511) 228,554 |
| | (275,957) |
| Transferred from surplus on revaluation of property, plan and equipment - Current year - net of tax | 15,588 |
| Re-measurement of defined benefit plan net of tax | (1,652) |
| Un-appropriated loss carried forward | (262,021) |
| Loss per share – Rs. | (64.94) |

We confirm that:

- a) The financial statements have been drawn up in conformity with the requirements of the Companies Act, 2017 and present fairly state of its affairs, operating results, cash flow and changes in equity.
- b) Proper books of accounts have been maintained in the manner required under Companies Act, 2017.
- c) Appropriate accounting policies have been applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- d) International Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of the financial statements.
- e) The internal control system is being implemented and monitored.
- f) There are no significant doubts about the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as required by the listing regulations.
- h) The key operating and financial data of the past ten years is annexed to this report.
- i) Outstanding duties and taxes, if any, have been disclosed in the financial statements.



- j) The Chairman's Review dealing with the performance of the Company during the year ended March 31, 2019 future prospects and other matters of concern to the Company forms part of this report.
- k) Value of investments of provident and gratuity funds was Rs. 122.086 million and Rs. 64.088 million, respectively as on March 31, 2019.
- I) The number of board meetings held during the year 2018-19 was four. The attendance of the directors is as under:

| 1. | Mr. Arif Hashwani | 4 |
|----|-----------------------------|---|
| 2. | Mr. Arshad Shehzada | 4 |
| 3. | Mr. Altaf Hashwani | 3 |
| 4. | Mr. Hussain Hashwani | 4 |
| 5. | Mr. Muhammad Kamran Shehzad | 3 |
| 6. | Mr. Ayub Hameed | 4 |
| 7. | Mr. S. Haider Mehdi | 4 |
| 8. | Mr. S. M. Faiq | 4 |

- m) Pattern of shareholding as at March 31, 2019 is annexed to this report.
- n) We confirm that Directors and CFO and their spouse and minor children have made no transactions of the Company's shares during the year.
- o) The Statement of Compliance with the Code of Corporate Governance is annexed to this report.
- p) The present Auditors M/s. A. F. Ferguson & Co., Chartered Accountants, retires and being eligible, offers themselves for the re-appointment.

Altaf Hashwani

Chairman

Karachi: June 29, 2019

- تصدیق کی جاتی ہے کہ ڈائیر یکٹرز، چیف فائینشل آفیسران کی شریک حیات اور نابالغ بچوں نے کمپنی کے شیئر زمیں مالی سال 2019-2018 میں کوئی لین دین نہیں کیا۔
 - کوڈ آف کارپوریٹ گورنس کی تغیل کابیان اس رپورٹ سے منسلک ہے۔
 - موجوده آؤیٹر ہوئے ہیں اور 2019-2020 کے آؤیٹر M/s. AF. Ferguson & Co., Chartered Accountants جواس سال ریٹائر ہوئے ہیں اور 2019-2020 کے آؤیٹر کی المبیت رکھتے ہوئے دوبارہ اس سال میں آؤیٹر کی کیلئے پیش کرتے ہیں۔

سر الطاف ماشوانی

چیئر مین

کراچی: 29 جون 2019

ڈائیریکٹرزر بورٹ

آپ کی کمپنی کے ڈائیر یکٹرز 31 مارچ 2019 کوختم ہونے والے سال کیلئے آڈیٹٹر اکاؤنٹس اوران کی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

| روپي ت | مالياتی اصول |
|---|--|
| 0,838) | قبل از ٹیکس نقصان ۔ |
| 3,673) | شکی س ِ |
| 4,511) | بعداز ثيكس نقصان |
| 8,554 5,957) | غير منقسم شده منافع كى منتقلى |
| لیویش پرسر پلس برائے سال 19-2018 راز نیکس از نیکس | فحسایسٹس کی دوبارہویا خالص ایکچو رکل آمدنی بعدا |
| قلي (2,021) | غيرتقسيم شده نقصان كي فتت |
| 54.94) | فی شیئر نقصان |

- مالی حسابات کمپنیزا یکٹ **2017** کے مطابق بالکل ایما ندارانہ طور سے تیار کئے گئے ہیں جو کہ کمپنی کے آپریٹنگ رزلٹس، کیش فلوا شیٹمنٹ اورا یکوٹی اسٹیٹمنٹ کے ساتھ شامل ہیں۔
 - پراپربکس آف ا کاوُنٹس کمپینزا یک 2017 کے مطابق مینٹین کی گئی ہے۔
 - بین الاقوامی رپورٹنگ معیارات، پاکستان میں قابل عمل کے طور پر مالی بیانا تاان اکا وُنٹس کی تیاری میں شامل کئے گئے ہیں۔
 - اندورنی کنٹرول کانظام پورےسال نافذ کیا گیااوراس کی ٹگرانی کی گئے۔
 - کمپنی کے جاری رہنے کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔
 - کارپوریٹ گورننسا وربہترین پریکشسس ،لسٹنگ ریگیولیشن سے کوئی بڑا فرق نہیں ہے۔
 - اداشدونیکس یا ڈیوٹی فنانشل اسٹیٹنٹ میں بیان کی گئی ہیں۔
 - چیئر مین کا جائز ہ برائے کمپنی کی کارکر دگی 31 مارچ 2019 اور مستقبل کے ام کا نات اور دیگر معاملات سے نمٹنے کا معاملہ اس رپورٹ کا حصہ ہے۔
 - پروویڈنٹ اورگریجوٹی فنڈز کی مالیت 31 مارچ 2019 پر بالترتیب 122.086 ملین روپے اور 64.088 ملین روپے ۔
 - شیئر ہولڈرز بیٹرن برائے 31 مارچ 2019 اس رپورٹ کے ساتھ منسلک ہے۔

Statement of Compliance

With the listed companies (Code of Corporate Governance) regulations, 2017 for the year ended March 31. 2019

Exide Pakistan Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") in the following manner:

- 1. The total number of directors are eight as per the following
- a) Male: Eightb) Female: Nil
- 2. The composition of the Board of Directors ("the Board") is as follows:

| Category | Names |
|-------------------------------|---|
| Independent Director | Mr. Ayub Hameed |
| Other Non-Executive Directors | Mr. Hussain Hashwani Mr. Muhammad Kamran Shehzad Mr. Altaf Hashwani Mr. S. M. Faiq |
| Executive Directors * | Mr. Arif Hashwani Mr. Arshad Shahzada Mr. S Haider Mehdi |

^{*} The number of Executive Directors on the Board exceeded the limit prescribed by the Regulations. The same will be rectified by the Board of Directors by September 30, 2019.

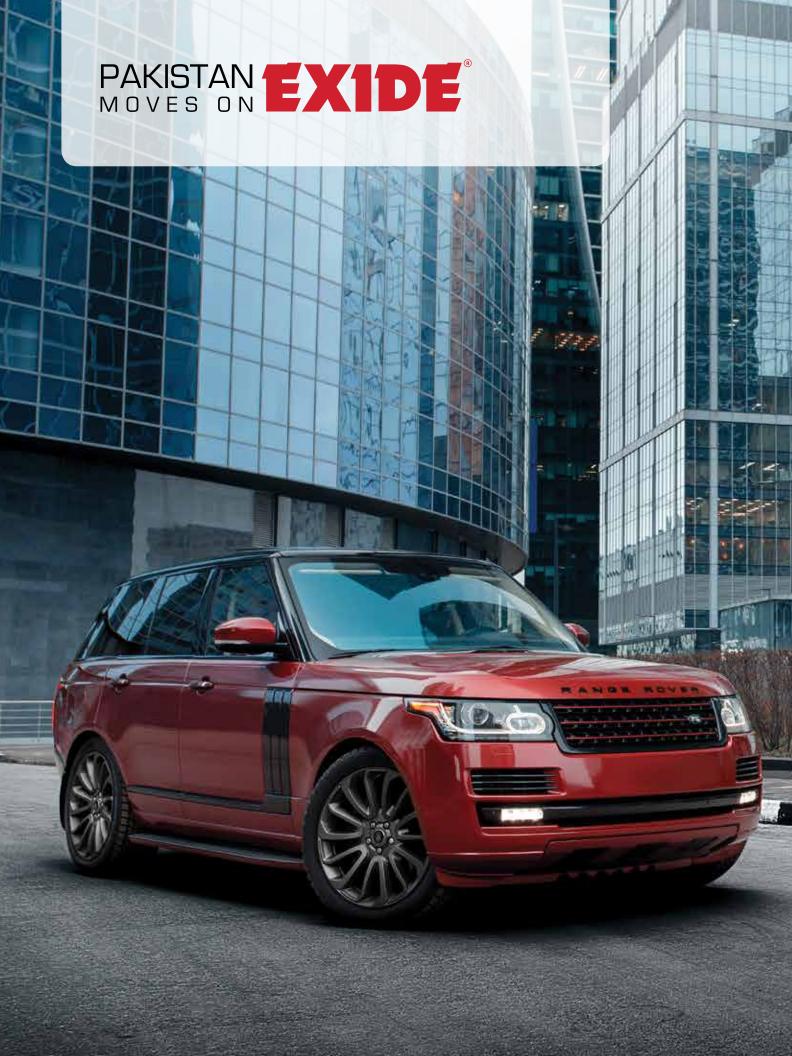
- 3. The Directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
- 4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and these Regulations.
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.
- 8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9. The Board remained fully compliant with the provision with regard to their directors' training program. Out of total of eight directors, seven directors are exempt from training program as mentioned in regulation no. 20, sub-regulation 2 of the Regulations. Furthermore, remaining one director has already completed this training earlier.

- 10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remmuneration and terms and conditions of employment and complied with relevant requirements of the regulations. However, the Company Secretary is a commerce graduate possessingappropriate experience in secretarial job but he does not meet the qualification criteria prescribed by the Regulations.
- 11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
- 12. The Board has formed committees comprising of members given below:
 - a) Audit Committee
 - Mr. Ayub Hameed (Chairman)
 - Mr. Altaf Hashwani
 - Mr. S. M. Faiq
 - b) HR and Remuneration Committee
 - Mr. Ayub Hameed (Chairman)
 - Mr. Arif Hashwani
 - Mr. Altaf Hashwani
- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- 14. The frequency of meetings of the aforesaid committees were as per following:
 - a) Audit Committee: Four quarterly meetings during the financial year ended March 31, 2019
 - b) HR and Remuneration Committee: One meeting during the financial year ended March 31, 2019.
- 15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- 16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan ("the ICAP") and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18. We confirm that all other requirements of the Regulations have been complied with.

Altaf Hashwani

Chairman

Karachi: June 29, 2019

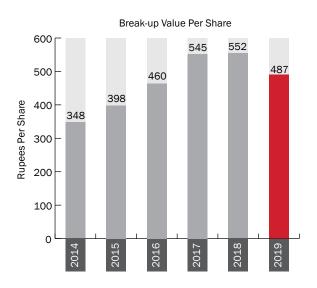


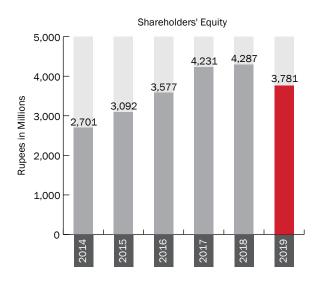


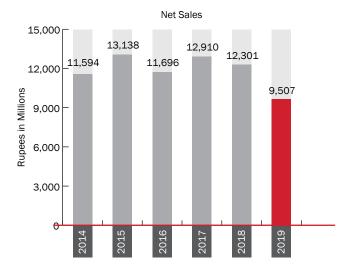
Performance Highlights

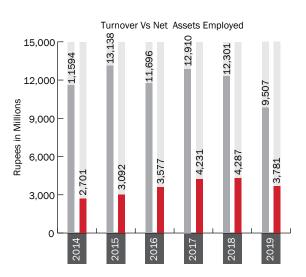
| EXIDE PAKISTAN LIMITED | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------|-----------|-----------|------------|----------------------------|------------|------------|------------|------------|-----------|
| | | | | | | | | | | |
| | | | | (Re Rup | (Restarted) Rupees' 000 | | | | | |
| Net Sales | 6,189,135 | 7,711,452 | 9,465,724 | 11,145,295 | 11,593,822 | 13,138,079 | 11,695,892 | 12,909,940 | 12,301,411 | 9,506,579 |
| Operating Profit/(Loss) | 382,502 | 558,215 | 658,025 | 791,779 | 088,669 | 871,707 | 825,706 | 1,125,900 | 336,220 | (151,732) |
| Profit/(Loss) before Tax | 303,554 | 429,726 | 500,926 | 753,452 | 603,457 | 617,481 | 651,542 | 1,060,935 | 193,962 | (410,838) |
| Profit/(Loss) after Tax | 197,287 | 276,390 | 320,145 | 485,856 | 401,092 | 447,685 | 424,616 | 739,256 | 21,621 | (504,511) |
| Cash Dividend | 33,899 | 33,899 | 42,374 | 42,374 | 58,265 | 58,265 | 77,686 | 97,108 | 1 | 1 |
| Cash Dividend % | 09 | 09 | 09 | 09 | 75 | 75 | 100 | 125 | 1 | ı |
| Stock Dividend | 1 | 14,125 | 1 | 7,062 | 1 | 1 | 1 | 1 | 1 | 1 |
| Stock Dividend % | 1 | 25 | 1 | 10 | 1 | 1 | 1 | 1 | 1 | , |
| Paid up Share Capital | 56,499 | 56,499 | 70,624 | 70,624 | 77,686 | 77,686 | 77,686 | 77,686 | 77,686 | 77,686 |
| Rerserves & Unappropriated Profit | 844,000 | 1,091,989 | 1,374,100 | 1,839,576 | 2,203,784 | 2,604,358 | 2,983,383 | 3,649,635 | 3,584,627 | 3,094,052 |
| Surplus on Revaluation of fixed Assests | 249,502 | 449,916 | 439,926 | 429,937 | 419,948 | 410,481 | 515,702 | 503,232 | 624,793 | 609,132 |
| Share holders' Equity | 1,150,001 | 1,598,404 | 1,884,650 | 2,340,137 | 2,701,418 | 3,092,525 | 3,576,771 | 4,230,553 | 4,287,106 | 3,780,870 |
| Tangible Fixed Assest | 776,542 | 1,027,910 | 1,018,471 | 1,039,059 | 1,249,709 | 1,313,152 | 1,355,372 | 1,442,525 | 1,631,860 | 1,507,876 |
| Net Current Assests | 397,224 | 593,067 | 899,155 | 1,339,730 | 1,490,379 | 1,791,721 | 2,190,649 | 2,755,319 | 2,625,708 | 2,225,371 |
| | | | | Œ | Rupees | | • | | | |
| Eearnings/(Loss) per share before Tax | 53.73 | 76.06 | 70.93 | 106.68 | 77.68 | 79.48 | 83.87 | 136.57 | 24.97 | (52.88) |
| Eearnings/(Loss) per share after Tax | 34.92 | 48.92 | 45.33 | 68.79 | 51.63 | 57.63 | 54.66 | 95.16 | 2.78 | (64.94) |
| Share break-up value | 203.54 | 282.91 | 266.86 | 331.35 | 347.74 | 398.08 | 460.41 | 544.57 | 551.85 | 486.69 |
| Ratio of : | | | | Pel | Percentage | | | | | |
| Operating Profit/(Loss) to Sales | %9 | %2 | %2 | %8 | %9 | %2 | %2 | %6 | 3% | -2% |
| Profit/(Loss) before Tax to Sales | 2% | %9 | 22% | %2 | 2% | 2% | %9 | %8 | 2% | -4% |
| Profit/(Loss) after Tax to Sales | 3% | 4% | 3% | 4% | 3% | 3% | 4% | %9 | %0 | -2% |
| Return/(Loss) on Equity | 17% | 17% | 17% | 21% | 15% | 14% | 12% | 17% | 1% | -13% |
| | | | | | | | | | | |

Performance Highlights









Performance Highlights

Cost and Expenses Analysis 2018

Cost and Expenses Analysis 2019







| ■ Cost of Goods Sold | 90% |
|--------------------------------------|-----|
| ■ Selling and Distribution Expenses | 9% |
| ■ Administration Expenses | 1% |
| Other Charges Including WPPF and WWF | 1% |
| ■ Financial Charges | 3% |
| ■ Taxation | 1% |
| ■ Net Loss | -5% |

Sales Analysis 2018 Rupees in Millions



| ■ Gross Sales | 16,185 |
|------------------------------------|--------|
| ■ Sales Tax and Special Exice Duty | 2,608 |
| Discounts | 1,276 |
| ■ Net Sales | 12,301 |
| | |

Sales Analysis 2019 Rupees in Millions



| 12,541 |
|--------|
| 1,998 |
| 1,036 |
| 9,507 |
| |

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Exide Pakistan Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Exide Pakistan Limited (the Company) for the year ended March 31, 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the 'Statement of Compliance' does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended March 31, 2019.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

| Paragraph Regerence | Description | |
|---------------------|---|--|
| 2 | During the year, the number of Executive directors on the Board exceeded the limit prescribed by the Regulations. | |
| 10 | Company Secretary does not meet the qualification criteria prescribed by the Regulations. | |

Chartered Accountants

Karachi: July 05, 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Exide Pakistan Limited

Report on the Audit of Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Exide Pakistan Limited (the Company), which comprise the unconsolidated statement of financial position as at March 31, 2019, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at March 31, 2019 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matters:

| S.No. | Key Audit Matters | How the matter was addressed in our audit |
|-------|--|--|
| 1 | Trade debts | |
| | (Refer notes 12 of the annexed unconsolidated financial statements) Sales of the company products are made to dealers, original equipment manufacturers and other customers. These customers are allowed credit period and assigned credit limits as well based on credit assessment. | Our audit procedures to verify trade debts and provision against trade debts amongst others, included the following: |

INDEPENDENT AUDITOR'S REPORT

| S.No. | Key Audit Matters | How the matter was addressed in our audit |
|-------|---|--|
| | The Company has trade debts amounting to Rs. 3.566 billion as at March 31, 2019 which includes an overdue amount of Rs. 2.115 billion. The Company makes provision against trade debts based on objective evidence of impairment which is mainly determined based on days past due and the recovery pattern. During the year, the Company has recognized provision against trade debts amounting to Rs 7.534 million. As at March 31, 2019, the Company holds provision against trade debts amounting to Rs. 52.062 million. The assessment of the recovery of trade debts / determination of provision there against remains an area of significant judgment and estimation. Due to the significance of this judgment and the materiality of trade debts related to the overall statement of financial position of the Company, we considered the recoverability of trade debts as a key audit matter. | We sought external confirmations from selected debtors of their balances that remained outstanding at the year end and compared replies to the request; Where response to the external confirmations were not received, we have checked subsequent receipts/traced the receivables balances to the invoices. Obtained an understanding of the Company's process for assessing impairment against trade debts; Evaluated the appropriateness of the Company's methodology for assessing provision against trade debts. Reviewed the aging report and assessed the accuracy of aging report by checking sample of invoices; Assessed the relevant disclosures made in the unconsolidated financial statements to determine whether they are complied with the accounting and reporting standards as applicable in Pakistan. |
| 2 | Provisions against battery warranty claims (Refer notes 19.2 of the annexed unconsolidated financial statements) | |
| | The Company offers different warranty periods for its various classes of batteries. The management carries out an exercise to assess the reasonableness of the provision for warranty obligation retained in the unconsolidated financial statements for all kinds of batteries. In ascertaining, the adequacy of the provision, the management takes into account the past trend of warranty claims in respect of all kinds of batteries which are sold of the Company. During the year, the warranty claims have increased as compared to the previous years. The charge for the year in respect of provision for warranty claims amounted to Rs 364.268 million and the provision as at March 31, 2019 amounted to Rs 133.411 million. The provision at the year-end takes into account the higher percentage of warranty claims during the year. Due to significance of the provision balance and related significant estimation involved, we considered it as a key audit matter. | Our audit procedure included the following: Obtained an understanding of the warranty process, evaluated the design of, and performed the related test of controls. Evaluated the appropriateness of the Company's methodology for calculating the charge of warranty provisions for the year and tested the basis for the assumptions used in the determination of the warranty provisions. Assessed the relevant disclosures made in the unconsolidated financial statements to determine whether they are complied with the accounting and reporting standards as applicable in Pakistan. |

INDEPENDENT AUDITOR'S REPORT

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the unconsolidated and consolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due
 to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that
 is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement
 resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional
 omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirement

Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Noman Abbas Sheikh.

A.F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: July 05, 2019





Unconsolidated Statement of Financial Position

as at March 31, 2019

| | Note | 2019 | 2018 |
|---|----------|--------------------|--------------------|
| ACCETC | | (Rupee | s '000) |
| ASSETS | | | |
| Non-current assets | | 4.507.070 | 1 001 000 |
| Fixed assets Long-term investment | 6 7 | 1,507,876 224 | 1,631,860 224 |
| Long-term loans | 8 | 585 | 916 |
| Long-term deposits | 9 | 46,814 | 37,993 |
| Current cocoto | | 1,555,499 | 1,670,993 |
| Current assets Stores and spares | 10 | 115,987 | 105,404 |
| Stock-in-trade | 11 | 2,176,433 | 2,266,384 |
| Trade debts | 12 | 3,565,856 | 3,146,701 |
| Loans and advances | 13 | 26,480 | 33,551 |
| Trade deposits, prepayments and other receivables | 14 | 67,872 | 55,333 |
| Taxation recoverable | 15 | 898,853 149,083 | 713,417 880,414 |
| Cash and bank balances | 13 | 7,000,564 | 7,201,204 |
| | | 8,556,063 | 8,872,197 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised share capital | | | |
| 18,000,000 (2018: 18,000,000) ordinary shares of Rs 10 each | | 180,000 | 180,000 |
| Issued, subscribed and paid-up share capital | 16 | 77,686 | 77,686 |
| Capital reserve | 10 | 259 | 259 |
| Revenue reserves | | 3,329,991 | 3,329,991 |
| Reserve arising on amalgamation - net | | 25,823 | 25,823 |
| Accumulated (loss) / unappropriated profit | | (262,021) | 228,554 |
| Revaluation surplus on property, plant and equipment - net of tax | 17 | 609,132 | 624,793 |
| LIABILITIES | | 3,780,870 | 4,287,106 |
| Non-current liabilities | | | |
| Deferred taxation - net | 18 | _ | 9,595 |
| Dolonou takation not | 10 | | 0,000 |
| Current liabilities | | | |
| Trade and other payables | 19 | 1,182,221 | 1,377,747 |
| Unclaimed dividend | 00 | 6,076 81,683 | 1,224 40,644 |
| Accrued profit / mark-up Loan from a Director | 20 21 | 305,550 | 305,550 |
| Short-term borrowings | 22 | 3,199,663 | 2,850,331 |
| 3 | | | |
| | | 4,775,193 | 4,575,496 |
| TOTAL LIABILITIES | | 4,775,193 | 4,585,091 |
| TOTAL EQUITY AND LIABILITIES | | 8,556,063 | 8,872,197 |
| CONTINGENCIES AND COMMITMENTS | 23 | | |

The annexed notes ${\bf 1}$ to ${\bf 47}$ form an integral part of these unconsolidated financial statements.

Altaf Hashwani Chairman

Arshad ShehzadaChief Executive Officer

Unconsolidated Statement of Profit or Loss

For the year ended March 31, 2019

| | Note | 2019 | 2018 | | |
|---|----------|------------------------------------|-----------------------------------|--|--|
| | | (Rupee | s '000) | | |
| Sales - net Cost of sales | 24 25 | 9,506,579 (8,534,355) | 12,301,411 (10,944,793) | | |
| Gross profit | - | 972,224 | 1,356,618 | | |
| Selling and distribution expenses Administration and general expenses | 26 27 | (938,232) (121,858) (87,866) | (868,292) (109,280) 379,046 | | |
| Other income | 28 | 18,519 (69,347) | 12,000 391,046 | | |
| Other operating charges Operating (loss) / profit | 29 | (82,385) (151,732) | (54,826) | | |
| Finance cost Penalty (Loss) / profit before taxation | 30 31 | (259,106) - (410,838) | (141,258) (1,000) 193,962 | | |
| Taxation - net | 32 | (93,673) | (172,341) | | |
| (Loss) / profit after taxation | | (504,511) | 21,621 | | |
| | | (Rupees) | | | |
| (Loss) / earnings per share (basic and diluted) | 33 | (64.94) | 2.78 | | |

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Altaf Hashwani Chairman

Arshad Shehzada Chief Executive Officer

Unconsolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended March 31, 2019

| | Note | 2019 | 2018 |
|---|--------|-------------|------------|
| | | (Rupee | s '000) |
| (Loss) / profit for the year after taxation | | (504,511) | 21,621 |
| Other comprehensive Income: | | | |
| Items that will not be reclassified to unconsolidated statement of profit or loss in subsequent periods | | | |
| Remeasurements of defined benefit plan | 34.1.2 | (2,203) | (2,943) |
| Deferred tax on remeasurements of defined benefit plan Effect of Change in Tax rate | 17 | 551 (73) | 736 861 |
| | | (1,725) | (1,346) |
| Items that may be reclassified to unconsolidated statement of profit or loss in subsequent periods | | | |
| Surplus on revaluation of land and buildings | 17 | - | 134,215 |
| Deferred tax on surplus on revaluation of buildings | 17 | - | (829) |
| | | - | 133,386 |
| Total comprehensive (loss) / income for the year | : | (506,236) | 153,661 |

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Altaf Hashwani Chairman

Arshad Shehzada Chief Executive Officer

Unconsolidated Statement of Changes in Equity

For the year ended March 31, 2019

| r or the year chaoa march ex, 2020 | | Capital | reserves | Revenue | reserves | | |
|--|--|-------------------------------|---|-------------------------------|--|--|-------------|
| | Issued, subscribed and paid-up share capital | General capital reserve | Reserve arising on amalgamati on-net | General revenue reserve | Accumulate d (loss)/ unappropri ated profit | Revaluation surplus on property, plant and equipment | Total |
| | | | (Rupe | es '000) | | | |
| Balance at March 31, 2017 | 77,686 | 259 | 25,823 | 2,729,991 | 893,562 | 503,232 | 4,230,553 |
| Final dividend for the year ended March 31, 2017 declared subsequent to year end | - | - | - | - | (97,108) | - | (97,108) |
| Transfer to revenue reserves madesubsequent to the year ended March 31, 2017 | - | - | - | 600,00 | (600,00) | - | - |
| Profit after taxation for the year ended March 31, 2018 | - | - | - | - | 21,621 | - | 21,621 |
| Other comprehensive income for the year | | | | | | | |
| Remeasurements of defined benefit plan | - | - | - | - | (2,943) | - | (2,943) |
| Deferred Tax on remeasurements of defined benefit plan | - | - | - | - | (736) | - | (736) |
| Effect of change in tax rate (note 17) | - | - | - | - | - | 861 | 861 |
| | - | - | - | - | (2,207) | 861 | (1,346) |
| Surplus on revaluation of land and building - net | - | - | - | - | - | 134,215 | 134,215 |
| Deferred tax on surplus on revaluation of land and building - net | - | - | - | - | - | (829) | (829) |
| | | | | | | 133,386 | 133,386 |
| Transferred from revaluation surplus on property, plant and equipment - net of tax (note 17) | - | - | - | - | 12,686 | (12,686) | - |
| Balance as at March 31, 2018 | 77,686 | 259 | 25,823 | 3,329,991 | 228,554 | 624,793 | 4,287,106 |
| Loss after taxation for the year ended March 31, 2019 | - | - | - | - | (504,511) | - | (504,511) |
| Other comprehensive income for the year | | | | | | | |
| Remeasurements of defined benefit plan | - | - | - | - | (2,203) | - | (2,203) |
| Deferred tax on remeasurements of defined benefit plan Effect of change in tax rate (note 17) | - | - | - | - | 551 - | (73) | 551 (73) |
| | - | - | - | - | (1,652) | (73) | (1,725) |
| Transferred from revalution surplus on property, plant and equipment - net of tax (note 17) | - | - | - | - | 15,588 | (15,588) | - |
| Balance as at March 31, 2019 | 77,686 | 259 | 25,823 | 3,329,991 | (262,021) | 609,132 | 3,780,870 |

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Altaf Hashwani Chairman

Arshad Shehzada Chief Executive Officer

Unconsolidated Statement of Cash Flows

For the year ended March 31, 2019

| Note | 2019 | 2018 |
|--|-------------|-------------|
| | (Rupee | es '000) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash (used in) / generated from operations 38 | (522,420) | 553,418 |
| Financial charges paid | (218,067) | (133,252) |
| Taxes paid | (288,704) | (379,848) |
| Increase in long-term deposits | (8,821) | (3,255) |
| Decrease / (increase) in long-term loans | 331 | (72) |
| Net cash (used in) / generated from operating activities | (1,037,681) | 36,991 |
| | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for capital expenditure | (50,780) | (224,800) |
| Proceeds from disposal of operating fixed assets | 7,798 | 11,902 |
| Net cash used in investing activities | (42,982) | (212,898) |
| | | |
| | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| | | |
| Loan from director | - | 305,550 |
| Net cash flows generated from financing activities | - | 305,550 |
| | | |
| Net (decrease) / increase in cash and cash equivalents during the year | (1,080,663) | 129,643 |
| Cash and cash equivalents at the beginning of the year | (1,969,917) | (2,099,560) |
| Cash and cash equivalents at the end of the year 39 | (3,050,580) | (1,969,917) |
| The same same same same same year. | | |

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Altaf Hashwani Chairman

Arshad Shehzada Chief Executive Officer

For the year ended March 31, 2019

1 THE COMPANY AND ITS OPERATIONS

- **1.1** Exide Pakistan Limited (the Company) is a public limited 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 Pakistan Stock Exchange. The Company is engaged in the manufacturing and sale of batteries, chemicals and acid. Manufacturing facilities for batteries are located at S.I.T.E Karachi while facilities for chemicals and acid are located at S.I.T.E and Bin Oasim Karachi.
- 1.2 These financial statements are the seprate unconsolidated financial statements of Exide Pakistan Limited. In addition to these unconsolidated financial statements, consolidated financial statements of Exide Pakistan Limited and its subsidiary company, Chloride Pakistan (Private) Limited (CPL) have been presented separately.

2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS THAT HAVE AFFECTED THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE DURING THE YEAR

- a) During the current year, the company has incurred a loss mainly due to increased competition in the market together with the reduction in demand for UPS batteries. The cost of production has increased due to high lead prices and deteriorating exchange rate. Furthermore, the increase in selling and distribution expenditure is on account of extra marketing efforts to cope up with tough competition in the market.
- b) The range of profit / mark-up rates on short borrowing facilities availed by the Company have increased from 6.22% 7.50% to 10.52% from 11.12% resulting in increase in financing costs of the Company.
- c) The average price of lead (main raw material of battery manufacturing) has increased from USD 2,397/ MT during 2018 to USD 2,435/ MT during 2019;
- d) The company finalised its plan to start supplying solar energy solutions by the end of the next financial year and has also started procuring inventory;
- e) The exchange rate of USD to PKR has increased from PKR 115.49 as at March 31, 2018 to PKR 140.78 as at March 31, 2019;
- f) For detailed discussion about the company's performance please refer to the Director's report.

3 BASIS OF PREPARATION

3.1 Statement of Compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reportingstandards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

For the year ended March 31, 2019

3.2 Accounting convention

Thses unconsolidated financial statements have been prepared under the historical cost convention except that inventories are carried at lower of cost or net realisable value, land and buildings are stated at revalued amounts and certain staff retirement benefits are carried at present value.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year:

There are certain amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after April 1, 2018 but are considered not to be relevant or do not have any significant effect on the companies operations and are, therfore, not detailed in these unconsolidated financial statements

- 3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not effective in the current year:
- **3.4.1** The following standards, amendments and interpretation with respect to published accounting and reporting standards would be effective from the date mentioned below against the respectives standards, amendments or interpretations:

Standards, Interpretations and amendments

- IFRS 9 - 'Financial instruments'

Effective date (accounting period ending on or after)

June 30, 2019

Standards, Interpretations and amendments

Effective date (accounting periods beginning on or after)

| - IFRS 15 - 'Revenue from contracts with customers' | July 1, 2018 |
|--|-----------------|
| - IFRS 16 - 'Leases' | January 1, 2019 |
| - IFRIC 23 - 'Uncertainty over income tax treatments' | January 1, 2019 |
| - IAS 12 - 'Income taxes' (amendments) | January 1, 2019 |
| - IAS 1 - 'Presentations of financial statements' (amendments) | January 1, 2020 |
| - IAS 8 - 'Accounting policies, change in accounting estimates and error' (amendments) | January 1, 2020 |
| - IAS 19 - 'Employee benefits' (amendments) | January 1, 2019 |

The standards / amendments highlighted above may impact the unconsolidated financial statements of the Company on adoption. The management is currently in the process of assessing the impact of these standards and amendments on the unconsolidated financial statements of the Company.

3.4.2 There are certain other new and amended standards, interpretations and amendments that are mandatory for the company's accounting periods beginning on or after April 1, 2019 but are considered not to be relevent or will not have any significant effect on the company's operation and are, therefore, not detailed in these unconsolidated financial statements.

For the year ended March 31, 2019

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the unconsolidated financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the company's unconsolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Estimation of provision against doubtful trade debts (notes 5.6 and 12):
- ii) Provision against battery warranty claims (notes 5.10 and 19.2):
- iii) Provision against slow moving and obsolete stock-in-trade (notes 5.5 and 11.1):
- iv) Provision against slow moving and obsolete stores and spares (notes 5.4 and 10):
- v) Estimation of liability in respect of staff retirement gratuity (notes 5.12 and 34):
- vi) Provision for taxation (notes 5.14, 18 and 32): and
- vii) Estimation of usefull lives and depreciation rates of property, plant and equipment (notes 5.1 and 6)

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

5.1 Property, plant and equipment

5.1.1 Operating assets

Leasehold land and buildings on leasehold land are stated at revalued amounts less accumulated depreciation and accumulated impairment losses (if any). Plant and machinery, furniture and fixtures, office equipment and appliances and vehicles are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

subsequent costs are included in the asset's carrying amounts or recognised as a separte asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the unconsolidated statement of profit or loss as and when incurred except major repairs which are capitaized.

Depreciation on all property, plant and equipment is charged using the straight line method in accordance with the rates specified in note 6.1.1 to these unconsolidated financial statement and after taking into account residual value, if significant. The revalued amount of leasehold land and building on leasehold land is amortised / depreciated equally over the remaining life from the date of revaluation. The residual value, useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation on additions is charged from the month in which the asset become available for use, while no depreciation is charged in the month of disposal.

For the year ended March 31, 2019

An increase arising on revaluation is credited to the surplus on revaluation of property, plant and equipment. A decrease arising on revaluation of fixed assets adjusted against the surplus of that asset or , if no surplus exists, is charged to the unconsolidated statement of profit or loss as an impairment of the asset. A surplus arising subsequently on an impaired asset is reserved through the unconsolidated statement of profit or loss up to the extent of the original impairment. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the unconsolidated statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit / accumulated losses.

Gains /losses on disposal property, plant and equipment are charged to the unconsolidated statement of profit or loss.

5.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses (if any). All expenditure connected to the specific assets incured during installation and construction period is carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

5.2 Intangible assets

Intangible asset acquired by the Company are stated at cost less accumulated amortisation. Cost represents the expense incurred to acquire the intangible asset and bring them to use. The cost of intangible asset is amortised using the straight line method in accordance with the rate specified in note 6.2 to these unconsolidated financial statements.

Cost associated with maintaining intangible asset is charged to the unconsolidated statement of profit or loss.

5.3 Financial instruments

5.3.1 Financial assets

5.3.1.1 Classification

The management determines the appropriate classification of its financial assets in accordance with the requirements of International Accounting Standard 39 (IAS 39), "Financial Instruments: Recognition and Measurement" at the time of purchase of financial assets and re-evaluates this classification on a regular basis. The financial assets of the Company are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss'.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise of trade debts, loans and advances, deposits, cash and bank balances and other receivables in the unconsolidated statement of financial position.

For the year ended March 31, 2019

c) Held to maturity

These are financial assets with fixed or determinable payments and fixed maturity and for which the Company has positive intent and ability to hold to maturity.

d) Available for sale financial assets

Financial assets intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in equity prices, are classified as 'available for sale'. Available for sale financial instruments are those non-derivative financial assets that are designated as available for sale or are not classified as either (a) financial assets at fair value through profit or loss; (b) loans and receivables; or (c) held to maturity.

5.3.1.2 Initial recognition and measurement

All financial assets are recognised at the time the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Company commits to purchase or sell the assets. Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value and transaction costs associated with these financial assets are taken directly to the unconsolidated statement of profit or loss.

5.3.1.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) Financial assets at fair value through profit or loss' and 'available for sale'

'Financial assets at fair value through profit or loss' are marked to market using the closing market rates and are carried on the unconsolidated statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the unconsolidated statement of profit or loss in the period in which these arise.

'Available for sale' financial assets are marked to market using the closing market rates and are carried on the unconsolidated statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognised in other comprehensive income.

For financial assets that are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the unconsolidated statement of financial position date.

Unquoted financial assets, where the fair value cannot be reliably determined, are recognised at cost less impairment, if any. Provision for impairment in value is taken to the unconsolidated statement of profit or loss.

b) 'Loans and receivables' and 'held to maturity'

Loans and receivables and held to maturity financial assets are carried at amortised cost.

For the year ended March 31, 2019

5.3.1.4 Impairment

The Company assesses at each reporting date whether there is objective evidence that a financial asset is impaired.

a) Assets carried at amortised cost

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the unconsolidated statement of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating) the reversal of the previously recognised impairment loss is recognised in the unconsolidated statement of profit or loss.

b) Assets classified as 'available for sale'

Impairment loss in respect of available for sale assets is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of these assets.

If any evidence for impairment exists, the cumulative loss is removed from equity and recognised in the unconsolidated statement of profit or loss. For investments, other than equity instruments, the increase in fair value in a subsequent period thereby resulting in reversal of impairment is reversed through the unconsolidated statement of profit or loss. Impairment losses recognised in the unconsolidated statement of profit or loss on equity instruments are not subsequently reversed through the unconsolidated statement of profit or loss until disposal.

5.3.2 Investment in subsidiary company

Investment in subsidiary is valued at cost less impairment, if any.

The Company considers that a decline in the recoverable value of the investment in a subsidiary below its cost may be an evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognized when the recoverable value falls below the carrying value and is charged to the unconsolidated statement of profit or loss. A subsequent reversal of an impairment loss, upto the cost of the investment in the subsidiary, is credited to the unconsolidated statement of profit or loss.

Gains and losses on disposal of investment in subsidiary is included in the unconsolidated statement of profit or loss.

For the year ended March 31, 2019

5.3.3 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

5.3.4 Derecognition

Financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised at the time when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the unconsolidated statement of profit or loss.

5.3.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

5.4 Stores and spares

Stores and spares are valued cost less provision if any. The cost is determined using the weighted average method. Cost comprises invoice value plus other charges incurred thereon.

Provision is made in the unconsolidated financial statements for slow moving and obsolete stores and spares based on management's best estimate regarding their future usability whenever necessary and is recognised in the unconsolidated statement of profit or loss.

5.5 Stock-in-trade

Stock in trade, except goods in transit, are valued at the lower of cost, determined using the weighted average method, and net realisable value. Cost in relation to stock-in-trade, except goods in transit, represents direct cost of materials, direct wages and an appropriate portion of production overheads and the related duties where applicable. Goods in transit are valued at cost comprising invoice values plus other charges incurred thereon.

Provision is made in the unconsolidated financial statements against slow moving and obsolete stock-in-trade based on management's best estimate regarding their future usability whenever necessary and is recognised in the unconsolidated statement of profit or loss.

Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to be incurred to make the sale.

For the year ended March 31, 2019

5.6 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made against doubtful trade debts and other receiveables which is determined based on the management's review of outstanding amounts and previous repayment pattern. Balances considered bad and irrecoverable are written off.

5.7 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost. Cash and cash equivalents include cash and cheques in hand, balances with banks and short-term borrowings with original maturities of three months or less.

5.8 Borrowings and borrowing costs

Borrowings are recognised initially at fair value and are subsequently carried at amortized cost.

Borrowing costs are recognised as an expense in the period in which these are incurred except in cases where such costs are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) in which case such costs are capitalised as part of the cost of that asset.

5.9 Trade and other payables

Trade and other payables are recognised initially at cost, which is the fair value of consideration to be paid in the future for goods and services, whether or not billed to the Company.

5.10 Provision against battery warranty claims

The Company provides after sales warranty for its products for a specified period. Accrual is made in the unconsolidated financial statements for this warranty based on previous trends and is determined using the management's best estimate.

5.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. The amount recognised represents the best estimate of the expenditure required to settle the obligation at the unconsolidated statement of financial position date. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

5.12 Staff retirement benefits

The Company operates:

a) an approved funded gratuity plan covering all eligible employees. A separate fund is being maintained by the Company for employees of Automotive Battery Company Limited (now merged with and into the Company). Annual contributions to the funds are made based on actuarial recommendations. The most recent actuarial valuation was carried out during the year ended March 31, 2019 using the Projected Unit Credit Method. Amounts arising as a result of 'Remeasurements', representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the unconsolidated statement of financial position immediately, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur; and

For the year ended March 31, 2019

(b) an approved contributory provident fund for all eligible employees. Monthly equal contributions are made to the fund by the Company and the employees at the rate of 10% - 20% of the basic salary.

Staff retirement benefits are payable to staff on completion of the prescribed qualifying period of service under these funds.

5.13 Employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned.

5.14 Taxation

Current

Provision for current taxation is based on taxable income for the year, if any, at the current rates of taxation after taking into consideration tax credits and rebates and exemptions available, if any. The charge for current tax also includes adjustments, where considered necessary, relating to prior years which arise from assessments / developments made during the year.

Deferred

Deferred tax is recognised using the balance sheet method on all major temporary differences arising between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. Deferred tax is calculated using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

5.15 Impairment

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. The resulting impairment loss is recognised as an expense immediately in the unconsolidated statement of profit or loss.

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5.16 Revenue recognition

Sales are stated net of sales tax and discounts and are recognised when persuasive evidence of sale exists. The key area of judgment in recognising revenue is the timing of recognition, which reflects the point or period when the Company has transferred significant risks and rewards of ownership to third parties. Revenue from sale of goods is measured at fair value of the consideration received or receivable and is recognised as revenue on dispatch of goods to customers.

Scrap sales are stated net of sales tax and are recognised in the year in which scrap sales are made.

Mark-up income on deposit accounts with banks and other income is recognised as revenue on an accrual basis.

5.17 Proposed dividends and transfers between reserves

Dividends declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the unconsolidated financial statements in the period in which such dividends are declared / transfers are made.

5.18 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. As the operations of the Company are predominantly carried out in Pakistan, information relating to geographical segment is not considered relevant.

The Company accounts for segment reporting using the business segments as the primary reporting format based on the Company's practice of reporting to the management on the same basis.

Assets, liabilities, capital expenditures and other balances that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets, liabilities, capital expenditures and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

5.19 Functional and presentation currency

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. The unconsolidated financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

5.20 Foreign currency transactions

Transactions in foreign currencies are translated to Pakistani Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange approximating those at the reporting date. Exchange gains / losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to the unconsolidated statement of profit or loss.

For the year ended March 31, 2019

5.21 Basic and diluted (loss) / earnings per share

The Company presents basic and diluted (loss) / earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

| | | Note | 2019 | 2018 |
|-----|-------------------------------|-------|-------------|--------------|
| 6 | FIXED ASSETS | | ·····(Rupee | s '000)····· |
| | Property, plant and equipment | 6.1 | 1,498,995 | 1,617,198 |
| | Intangible asset | 6.2 | 8,881 | 14,662 |
| | | | 1,507,876 | 1,631,860 |
| | | | | |
| | | | | |
| 6.1 | PROPERTY, PLANT AND EQUIPMENT | | | |
| | Operating assets | 6.1.1 | 1,498,279 | 1,501,590 |
| | Capital work-in-progress | 6.1.2 | 716 | 115,608 |
| | | | 1,498,995 | 1,617,198 |

For the year ended March 31, 2019

| | | | | | 2019 | | | |
|-------|--|-------------------|--------------------------------------|-------------------------|--|--|----------|-------------|
| 6.1.1 | Operating assets | Leasehold land | Buildings on leasehold land | Plant and machinery* | Furniture & fixtures Rupees '000 | Office equipment and appliances | Vehicles | Total |
| | At April 1, 2018 | | | | | | | |
| | Cost / revalued amount | 794,000 | 81,603 | 1,614,776 | 20,769 | 33,450 | 132,984 | 2,677,582 |
| | Accumulated depreciation | - | (10,603) | (1,039,837) | (12,810) | (26,802) | (85,940) | (1,175,992) |
| | Net book value | 794,000 | 71,000 | 574,939 | 7,959 | 6,648 | 47,044 | 1,501,590 |
| | Additions / transfers from CWIP Disposals - Note 6.1.3 | - | 17,159 | 123,226 | 1,741 | 2,853 | 15,843 | 160,822 |
| | Cost | - | - | (497) | (32) | - | (13,410) | (13,939) |
| | Depreciation | _ | - | 497 | 21 | - | 9,286 | 9,804 |
| | | - | - | - | (11) | | (4,124) | (4,135) |
| | Depreciation Charge for the Year | (15,880) | (8,935) | (114,158) | (1,839) | (2,385) | (16,801) | (159,998) |
| | Closing Net book value | 778,120 | 79,224 | 584,007 | 7,850 | 7,116 | 41,962 | 1,498,279 |
| | At March 31, 2019 | 704.000 | 00.700 | 4 707 505 | 00.470 | 20,202 | 405 447 | 0.004.405 |
| | Cost / revalued amount | 794,000 | 98,762 | 1,737,505 | 22,478 | 36,303 | 135,417 | 2,824,465 |
| | Accumulated depreciation | (15,880) | (19,538) | (1,153,498) | (14,628) | (29,187) | (93,455) | (1,326,186) |
| | Net book value | 778,120 | 79,224 | 584,007 | 7,850 | 7,116 | 41,962 | 1,498,279 |
| | Depreciation rate % per annum | 2 | 10 | 10-20 | 10-20 | 10-20 | 10-20 | |

^{*}This includes multiple parts of the mould amounting to Rs. 25.945 million .These parts have been acquired with the funds of the company but are not in the possession of the company .These assets have been given by the company to Precision Polymers (Private) Limited for the purpose of toll manufacturing of battery containers.

| | | | | 2018 | | | |
|---|--------------------------------|--------------------------------------|-------------------------------------|--|---------------------------------|-------------------------------|---------------------------------------|
| At April 1, 2017 | Leasehold land | Buildings on leasehold land | Plant and machinery* | Furniture & fixtures Rupees '000 | Office equipment and appliances | Vehicles | Total |
| Cost / revalued amount Accumulated depreciation Net book value | 570,297 (11,806) 558,491 | 66,236 (6,237) 59,999 | 1,504,739 (929,508) 575,231 | 18,000 (11,107) 6,893 | 29,920 (24,375) 5,545 | 129,959 (77,293) 52,666 | 2,319,151 (1,060,326) 1,258,825 |
| Additions / transfers from CWIP | 118,383 | 15,367 | 114,263 | 2,769 | 3,530 | 16,587 | 270,899 |
| Adjustment due to Revaluation In Cost or Revaluation Accumulated depreciation | (25,579) 25,579 | (3,316) 3,316 | | | - - | | (28,895) 28,895 |
| Surplus on revaluation during the year | 130,899 | 3,316 | - | - | - | - | 134,215 |
| Disposals: Cost Depreciation | - | - | (4,226) 1,796 | - | | (13,562) 8,763 | (17,788) 10,559 |
| Depreciation charge for the year | (13,773) | (7,682) | (2,430) (112,125) | (1,703) | (2,427) | (4,799) (17,410) - | (7,229) (155,120) |
| Closing Net book value | 794,000 | 71,000 | 574,939 | 7,959 | 6,648 | 47,044 | 1,501,590 |
| At March 31, 2018 Cost / revalued amount Accumulated depreciation Net book value | 794,000 | 81,603 (10,603) 71,000 | 1,614,776 (1,039,837) 574,939 | 20,769 (12,810) 7,959 | 33,450 (26,802) 6,648 | 132,984 (85,940) 47,044 | 2,677,582 (1,175,992) 1,501,590 |
| Depreciation rate % per annum | 2 | 10 | 10-20 | 10-20 | 10-20 | 10-20 | |

^{*}This includes multiple parts of the mould amounting to Rs. 25.723 million .These parts have been acquired with the funds of the company but are not in the possession of the company .These assets have been given by the company to Precision Polymers (Private) Limited for the purpose of toll manufacturing of battery containers.

For the year ended March 31, 2019

6.1.2 Capital work-in-progress

Plant and Machinery

6.1.3 The details of the operating assets disposed of during the year are as follows:

| | Cost | | ccumulated epreciation | Net Book Value | | Sale Proceeds | | Gain/ (Loss) | Mode of Disposals / Sattlement | Particulars of Buyers / Purchasers |
|---------------------------|--------|---|---------------------------|-------------------|---|------------------|--|-----------------|-----------------------------------|--|
| ······ Rupees '000 ······ | | | | | | | | | | |
| Vehicles | | | | | | | | | | |
| Suzuki Cultus | 1,039 | | 589 | 450 | | 686 | | 236 | As per Company Policy | Ehtesham ul Haq* |
| Suzuki Cultus | 1,010 | | 1,010 | - | | 404 | | 404 | As per Company Policy | Tariq Mehmood* |
| Suzuki Cultus | 1,010 | | 1,010 | - | | 404 | | 404 | As per Company Policy | M.Asif* |
| Suzuki Mehran | 657 | | 657 | - | | 263 | | 263 | As per Company Policy | Zafar Pervez* |
| Suzuki Cultus | 1,039 | | 657 | 364 | | 634 | | 270 | As per Company Policy | Azhar Abbas* |
| Suzuki Mehran | 683 | | 524 | 159 | | 369 | | 210 | As per Company Policy | Asif Ali* |
| Honda City | 1,677 | | 363 | 1,134 | | 1,459 | | 145 | As per Company Policy | Nadeem Gulzar* |
| Suzuki Cultus | 1,124 | | 225 | 899 | | 1,104 | | 205 | As per Company Policy | Sufyan Arshad* |
| Suzuki Swift | 1,305 | | 631 | 674 | | 921 | | 247 | As per Company Policy | Faisal Ajmal* |
| Suzuki Mehran | 663 | | 663 | - | | 265 | | 265 | As per Company Policy | Gulzar Ahmed* |
| Suzuki Cultus | 1,034 | | 1,034 | - | | 414 | | 414 | As per Company Policy | M. Shahid* |
| Suzuki Cultus | 1,039 | | 866 | 173 | | 340 | | 167 | As per Company Policy | M. Ashraf* |
| Suzuki Mehran | 683 | | 592 | 91 | | 328 | | 237 | As per Company Policy | Ghous Ahmed* |
| Fork Lifter Hub | 447 | | 447 | - | | 100 | | 100 | Negotiated | M. Yousuf |
| | 13,410 | | 9,286 | 4,124 | | 7,691 | | 3,567 | | |
| Plant and Machinery | | | | | | | | | | |
| Electric Water Cooler | 44 | | 44 | _ | | _ | | _ | Negotiated | Scrap Contractor |
| Diesel Tank Hub | 453 | | 453 | _ | | 102 | | 102 | Negotiated | M. Yousuf |
| Dieser raim rias | 497 | | 497 | - | | 102 | | 102 | | |
| Furniture & Fixture | | | | | | | | | | |
| Deep Freezer | 32 | | 21 | 11 | | 5 | | 5 | Negotiated | Adnan Mughal |
| реер пеедег | | | | | | | | | Negotiateu | Adrian Mugnai |
| 2019 | 12.020 | - | 0.804 | 4 125 | - | 7 700 | | 2 662 | | |
| 2019 | 13,939 | = | 9,804 | 4,135 | = | 7,798 | | 3,663 | | |
| 2018 | 17,788 | _ | 10,559 | 7,229 | = | 11,902 | | 4,673 | | |

^{*} These represent persons in employment of the Company.

For the year ended March 31, 2019

6.1.4 Capital work-in-progress

During the year ended March 31, 2018, leasehold land and buildings on leasehold land of the Company were revalued resulting in a surplus of Rs 134.215 million over the written down values of Rs 730.785 million. The valuation was carried out by an independent valuer - M/s Shahani & Co. on the basis of present market values for similar sized plots in the vicinity and replacement values of similar type of buildings based on present cost of construction.

Had there been no revaluation, the book value of leasehold land and buildings on leasehold land would have been as follows:

Leasehold Land Buildings on Leasehold Land

6.1.5 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

| Location | Usage of immovable property | Total Area (In acres) | Covered Area (In sq.ft) |
|--|---|-----------------------------|-------------------------------|
| a) 40-K, Block 6, P.E.C.H.S, Karachi. | Sale Office | 0.41 | 6,000 |
| b) A-45, Hill Street, S.I.T.E, Karachi | Manufacturing Facility | 2.92 | 90.238 |
| c) D-7, S.I.T.E, Karachi | Manufacturing Facility (Chemicals) | 2.61 | 91.630 |
| d) B-119-121, 124-127, H.I.T.E, Hub, Dist., | Manufacturing Facility | 3.91 | 68,000 |
| Lasbella, Balochistan | | | |
| e) E2-1/P-12 (F-11), Eastern Industrial Zone, | Manufacturing Facility (Chemicals) | 2.00 | 16,800 |
| Port Qasim, Authority Areas, Karachi. | | | |
| f) A-47, Hill Street, S.I.T.E, Karachi | Manufacturing Facility (Under Construction) | 1.91 | 2,500 |
| g) 62-A-I and 62-A-II, Industrial Estate, Multan | Plot | 6.00 | Open Plot |

6.1.6 Included in cost of fixed assets - own use are fully depreciated items which are still in use aggregating to Rs. 647.478 million (2018: Rs. 562.951 million).

For the year ended March 31, 2019

6.2 INTANGIBLE ASSET

| | 2019 | | | | | | | |
|----------|------------------|---------------------------------------|--------------------------|--------------------------|---------------------|-------------------|-------------------------------------|-------------------------------------|
| | Cost | | | Accumalated Amortisation | | | | |
| | As at April 1 | Additions / Transfers From CWIP | As at March | As at April 1 | Charge for the Year | As at March 31 | Net Book Value as at March 31 | Amortisation rate % per Annum |
| Software | 29,324 | 2,325 | 31,649 | 14,662 | 8,106 | 22,768 | 8,881 | 33 |
| | | | | | | | | |
| | 2018 | | | | | | | |
| | Cost | | Accumalated Amortisation | | | | | |
| | As at April 1 | Additions / Transfers From CWIP | As at March 31 | As at April | Charge for the Year | As at March 31 | Net Book Value as at March 31 | Amortisation rate % per Annum |
| Software | 7,331 | 21,993 | 29,324 | 7,331 | 7,331 | 14,662 | 14,662 | 33 |

6.3 The Company allocates amortisation and depreciation charge to cost of sales, selling and distribution expense and administration and general expenses. Amounts allocated during the year are as follows:

| | | Amortisation | | Depreciation | |
|-------------------------------------|------|--------------|----------|--------------|----------|
| | Note | 2019 | 2018 | 2019 | 2018 |
| | | (Rupee | es '000) | (Rupee | es '000) |
| Cost of Sales | 25 | 7,701 | 6,964 | 151,998 | 147,364 |
| Selling and distribution expenses | 26 | 162 | 147 | 3,200 | 3,102 |
| Administration and general expenses | 27 | 243 | 220 | 4,800 | 4,654 |
| | | 8,106 | 7,331 | 159,998 | 155,120 |

7 LONG TERM INVESTMENT

| Investment in related party - at cost | Percentage | 2019 | 2018 |
|---|------------|-------------|--------------|
| Subsdiary company - unquoted | holding | ····· Rupee | s '000 ····· |
| 22,350 (2018: 22,350) ordinary shares of Rs 10 each held in | n | | |
| Chloride Pakistan (Private) Limited, a private limited | | | |
| company incorporated in Pakistan | 100% | 224 | 224 |

For the year ended March 31, 2019

- 7.1 Chloride Pakistan (Private) Limited (CPL) has not yet commenced production. The auditors of CPL have included an emphasis of matter paragraph in their report on the matter highlighting that the unconsolidated financial statements for the year ended March 31, 2019 have not been prepared on a going concern basis and consequently all the assets appearing in the unconsolidated financial statements have been measured at their realisable values and the liabilities are reported at amounts not less than those at which these are expected to be settled.
- 7.2 Investment in subsidiary company has been made in accordance with the requirements under the Companies Act, 2017.

8 LONG-TERM LOANS

| Considered good - unsecured | Note | 2019 | 2018 |
|---|-------------------------|-------------|--------------|
| Due from | | ·····(Rupee | s '000) |
| Executives - related party Employees | 8.1, 8.2 and 8.3 8.1 | 539 807 | 972 1,459 |
| | | 1,346 | 2,431 |
| Less: current portion of long-term loan | 13 | (761) | (1,515) |
| | | 585 | 916 |

8.1 Loans to executives and employees are provided for the purchase of motor vehicles and other general purposes in accordance with the terms of their employment. These loans are interest free and repayable over varying periods upto a maximum period of five years.

8.2 Reconciliation of carrying amount of loans due from executives

Opening Balance
Disbursements during the year
Repayments during the year
Closing balance

| 2019 | 2018 | |
|----------------|----------------------------------|--|
| ·····(Rupee | s '000) | |
| 972 | 1,197 | |
| 900 (1,333) | 994 (1 ,2 1 9) | |
| 539 | 972 | |

8.3 The maximum aggregate amount due from Executives at the end of any month during the year was Rs 1.063 million (2018: Rs 0.972 million).

For the year ended March 31, 2019

| | | POSITS |
|---|--|--------|
| 9 | | |
| | | |

Note

28 & 29

29

| 2019 | 2018 |
|-------------|---------|
| ·····(Rupee | s '000) |

Utilities Others

| 19,708 | 19,708 |
|--------|--------|
| 27,106 | 18,285 |
| 46,814 | 37,993 |

10 STORES AND SPARES

Spares (including in transit - Rs Nil (2018: Rs. 2.028 million)) Stores

Less: provision against slow moving and obsolete stores and spares 10.1

| 111,284 | 102,833 |
|----------|----------|
| 18,393 | 13,200 |
| 129,677 | 116,033 |
| (13,690) | (10,629) |
| 115,987 | 105,404 |

10.1 Provision against slow moving and obsolete stores and spares

Opening Balance

Provision / (reversal) made during the year

Closing Balance

| 10,629 | 11,867 | |
|--------|---------|--|
| 3,061 | (1,238) | |
| 13,690 | 10,629 | |

11 STOCK-IN-TRADE

Raw and packing materials and components (including goods-in-transit of Rs 155.82 million (2018: Rs 364 million))

Work-in-process

Finished goods (including in transit of Rs. 44.04 million (2018: Rs. Nil))

Less: provision against slow moving and obsolete stock-in-trade 11.1

11.1 Provision against slow moving and obsolete stock-in-trade

Opening Balance

Provision made during the year

Provision written back

Closing Balance

| 29,458 | 27,320 |
|--------|--------|
| 4,688 | 2,138 |
| (839) | - |
| 33,307 | 29,458 |

For the year ended March 31, 2019

11.2 Raw materials and components amounting to Rs 31.489 million (2018: Rs 37.733 million) were held by Precision Polymers (Private) Limited, Wakil Enterprises and Nobel Enterprises who under an arrangement with the Company, manufacture plastic containers, lids and vent plugs for the Company.

12 TRADE DEBTS (unsecured)

| | Note | 2019 | 2018 |
|--|------|---------------------|---------------------|
| Considered | | ·····(Rupee | s '000) |
| - good - doubtful | | 3,565,856 52,062 | 3,146,701 44,528 |
| | | 3,617,918 | 3,191,229 |
| Less: provision against doubtful trade debts | 12.1 | (52,062) | (44,528) |
| | | 3,565,856 | 3,146,701 |

12.1 Provision against doubtful trade debts

| Opening Balance | 44,528 | 38,407 |
|-----------------------------------|--------|--------|
| Provision made during the year 29 | 7,534 | 6,171 |
| Provision written back 28 | - | (50) |
| Closing balance | 52,062 | 44,528 |

12.2 As at March 31, 2019, Rs. 2,115.005 million (2018: Rs. 2,020.617 million) of the gross trade debts are over due out of which Rs. 52.062 million (2018: Rs. 44.528 million) are impaired and provided for. These balances relate to various customers for whom there is no recent history of default. The age analysis of these trade debts is as follow:

| Note | 2019 | 2010 |
|---------------------------|----------------------|----------------------|
| | ·····(Rupee | s '000) |
| By 3 months 4 to 6 months | 1,691,555 218,219 | 1,632,553 196,781 |
| Over 6 months | 205,231 | 191,283 |
| | 2,115,005 | 2,020,617 |

13 LOANS AND ADVANCES

Considered good - unsecured

Current portion of long term loans due from employees and executives 8

Advances to:

| - employees | 13.1 |
|--|------|
| and a self-resident control of the self-resid | |

| - employees | 13.1 |
|-------------|------|
| - suppliers | |

| 761 | 1,515 |
|--------|--------|
| | |
| - | 92 |
| 25,719 | 31,944 |
| 26,480 | 33,551 |

For the year ended March 31, 2019

13.1 Advances to employees are given to meet business expenses and are settled as and when expenses are incurred.

| 14 | TRADE DEPOSITS, PREPAYMENTS AND | Note | 2019 | 2018 |
|----|---|------|-------------|--------------|
| | OTHER RECEIVABLES | | ·····(Rupee | s '000)····· |
| | | | | |
| | Prepayments | | 34,029 | 23,464 |
| | Insurance claims | | 3,700 | 429 |
| | Receivable from defined benefit plans - related party | 14.1 | 24,686 | 26,904 |
| | Workers' Profits Participation Fund | 14.3 | 3,315 | 1,272 |
| | Container deposits | | 900 | 2,025 |
| | Others | | 1,242 | 1,239 |
| | | | 67,872 | 55,333 |

2019

14.1 Receivable from defined benefit plans

| | Exide | ABCL | Total | Exide | ABCL | Total |
|----------------------------|----------|---------|-------------|--------------|---------|----------|
| | | | ·····(Rupee | s '000)····· | | |
| Balance at April 1 | (24,274) | (2,630) | (26,904) | (28,824) | (2,534) | (31,358) |
| Charge for the year | 1,976 | (1,672) | 304 | 969 | 571 | 1,540 |
| Other comprehensive income | 1,804 | 399 | 2,203 | 3,610 | (667) | 2,943 |
| Contributions paid | (289) | - | (289) | (29) | - | (29) |
| Balance at March 31 | (20,783) | (3,903) | (24,686) | (24,274) | (2,630) | (26,904) |

14.2 Automotive Battery Company Limited (ABCL) was merged with Exide Pakistan Limited (Exide) in accordance with the scheme of amalgamation approved by the Honorable High Court of Sindh on March 11, 2009. The said amalgamation was effective from March 31, 2008. However, the resulting amalgamation did not affect the staff retirement funds operated by both the companies as a result of which separate funds are being operated for the employees of both companies.

| | | Note | 2019 | 2018 |
|--|----------------------------------|------|-------------|--------------|
| 14.3 Workers' Profits Participation Fund | | | ·····(Rupee | s '000)····· |
| | Balance at April 1 | | (1,272) | 2,022 |
| | Allocation for the year | 29 | _ | 10,443 |
| | | | (1,272) | 12,465 |
| | Less amount paid during the year | | (2,043) | (13,737) |
| | Balance at March 31 | | (3,315) | (1,272) |

For the year ended March 31, 2019

15 CASH AND BANK BALANCES

Balances with banks - current accounts Cheques in hand Cash in hand

| 2019 | 2018 |
|-------------|---------|
| ·····(Rupee | s '000) |
| 73,081 | 36,746 |
| 75,851 | 843,572 |
| 151 | 96 |
| 149.083 | 880.414 |

16 ISSUED SUBSCRIBED AND PAID-UP SHARE CAPITAL

| 201 | .9 | 2018 | | 20 |
|-----------|------|-------------------|---|-----|
| ····· (Nu | mber | of shares) ······ | | |
| 359, | 248 | 359,248 | ordinary shares of Rs 10 each issued as fully paid in cash | 3, |
| 20, | 894 | 20,894 | ordinary shares of Rs 10 each issued for consideration other than cash | |
| 7,144, | 309 | 7,144,309 | Ordinary shares of Rs 10 each issued as fully paid bonus shares | 71, |
| 244, | 167 | 244,167 | Ordinary shares of Rs 10 each issued to minority shareholders of Automotive Battery Company Limited | 2, |
| 7,768, | 618 | 7,768,618 | | 77, |

| 2019 | 2018 |
|-------------|--------------|
| ·····(Rupee | s '000)····· |
| 3,592 | 3,592 |
| 209 | 209 |
| 71,443 | 71,443 |
| 2,442 | 2,442 |
| | |
| 77,686 | 77,686 |

16.1 Share held by the related parties of the Company

Name of the shareholders

Arif Hashwani Hussain Hashwani Altaf Hashwani S. Haider Mehdi Syed Muhammad Faiq Ms. Sana Arif Hashwani Ms. Zaver Hashwani Ayub Hameed Arshad Shehzada

| ····· (Number | of shares) ······ |
|---------------|-------------------|
| 500 | 500 |
| 1,250,601 | 1,250,601 |
| 1,412,945 | 1,412,945 |
| 652 | 652 |
| 87 | 87 |
| 1,593,053 | 1,593,053 |
| 1,595,687 | 1,595,687 |
| 100 | 100 |
| 13 | 13 |
| | |

2018

For the year ended March 31, 2019

17 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - NET OF TAX

This represents surplus arising on revaluation of leasehold land and buildings on leasehold land, net of deferred tax thereon.

| Surplus on revaluation of operating fixed assets as at April 1 |
|---|
| Surplus arising on revaluation during the year |
| Transferred to unappropriated profit in respect of incremental |
| depreciation charged during the year |
| Related deferred tax liability |
| Surplus on revaluation of operating fixed assets as at March 31 |

Less: related deferred tax liability:

- at beginning of the year
- on surplus arising on revaluation during the year
- on adjustment due to change in tax rate
- on incremental depreciation charged during the year

| 2019 | 2018 | | | |
|-------------------------|----------|--|--|--|
| ·····(Rupees '000)····· | | | | |
| 629,937 | 509,055 | | | |
| 029,931 | 134,215 | | | |
| - | 134,213 | | | |
| (15,588) | (12,686) | | | |
| (695) | (647) | | | |
| 613,654 | 629,937 | | | |
| | | | | |
| 5 4 4 4 | E 000 | | | |
| 5,144 | 5,823 | | | |
| - | 829 | | | |
| 73 | (861) | | | |
| (695) | (647) | | | |
| 4,522 | 5,144 | | | |
| | | | | |
| 609,132 | 624,793 | | | |

18 DEFERRED TAXATION - NET

Deferred tax liability arising on taxable temporary differences due to:

- Accelerated tax depreciation
- Revaluation surplus on property, plant and equipment
- Provision for gratuity

Deffered tax assets arising on deductible temporary differences due to:

- Provision against slow moving and obsolete stock-in-trade
- Provision against slow moving and obsolete stores and spares
- Provision against doubtful trade debts
- Provision against battery warranty claims

| 2019 | 2018 | | | | |
|----------------------------|----------|--|--|--|--|
| ······(Rupees '000)······· | | | | | |
| 47,151 | 48,051 | | | | |
| 4,522 | 5,144 | | | | |
| 6,172 | 6,726 | | | | |
| 57,845 | 59,921 | | | | |
| | | | | | |
| (8,327) | (7,365) | | | | |
| (3,423) | (2,657) | | | | |
| (13,016) | (11,132) | | | | |
| (33,079) | (29,172) | | | | |
| (57,845) | (50,326) | | | | |
| - | 9,595 | | | | |
| | | | | | |

Note

For the year ended March 31, 2019

| | | Note | 2019 | 2018 |
|----|--|------|--------------------|--------------------|
| 19 | TRADE AND OTHER PAYABLES | | ·····(Rupee | s '000)····· |
| | Trade Creditors BIIIs Payable | | 408,250 150,162 | 329,354 329,108 |
| | Accured Liabilities | 19.1 | 258,458 | 452,007 |
| | Advances from Customers Provision for Workers' Welfare Fund | | 25,319 32,051 | 27,116 32,051 |
| | Provision Against Battery Warranty Claims Payable to Provident Funds | 19.2 | 133,411 | 116,687 |
| | Royalty Payable | | 1,878 7,891 | 2,380 11,268 |
| | Sales Tax Payable Penalty Payable | | 156,231 - | 66,366 1,000 |
| | Others | 19.3 | 8,570 | 10,410 |
| | | | 1,182,221 | 1,377,747 |

19.1 This includes an amount of Rs 4.907 million (2018: Rs 4.926 million) in respect of employees compensated absences.

| | | Note | 2019 | 2018 |
|------|---|------|--|--|
| 19.2 | Provision Against Battery Warranty Claims | | ·····(Rupee | s '000) |
| | Balance at April 1 Charge for the year Claims paid during the year Balance at March 31 | 26 | 116,687 364,268 (347,544) 133,411 | 169,108 294,960 (347,381) 116,687 |

- 19.3 This includes an amount of Rs 0.011 million (2018: Rs 0.015 million) payable to the subsidiary company, Chloride Pakistan (Private) Limited (CPL).
- 19.4 Based on the un-audited financial information of the provident and gratuity funds ('the Funds') as at March 31, 2019, investments in collective investment schemes and listed equity securities out of the Funds have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder.

20 ACCRUED PROFIT / MARK-UP

Profit accrued on:

- Running Musharakah
- Istisna

Markup accrued on:

- Running Finance

| 2019 | 2018 |
|-------------|--------------|
| ·····(Rupee | s '000)····· |
| 53,476 | 29,185 |
| 10,540 | 9,973 |
| 64,016 | 39,158 |
| 17,667 | 1,486 |
| 81,683 | 40,644 |
| | |

For the year ended March 31, 2019

| | | Note | 2019 | 2018 |
|----|----------------------|------|-------------|--------------|
| 21 | LOAN FROM DIRECTOR | | ·····(Rupee | s '000)····· |
| | Unsecured | | | |
| | - Loan from Director | 21.1 | 305,550 | 305,550 |

21.1 This represents loan provided by the Director of the Group at his own discretion for the purpose of working capital requirements. The loan is unsecured and does not carry any interest. During the current year, the Director has approved the extension in repayment of loan till March 2020.

22 SHORT-TERM BORROWINGS

| | Note | 2019 | 2018 |
|-----------------------------------|------|----------------------|----------------------|
| From banking companies - secured | 22.1 | ·····(Rupee | s '000)····· |
| - Running Musharakah - Istisna | | 1,924,873 399,422 | 1,953,210 399,422 |
| - Running finance | | 2,324,295 875,368 | 2,352,632 497,699 |
| . Talling Intalies | | 3,199,663 | 2,850,331 |

- 22.1 These facilities, representing Running Musharakah, Istisna and Running Finance facilities, are available from certain commercial banks up to Rs. 4,459 million (2018: Rs. 4,710 million) and carry profit / mark-up ranging from 10.52% to 11.12% (2018: 6.22% to 7.50%) per annum. These facilities are valid until July 15, 2019 and are generally renewable. At March 31, 2019, unutilised facilities aggregated to Rs. 1,259 million (2018: Rs.1,860 million).
- 22.2 At March 31, 2019, unutilised letter of credit and letter of guarantee facilities from certain banks amounted to Rs. 4,262 million (2018: Rs. 3,580 million) in addition to the limit mentioned in note 22.1. Total letter of credit and letter of guarantee facilities sanctioned to the Company amounted to Rs. 4,471 million (2018: Rs. 4,015 million).
- 22.3 All the above mentioned facilities are secured by way of pari passu and joint hypothecation charge over the Company's present and future stock-in-trade and trade debts.

For the year ended March 31, 2019

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

- 23.1.1 Automotive Battery Company Limited (which has been merged with Exide Pakistan Limited) had claimed carry over of tax holiday losses beyond the tax holiday period for set off against the profits of taxable period. The tax benefit claimed by the Company amounted to approximately Rs 24 million. This was adjudicated by the Income Tax Appellate Tribunal in the Company's favour and on a reference application for assessment years 1988-89,1989-90 and 1990-91 by the Income Tax Department, the Tribunal referred the question of law to the Honorable Sindh High Court, which upheld the order of the Tribunal vide its judgment dated January 27, 2006. The Tax Department has filed a further appeal before the Supreme Court of Pakistan against the judgment of the High Court which is currently pending. Based on the legal advice from the Company's lawyers and in view of the initial success upto the High Court level, the Company expects the final outcome to be in its favour and accordingly provision has not been made in these unconsolidated financial statements in respect of this amount.
- 23.1.2 The Company received a notice from the Directorate of Intelligence and Investigation the Federal Board of Revenue (FBR), Lahore on April 15, 2011. In the said notice it was alleged that the Company had purchased goods from certain dummy / fake suppliers who got themselves registered with the Regional Tax Officers at Lahore, Faisalabad and Karachi and issued fake sales tax invoices to the Company and accordingly the Company has claimed illegal / inadmissible input tax adjustment amounting to Rs 157.297 million for the period from July 2005 to February 2011. As a result the name of the Company was included as an accused person in the First Information Report (FIR) No. 04/2011 dated March 26, 2011 registered by the Additional Director, Intelligence and Investigation FBR, Lahore.

The management of the Company is of the view that the Company always purchases taxable goods from active taxpayers only as per the guidelines of the FBR in order to claim valid input tax under section 7 of the Sales Tax Act, 1990 (Act). The management is also of the view that on the 15th calendar day of the following month the Company electronically files its Sales Tax Returns and the web portal of FBR accepts input tax claim for only active tax payers. The dummy / fake suppliers as alleged in the FIR were active at the time of purchase of goods and were filing their sales tax returns which was accepted by the web portal of FBR. This made the Company believe that it was safe and legitimate to conclude that the alleged suppliers at the time of supplying taxable goods to the Company were making their output tax payments. The Company had no other means of confirmation. The Company further explained that the payments to these alleged dummy suppliers were made through crossed cheques after physical receipt of goods in order to comply with the requirement of Section 73 of the Act. Income tax was deducted at source under section 153 of the Income Tax Ordinance, 2001.

For the year ended March 31, 2019

The Company has, therefore, filed a Constitutional Petition in the Honorable Sindh High Court (the Court) and prayed to quash the FIR against the Company and declare the notice illegal. The Court has restrained the tax authorities from proceeding with the matter and the notices issued by the tax authorities have been stayed. The department filed an appeal in the Honorable Supreme Court of Pakistan against interim injunction order passed by a learned Division Bench of the Honorable Sindh High Court. The department's appeal was rejected by the Honorable Supreme Court of Pakistan. Majority of alleged accused persons challenged the said FIR no. 04/2011 in the Lahore High Court. However, the Lahore High Court has quashed the said FIR no. 04/2011. The management of the Company is confident that in view of the explanations given in the above paragraph the matter will be decided in favour of the Company and, accordingly, the Company will not be exposed to any loss on account of this action.

23.1.3 The Company received notice no. 10(1)/IRAO(IANDI)/IR/2014/553 dated January 28, 2014 from the Inland Revenue Audit Officer, Directorate of Intelligence and Investigation, Karachi. In the said notice the authority pointed out variances in imports, local purchases and sales as per sales tax return and income tax return. The authority also raised observations in respect of payment of sales tax @ 1% in the event output tax is lower than the input tax and relied upon SRO 660 (1/2007). The directorate directed investigative audit of the Company for the last 5 years.

The Company responded through legal counsel i.e. Fazle Ghani Advocates through letter dated February 18, 2014. Since the authority was not satisfied with the response of the Company and insisted upon submission of various information and audit as stated above, the Company therefore, filed a constitutional petition in the Honorable Sindh High Court through Messrs Fazle Ghani Advocates and challenged the authority of Investigation and Intelligence Department of FBR, for correction of the information and investigative audit. The Honorable High Court has granted an interim order and directed the authority to stop any action against the Company, and the said interim order is operating.

23.1.4 Through the Finance Act, 2017, Section 5A of the Income Tax Ordinance, 2001 was amended. Through the revised provision a tax equal to 7.5 percent of accounting profit for the year will be levied on every public company, other than a scheduled bank and modaraba, if distribution of cash dividend or bonus shares of at least 40 percent of the accounting profit after tax for the year is not made. However, the management is of the view that this amendment is opposed to the principles of economic growth and has, therefore, challenged the amendment in the Honorable Sindh High Court. In this respect, the Company has been granted a stay order by the Honorable Sindh High Court in respect of levy of the above tax. Accordingly, provision amounting to Rs 79.57 million for the year ended March 31, 2017 has not been made in these unconsolidated financial statements in respect of the additional tax liability and the management expects a favourable outcome in this respect.

Further, through the Finance Act, 2018, Section 5A of the Income Tax Ordinance, 2001 has been further amended. Through the revised provision a tax equal to 5 percent of accounting profit for the year will be levied on every public company, other than a scheduled bank and modaraba, if distribution of cash dividend of at least 20 percent of the accounting profit after tax for the year is not made. Keeping in view the stay order granted by the Honorable Sindh High Court in respect of levy of the above tax, a provision amounting to Rs 9.73 million for the year ended March 31, 2018 has not been made in these unconsolidated financial statements in respect of the additional tax liability and the management expects a favourable outcome in this respect.

For the year ended March 31, 2019

23.1.5 The Additional Director and Deputy Director of Directorate of Intelligence & Investigation (Inland Revenue), Karachi ("the Directorate") raided the registered office of the Company under section 38 of The Sales Act, 1990. The officials collected certain information from the Company. The purpose of the raid was not disclosed by the authorities and the Company believes that the raid conducted by the Directorate was illegal. The Company had filed a constitution petition in the Honorable Sindh High Court and requested that no coercive action against the Company should be taken. The hearing of the case has been adjourned many times and could not be held after the initial directive. The next date of hearing has been fixed for August 7, 2019. Recently, the Honorable High Court of Sindh has served a notice to the Company on May 24, 2019 by giving reference to the order of the Honorable Supreme Court of Pakistan for payment of minimum of 50 percent of the tax liability calculated by the Income Tax Authorities belonging to this raid. The Company was required to pay the amount before May 30, 2019. The Company based on the advice of its legal counsel believes that the matter will be decided in the favour of the Company. No specific provision has been recognised in respect of the above matter in the unconsolidated financial statements as the details of eventual payment, if any, and the details of claims or defendant are not raised / communicated by the department and management is confident that there will not be any potential liability on this matter.

| 23.2 | Commitments | 2019 | 2018 |
|--------|---|-------------|--------------|
| 23.2.1 | Commitments in respect of: | ·····(Rupee | s '000)····· |
| | Capital expenditure contracted for but not incurred | 1,183 | 7,287 |
| | Letters of credit | 159,541 | 366,402 |
| | Letters of guarantee | 49,225 | 68,206 |

For the year ended March 31, 2019

| 24 | SALES - net | Note | Batte | eries | Chemicals | | Total | |
|----|---|------------|--------------------------------------|---|---------------------------------|---------------------------------|--------------------------------------|---------------------------------------|
| 24 | SALLS - Het | | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | | | (Rupees | s '000) | | |
| | Sales | | 12,143,998 | 15,840,559 | 397,176 | 345,094 | 12,541,174 | 16,185,653 |
| | Sales tax | | 1,941,028 | 2,557,763 | 57,710 | 50,142 | 1,998,738 | 2,607,905 |
| | Discounts to distributors and customers | | 1,035,857 | 1,276,337 | - | - | 1,035,857 | 1,276,337 |
| | Net sales | | 2,976,885 9,167,113 | 3,834,100 12,006,459 | 57,710 339,466 | 50,142 294,952 | | 3,884,242 12,301,411 |
| 25 | COST OF SALES | | | | | | | |
| | Opening stock Purchases | | 1,128,024 7,136,234 | 1,526,085 8,052,629 | 8,729 247,930 | 25,770 160,386 | 1,136,753 7,384,164 | 1,551,855 8,213,015 |
| | Closing stock | | 8,264,258 (988,004) | 9,578,714 (1,128,024) | 256,659 (55,929) | 186,156 (8,729) | 8,520,917 (1,043,933) | 9,764,870 (1,136,753) |
| | Raw and packing materials consumed Salaries, wages and benefits Spares consumed | 25.1 | 7,276,254 303,855 53,072 | 8,450,690 320,911 53.615 | 200,730 30,559 | 177,427 31,986 | 7,476,984 334,414 53,072 | 8,628,117 352,897 53,615 |
| | Rent, rates and taxes Fuel, power and water Insurance Repairs and maintenance | 25.2 | 1,345 324,319 25,420 57,512 | 35,013 44,722 310,569 25,915 82,331 | 162 41,273 1,751 9,637 | 232 39,595 2,208 7,033 | 1,507 365,592 27,171 67,149 | 44,954 350,164 28,123 89,364 |
| | Depreciation Amortisation General expenses | 6.3 6.3 | 146,570 7,426 49,841 | 144,164 6,813 54,830 | 5,428 275 5,645 | 3,200 151 5,144 | 151,998 7,701 55,486 | 147,364 6,964 59,974 |
| | Opening stock of work-in-process Closing stock of work-in-process | | 450,546 (438,445) | 511,522 (450,546) | 2,271 (2,432) | 1,896 (2,271) | 452,817 (440,877) | 513,418 (452,817) |
| | Cost of goods manufactured Opening stock of finished goods | | 8,257,715 696,760 | 9,555,536 1,824,210 | 295,299 9,512 | 266,601 4,718 | 8,553,014 706,272 | |
| | Closing stock of finished goods | | 8,954,475 (714,393) | 11,379,746 (696,760) | 304,811 (10,538) | 271,319 (9,512) | 9,259,286 (724,931) | 11,651,065 (706,272) |
| | | | 8,240,082 | 10,682,986 | 294,273 | 261,807 | 8,534,355 | 10,944,793 |

- 25.1 Salaries, wages and benefits include Rs 8.521 million (2018: Rs 9.117 million) in respect of staff retirement benefits.
- 25.2 During the year, Company has entered into a rent free tenancy agreement with Zaver Enterprises (related party) therefore, no rent has been charged during this year.

For the year ended March 31, 2019

26 SELLING AND DISTRIBUTION EXPENSES

| | Noto | Batteries | | Batteries | | Cher | nicals | То | tal |
|---|------|-----------------|---------------|-----------|---------|-----------------|---------------|----|-----|
| | Note | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | | |
| | | | | (Rupee | s '000) | | | | |
| Salaries, wages and benefits | 26.1 | 92,822 | 92,085 | 513 | 443 | 93,335 | 92,528 | | |
| Repairs and maintenance | | 1,152 | 1,743 | - | - | 1,152 | 1,743 | | |
| Royalty | 26.2 | 7,891 | 11,267 | - | - | 7,891 | 11,267 | | |
| Advertising | | 126,725 | 117,492 | - | - | 126,725 | 117,492 | | |
| Sales promotion | | 46,190 | 25,180 | - | - | 46,190 | 25,180 | | |
| Rent, rates and taxes | | 23,788 | 18,387 | - | - | 23,788 | 18,387 | | |
| Insurance | | 23,341 1.047 | 25,322 988 | - | - | 23,341 1,047 | 25,322 988 | | |
| Printing and stationery Carriage and forwarding | | 195,174 | 233,166 | 3,366 | 4,138 | 198.540 | 237,304 | | |
| Battery waranty claims | 19.2 | 364,268 | 294.960 | 3,300 | -,130 | 364,268 | 294,960 | | |
| Travelling, conveyance | | , | 234,300 | | | 001,200 | 20 1,000 | | |
| and entertainment | | 22,856 | 14,635 | - | - | 22,856 | 14,635 | | |
| Depreciation | 6.3 | 3,086 | 3,036 | 114 | 66 | 3,200 | 3,102 | | |
| Amortisation | 6.3 | 156 | 144 | 6 | 3 | 162 | 147 | | |
| Postage, telegram, telephone | | | | | | | | | |
| and telex | | 2,330 | 2,901 | - | - | 2,330 | 2,901 | | |
| General expenses | | 23,253 | 22,209 | 154 | 127 | 23,407 | 22,336 | | |
| | | 934,079 | 863,515 | 4,153 | 4,777 | 938,232 | 868,292 | | |

- 26.1 Salaries, wages and benefits include Rs 1.672 million (2018: Rs 1.789 million) in respect of staff retirement benefits.
- Royalty is paid by the Company to The Furukawa Battery Company Limited, Japan, having its registered office at 4-1, Hoshikawa 2-Chome, Hodogaya-Ku, Yokohama-Shi, Kanagawa-Ken, Japan, and has been computed in accordance with the provisions of the agreements between The Furukawa Battery Company Limited, Japan and Exide Pakistan Limited.

27 ADMINISTRATION AND GENERAL EXPENSES

| | Note | Batt | Batteries | | Chemicals | | tal |
|--|--------------------|---|---|---|---|---|---|
| | | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | | (Rupee | s '000) | | |
| Salaries, wages and benefits Repairs and maintenance Legal and professional charges Rent, rates and taxes Insurance Depreciation Amortisation Printing and stationery Travelling, conveyance and entertainment Communication and postage | 27.1 6.3 6.3 | 83,660 5,120 4,367 279 1,061 4,629 234 1,760 7,456 2,106 | 70,856 3,839 6,196 268 1,211 4,555 215 1,578 9,245 2,335 | 2,055 127 107 7 26 171 9 43 183 52 | 1,513 84 135 5 27 99 5 34 201 50 | 85,715 5,247 4,474 286 1,087 4,800 243 1,803 7,639 2,158 | 72,369 3,923 6,331 273 1,238 4,654 220 1,612 9,446 2,385 |
| General expenses | | 8,193 | 6,683 | 213 | 146 | 8,406 | 6,829 |
| | | 118,865 | 106,981 | 2,993 | 2,299 | 121,858 | 109,280 |

27.1 Salaries, wages and benefits include Rs 1.548 million (2018: Rs 1.657 million) in respect of staff retirement benefits.

For the year ended March 31, 2019

| | | Note | 2019 | 2018 |
|----|--|------|----------------|----------------|
| 28 | OTHER INCOME | | ·····(Rupee | s '000)····· |
| | Profit on margin deposits Gain on disposal of property, plant and equipment | | 1,301 3,663 | 1,511 4,673 |
| | Reversal of provision for impairment in trade debts Reversal of provision against slow moving and obsolete | 12.1 | - | 50 |
| | stores and spares Scrap sales | 10.1 | - 6,356 | 1,238 4,229 |
| | Reversal of rent | | 7,199 | - |
| | Other | 28.1 | - | 299 |
| | | | 18,519 | 12,000 |

28.1 This represents reversal of rent payable to Zaver Enterprises (a related party) as the amount of rent has been waived.

| 29 | OTHER OPERATING CHARGES | Note | 2019 | 2018 |
|------|---|--|--|--|
| 29 | OTHER OPERATING CHARGES | | ·····(Rupee | es '000)····· |
| | Auditors' remuneration Workers' Profits Participation Fund Workers' Welfare Fund Donations Provision against doubtful trade debts Provision against slow moving and obsolete stores and spares Provision against slow moving and obsolete stock-in-trade Bank charges Exchange loss | 29.1 14.3 29.2 12.1 10.1 11.1 | 4,619 - 499 7,534 3,061 4,688 7,535 54,449 82,385 | 3,962 10,443 3,897 499 6,171 - 2,138 9,835 17,881 54,826 |
| 29.1 | Auditors' remuneration | | | |
| | Audit fee Tax advisory services Fee for the review of half yearly financial information Special reports and certifications, audit of provident and gratuity fout of pocket expenses | unds | 1,779 857 506 894 583 4,619 | 1,617 762 380 620 583 3,962 |

29.2 Donations were not made to any donee in which the Company or a director or his spouse had any interest.

| 30 | FINANCE COST No | Note | 2019 | 2018 |
|----|---|------|-------------|--------------|
| | | | ·····(Rupee | s '000)····· |
| | Profit on short-term running musharakah | | 171,023 | 108,478 |
| | Profit on short-term istisna | | 35,680 | 31,216 |
| | Mark-up on short-term running finance | | 52,403 | 1,564 |
| | | | 259,106 | 141,258 |

For the year ended March 31, 2019

| | | Note | 2019 | 2018 | |
|----|--|------|--------------------------|-------|--|
| 31 | PENALTY | | ·····(Rupees '000)······ | | |
| | Penalty imposed during the year by the Competition Commission of Pakistan | 31.1 | - | 1,000 | |

31.1 Last year, the Competition Commission of Pakistan has imposed a penalty of Rs 1 million on the Company for violating section 10 of the Competition Act, 2010 by omitting to disclose material information related to the products' capacity and characteristics to consumers, and also by engaging in misleading advertisements through various mediums

| | various mediums. | | |
|----|--|--------------------|-------------------|
| 32 | TAVATION NET | 2019 | 2018 |
| | TAXATION - NET | | s '000)····· |
| | Current - for the year - for prior years | 110,907 (8,190) | 153,768 11,307 |
| | Deferred - net | (9,044) | 7,266 |
| | | 93,673 | 172,341 |
| | | | |

- Tax charge for the year ended March 31, 2019 represents minimum tax payable under the Income Tax Ordinance, 2001, and for this reason, relationship between tax expense and accounting profit has not been presented.
- 32.2 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available which can be analysed as follows:

| | Provision for taxation | Tax assessed | Excess / (shortage) |
|----------------------|-------------------------------|-------------------------------|---------------------|
| | | (Rupees '000) | |
| 2018 2017 2016 | 153,768 353,007 234,858 | 145,578 344,644 234,858 | 8,190 8,363 - |

For the year ended March 31, 2019

33 EARNINGS / (LOSS) PER SHARE (EPS)

Earnings per share has been computed by dividing profit after taxation for the year by the weighted average number of shares outstanding during the year as follows:

| | 2019 | 2018 |
|--|---------------|-------------------|
| | ·····(Rupee | s '000)····· |
| (Loss) / profit after taxation attributable to ordinary shareholders | (504,511) | 21,621 |
| | ····· (Number | of shares) ······ |
| Weighted average number of ordinary shares outstanding during the year | 7,768,618 | 7,768,618 |
| | ····· (Rup | oees) |
| (Loss) / earnings per share (EPS) | (64.94) | 2.78 |

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2019 and 2018 which would have any effect on the earnings per share if the option to convert is exercised.

34 DEFINED BENEFIT AND DEFINED CONTRIBUTION PLANS

34.1 Defined benefit plan - Staff retirement gratuity plan

General description

a. b. c.

As mentioned in note 5.12 (a), the Company operates an approved funded gratuity plan covering all eligible employees. The latest actuarial valuation of the plan has been carried out as at March 31, 2019 and expense has been recorded based on this latest actuarial valuation report. Presently, separate funds are operating for the employees of Exide Pakistan Limited (Exide) and Ex-Automotive Battery Company Limited (ABCL) respectively.

Principal actuarial assumptions

The following significant assumptions have been used for valuation of this scheme.

| | 2019 | | 20 | 18 |
|--|--------|--------|-------|-------|
| | Exide | ABCL | Exide | ABCL |
| | | | | |
| Valuation discount rate | 13.25% | 13.25% | 8.75% | 8.75% |
| Salary increase rate | 13.25% | 13.25% | 8.75% | 8.75% |
| Expected rate of return on plan assets | 13.25% | 13.25% | 8.75% | 8.75% |

For the year ended March 31, 2019

Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables with one year age set back.

The gratuity scheme exposes the entity to the following risks:

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plans.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Risk of insufficiency of assets

This is managed by making regular contribution to the Fund as advised by the actuary.

Withdrawal Risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

34.1.1 The amount recognised in the unconsolidated statement of financial position is determined as follows: (note 14.1)

| | | | 2019 | | | 2018 | |
|--|--------|----------|---------|----------|----------|----------|----------|
| | Note | Exide | ABCL | Total | Exide | ABCL | Total |
| Present value of defined | | | | (Rupees | , 000) | | |
| benefit obligation Less: fair value of plan | 34.1.2 | 36,232 | 3,170 | 39,402 | 34,956 | 13,109 | 48,065 |
| assets | 34.1.2 | (57,015) | (7,073) | (64,088) | (59,230) | (15,739) | (74,969) |
| | | (20,783) | (3,903) | (24,686) | (24,274) | (2,630) | (26,904) |

For the year ended March 31, 2019

34.1.2 Plan assets comprise of the following:

Debt instruments Mutual funds Equity instruments Cash at bank

Debt instruments Mutual funds Equity instruments Cash at bank

| | composition | (| composition |
|---------------|------------------------|---------------|------------------------|
| EX | IDE | AB | CL |
| 44,730 | 78% | 3,714 | 52% |
| 11,582 | 20% | 2,549 | 36% |
| 392 | 1% | 347 | 5% |
| 311 | 1% | 363 | 7% |
| 57,015 | 100% | 7,073 | 100% |
| | | | |
| ••••• | 20 | 18 | |
| (Rupees '000) | Percentage composition | (Rupees '000) | Percentage composition |
| EX | IDE | AB | CL |
| 42,458 | 72% | 10,437 | 66% |
| 14,281 | 24% | 2,991 | 19% |
| 461 | 1% | 410 | 3% |
| 2,030 | 3% | 1,901 | 12% |
| 59,230 | 100% | 15,739 | 100% |

...... 2019

(Rupees '000)

Percentage

(Rupees '000)

| | 2019 | | | | | | | | | |
|-----------------------------------|---------------------------------|-----------|-----------------------------------|---------------------------------|-----------|-------|--|--|--|--|
| Present value of obligation | Fair value of plan assets | Sub-total | Present value of obligation | Fair value of plan assets | Sub-total | Total | | | | |
| EXIDE | | | | ABCL | | | | | | |

/-- --- /-- /-- /-- //- --- //

......(Rupees' 000)

At April 1 Current service cost Interest expense / (income) Past service cost

Remeasurements:

- Return on plan assets, excluding amount included in interest expense
- Gain from change in demographic / financial assumptions
- Experience adjustment

Contribution Benefit payments At March 31

| 34,956 | (59,230) | (24,274) | 13,109 | (15,739) | (2,630) | (26,904) |
|---------|----------|---------------|---------|----------|---------|-------------|
| 4,150 | - | 4,150 | 659 | - | 659 | 4,809 |
| 2,865 | (5,039) | (2,174) | 768 | (998) | (230) | (2,404) |
| - | - | - | (2,101) | - | (2,101) | (2,101) |
| 41,971 | (64,269) | (22,298) | 12,435 | (16,737) | (4,302) | (26,600) |
| | | | | | | |
| | | | | | | |
| - | - | - | - | - | - | - |
| | | | | | | |
| - | - | - | - | - | - | - |
| (2,175) | 3,979 | 1,804 | (595) | 994 | 399 | 2,203 |
| (2,175) | 3,979 | 1,804 | (595) | 994 | 399 | 2,203 |
| - | (289) | (289) | - | - | - | (289) |
| (3,564) | 3,564 | | (8,670) | 8,670 | | |
| | | - (00 =00) | | | (0.000) | - (0.4.000) |
| 36,232 | (57,015) | (20,783) | 3,170 | (7,073) | (3,903) | (24,686) |
| | | | | | | |
| | | | | | | |

For the year ended March 31, 2019

| | 2018 | | | | | | | | | |
|-----------------------------|---------------------------|-----------|-----------------------------|---------------------------------|-----------|--|-------|--|--|--|
| Present value of obligation | Fair value of plan assets | Sub-total | Present value of obligation | Fair value of plan assets | Sub-total | | Total | | | |
| | EXIDE | | | ABCL | | | | | | |

At April 1 Current service cost Interest expense / (income) Past service cost

| 39,412 | (67,267) | (27,855) | 17,430 | (19,393) | (1,963) | (29,818 |
|--------|----------|----------|--------|----------|---------|----------|
| - | - | - | - | - | - | - |
| 2,424 | (4,775) | (2,351) | 1,144 | (1,351) | (207) | (2,558) |
| 3,320 | - | 3,320 | 778 | - | 778 | 4,098 |
| 33,668 | (62,492) | (28,824) | 15,508 | (18,042) | (2,534) | (31,358) |
| | | | (114) | 30) | | |

(Runees' 000)

Remeasurements:

- Return on plan assets, excluding amount included in interest expense
- Gain from change in demographic / financial assumptions
- Experience adjustment

Contribution
Benefit payments
At March 31

| - | - | | - | - | - | - |
|------------|----------|----------|---------|----------|---------|----------|
| - 1,176 | 2,434 | 3,610 | (2,006) | 1,339 | (667) | 2,943 |
| 1,176 | 2,434 | 3,610 | (2,006) | 1,339 | (667) | 2,943 |
| - | (29) | (29) | - | - | - | (29) |
| (5,632) | 5,632 | - | (2,315) | 2,315 | - | - |
| 34,956 | (59,230) | (24,274) | 13,109 | (15,739) | (2,630) | (26,904) |

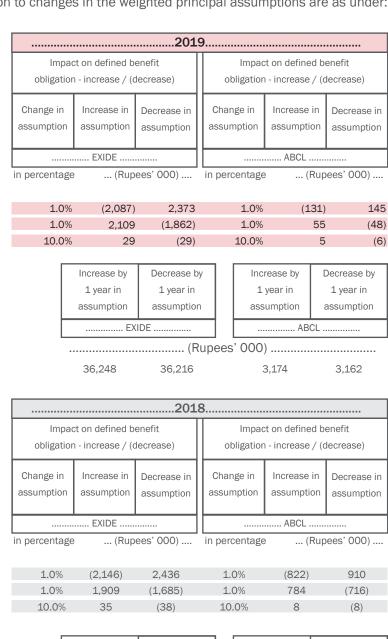
34.1.3 Charge for defined benefit plan

Current service cost Interest expense Past service cost

| | 2019 | | | 2018 | | | | |
|------------------|-------------------------|-----------------------------|------------------|--------------|------------------|--|--|--|
| Exide | de ABCL Total | | Exide | ABCL | Total | | | |
| (Rupees' 000) | | | | | | | | |
| 4,150 (2,174) | 659 (230) (2,101) | 4,809 (2,404) (2,101) | 3,320 (2,351) | 778 (207) | 4,098 (2,558) | | | |
| 1,976 | (1,672) | 304 | 969 | 571 | 1,540 | | | |

For the year ended March 31, 2019

34.1.4 The sensitivities of the defined benefit obligation to changes in the weighted principal assumptions are as under:



Discount rate
Salary increase rate
Withdrawal rate

Discount rate

Withdrawal rate

Salary increase rate

Life expectancy / withdrawal rate

| Increase by | Decrease by 1 year in | | Increase by | Decrease by | | |
|---------------|--------------------------|--|-------------|-------------|-----------|-----------|
| 1 year in | | | 1 year in | | 1 year in | 1 year in |
| assumption | n assumption | | assumption | assumption | | |
| EXI | EXIDE | | | CL | | |
| (Rupees' 000) | | | | | | |
| | | | | | | |

Life expectancy / withdrawal rate

For the year ended March 31, 2019

Analysis of the above sensitivities are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the unconsolidated statement of financial position.

- **34.1.5** The weighted average duration of the defined benefit obligation is 6.18 years and 4.31 years (2018: 6.56 years and 6.61 years) in Exide and ABCL respectively.
- **34.1.6** Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

At March 31, 2019

Gratuity Exide

Gratuity ABCL

Total

| Less than a year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
|------------------|-------------------|----------------------|--------------|---------|
| | | (Rupees' 000) | | |
| 4,688 | 5,200 | 8,660 | 121,363 | 139,911 |
| 574 | 695 | 1,386 | 5,740 | 8,395 |
| 5,262 | 5,895 | 10,046 | 127,103 | 148,306 |

34.1.7 Historical information

Defined benefit obligation - Exide Defined benefit obligation - ABCL

Fair value of plan assets - Exide Fair value of plan assets - ABCL

Surplus

Remasurement (gain) / loss on obligation - Exide

Remasurement (gain) / loss on obligation - ABCL

Gain / (loss) on plan assets - Exide Gain / (loss) on plan assets - ABCL

| 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | (Rupees' 000) | | |
| 36,232 3,170 | 34,956 13,109 | 33,668 15,508 | 43,122 18,586 | 41,334 16,072 |
| 39,402 | 48,065 | 49,176 | 61,708 | 57,406 |
| (57,015) (7,073) (64,088) | (59,230) (15,739) (74,969) | (62,492) (18,042) (80,534) | (59,041) (22,250) (81,291) | (56,692) (19,837) (76,529) |
| (24,686) | (26,904) | (31,358) | (19,582) | (19,123) |
| (2,175) | 1,176 | 11,479 | (1,417) | (2,369) |
| (595) | (2,006) | 2,211 | (1,417) | (3,372) |
| (2,770) | (830) | 13,690 | (2,834) | (5,741) |
| 3,979 994 | 2,434 1,339 | (4,180) 1,924 | (861) (861) | 3,319 781 |
| 4,973 | 3,773 | (2,256) | (1,722) | 4,100 |

For the year ended March 31, 2019

- **34.1.8** Funding levels are monitored on an annual basis and are based on actuarial recommendations. Gratuity cost comprising the service cost and the net interest cost for the next year works out to Rs. 1.240 million and Rs. 0.393 million for Exide and ABCL respectively as per the actuarial valuation report of the Company as of March 31, 2019.
- **34.1.9** The disclosures made in notes 34.1 to 34.1.8 are based on the information included in the actuarial valuation report of the Company as of March 31, 2019.

34.2 Defined contribution plan - provident fund

An amount of Rs 9.033 million (2018: Rs 8.465 million) has been charged during the year in respect of contributory provident fund maintained by the Company.

35 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

| Short - term employee benefits |
|--|
| Managerial remuneration |
| Bonus |
| Leave Pay |
| Housing, utilities and reimbursable expenses |
| Medical expenses |
| |
| Retirement benefits |
| Defined benefit plan |
| Defined contribution plan |
| |

| Chief Executives Officers | | Direc | Directors | | Executives | | tal | | | | |
|------------------------------|-------|--------|-----------|--------|------------|--------|--------|--|--|--|--|
| 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | | | | |
| | | | | | | | | | | | |
| 3,755 | 3,158 | 8,551 | 7,712 | 24,149 | 17,720 | 36,455 | 28,950 | | | | |
| - | - | - | 679 | 1,166 | 1,018 | 1,166 | 1,697 | | | | |
| 87 | 144 | - | 190 | 2,213 | 1,026 | 2,300 | 1,360 | | | | |
| 13 | - | 2,478 | 2,282 | 10,293 | 7,142 | 12,784 | 9,424 | | | | |
| 368 | 381 | 829 | 471 | 2,409 | 1,848 | 3,606 | 2,700 | | | | |
| | | | | | | | | | | | |
| - | - | 228 | 642 | 755 | 567 | 983 | 1,209 | | | | |
| - | - | 274 | 367 | 964 | 681 | 1,238 | 1,048 | | | | |
| 4,223 | 4,043 | 12,360 | 12,343 | 41,949 | 30,002 | 58,532 | 46,388 | | | | |
| 1 | 1 | 2 | 2 | 12 | 7 | 15 | 10 | | | | |

35.1 The chief executive and directors are provided with free use of Company maintained cars and residential telephones in accordance with their entitlement. Certain executives are also provided with Company maintained cars

35.2 Remuneration to other directors

Number of persons

Aggregate amount charged in the unconsolidated financial statements for fee to directors was Rs 0.15 million (2018: Rs 0.20 million).

For the year ended March 31, 2019

36 TRANSACTIONS WITH RELATED PARTIES

Related parties include subsidiary company, entities under common directorship, directors, major shareholders, key management personnel and retirement benefit funds. Transactions with related parties essentially entail rent expense, transactions with key management personnel and amounts charged to benefit and contribution plans. Details of transactions with related parties and the balances with them as at year end other than those which have been disclosed else where are as follows:

| Subs Com | diary pany | Key Management personnel | | ent Other Related Parties | |
|-------------|---------------|--------------------------|------|---------------------------|------|
| 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |

····· (Rupees '000) ·····

Expenses charged to

Transactions with key management personnel:

- Salaries
- Defined benefit plan post employment benefits
- Defined contribution plan
- Sale of motor vehicle having cost Rs. Nil (2018: Rs 1.663 million) and book value of
- Rs. Nil (2018: Rs.0.748 million) for

Rent expense

Expenses charged in respect of staff contribution plan Expenses charged in respect of staff defined benefit plan

| 3 | 3 | - | - | - | - |
|---|---|--------|--------|-------|--------|
| | | | | | |
| - | - | 41,695 | 29,979 | - | - |
| - | - | 807 | 642 | - | - |
| - | - | 882 | 367 | - | - |
| - | - | - | | - | - |
| | | | | | |
| - | - | - | 637 | - | - |
| | | | | | |
| - | - | - | - | - | 42,460 |
| - | - | - | - | 9,033 | 8,465 |
| - | - | - | - | 304 | 1,540 |

36.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

| S.No. | Company Name | Basis of association | Aggregate % of Shareholding |
|-------|-------------------------------------|----------------------|--------------------------------|
| 1 | Chloride Pakistan (Private) Limited | Subsidiary Company | 100% |
| 2 | Zever Enterprises | Common Directorship | N/A |

36.2 Consideration for services is determined with mutual agreement considering the level of services provided. Expenses charged by / to the Company are determined on actual cost basis. Particulars of remuneration of Chief Executive, Directors and Executives are disclosed in note 35 to these unconsolidated financial statements.

For the year ended March 31, 2019

- 36.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.
- **36.4** Particulars of transactions with workers' profit participation fund and staff retirement benefit plans are disclosed in notes 14.3 and 34 respectively to these unconsolidated financial statements.

37 PRODUCTION CAPACITY

The actual production capacity of the battery plant cannot be determined as it depends on the proportion of different types of batteries produced which varies in relation to the consumer demand. The actual production during the year was according to market demand. The installed capacity of the chemical plants is 33,000 MT (2018: 33,000 MT) per annum whereas actual production during the year was 26,032 MT (2018: 30,128 MT).

38 CASH GENERATED FROM OPERATIONS

| CASTI GENERALED FROM OF ERATIONS | Note | 2019 | 2018 |
|---|---------|-------------|--------------|
| | | ·····(Rupee | s '000)····· |
| (Loss) / profit before taxation | | (410,838) | 193,962 |
| Adjustment: | | | |
| Depreciation | 6.3 | 159,998 | 155,120 |
| Amortisation | 6.3 | 8,106 | 7,331 |
| Gain on disposal of property, plant and equipment | 28 | (3,663) | (4,673) |
| Provision / (reversal) against slow moving and obsolete | | | |
| stores and spares | 28 & 29 | 3,061 | (1,238) |
| Provision against doubtful trade debts - net | 28 & 29 | 7,534 | 6,121 |
| Provision against slow moving and obsolete stock-in-trade | 29 | 4,688 | 2,138 |
| Provision written back | 11.1 | (839) | - |
| Finance cost | 30 | 259,106 | 141,258 |
| Working capital changes | 38.1 | (549,573) | 53,399 |
| | | (522,420) | 553,418 |

For the year ended March 31, 2019

38.1 Working Capital Changes

2019 2018(Rupees '000).....

(Increase) / decrease in current assets

spares stock-in-trade Trade debts Loans and advances

Trade deposits, short-term prepayments and other receivables

(Decrease) / increase in trade and other payables

| ` • | , |
|-----------|-----------|
| (13,644) | 2,796 |
| 86,102 | 1,598,359 |
| (426,689) | (820,977) |
| 7,071 | (2,873) |
| (11,739) | (13,964) |
| (359,899) | 763,341 |
| (190,674) | (709,942) |
| (549,573) | 53,399 |

39 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise of the following unconsolidated statement of financial position amounts:

| | Note | 2019 | 2018 |
|------------------------|------|-------------|--------------|
| | | ·····(Rupee | s '000)····· |
| Cash and bank balances | 15 | 149,083 | 880,414 |
| Short-term borrowings | 22 | (3,199,683) | (2,850,331) |
| | | (3,050,580 | (1,969,917) |

39.1 Reconciliation of liabilities arising from financing activities

| | As at March 31, 2018 | Non-cash changes | Cash flows | As at March 31, 2019 |
|--|----------------------|---------------------|---------------|----------------------------|
| | | ·····(Rupee | es '000)····· | |
| Loan from director | 305,550 | | | 305,550 |
| Total libilities from financing activities | 305,550 | - | - | 305,550 |

For the year ended March 31, 2019

40 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

| | | Note | Batteries | | Chem | nicals | Comp | any |
|------|---------------------------------------|-----------|-------------|--------------|-----------|-----------|-------------|--------------|
| | | Note | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | | | (Rupees | s '000) | | |
| | Net Sales | 24 | 9,167,113 | 12,006,459 | 339,466 | 294,952 | 9,506,579 | 12,301,411 |
| | Cost of Sales | 25 | (8,240,082) | (10,682,986) | (294,273) | (261,807) | (8,534,355) | (10,944,793) |
| | Gross Profit | | 927,031 | 1,323,473 | 45,193 | 33,145 | 972,224 | 1,356,618 |
| | Selling and distribution expenses | 26 | (934,079) | (863,515) | (4,153) | (4,777) | (938,232) | (868,292) |
| | Administration and general expenses | 27 | (118,865) | (106,981) | (2,993) | (2,299) | (121,858) | (109,280) |
| | Other income | | 6,356 | 4,229 | _ | _ | 6,356 | 4,229 |
| | Unallocated other income | 40.7 | - | - | - | - | 12,163 | 7,771 |
| | | 28 | | | | | 18,519 | 12,000 |
| | Unallocalated other operating charges | 40.7 & 29 | - | - | - | - | (82,385) | (54,826) |
| | Operating (loss) / profit | | (119,557) | 357,206 | 38,047 | 26,069 | (151,732) | 336,220 |
| | | | | | | | | |
| 40.1 | Segment assets | | 7,168,566 | 7,032,911 | 265,458 | 172,771 | 7,434,024 | 7,205,682 |
| 40.2 | Unallocated assets | 40.7 | | | | | 1,122,039 | 1,666,515 |
| | | | | | | | 8,556,063 | 8,872,197 |
| 40.3 | Segment liabilities | | 310,517 | 475,638 | 6,266 | 8,541 | 316,783 | 484,179 |
| 40.4 | Unallocated liabilities | 40.7 | | | | | 4,458,410 | 4,100,912 |
| | | | | | | | 4,775,193 | 4,585,091 |
| 40.5 | Capital expenditure | | 48,967 | 219,410 | 1,813 | 5,390 | 50,780 | 224,800 |
| 40.6 | Depreciatoin expense | | 154,285 | 151,401 | 5,713 | 3,719 | 159,998 | 155,120 |
| | | | | | | | | |

^{40.7} Certain liabilities, assets, other income and other operating charges of the Company cannote be allocated to a specifice segment. Accordingly, these amounts have been classified as unallocated.

For the year ended March 31, 2019

41 FINANCIAL INSTRUMENTS BY CATEGORY

41.1 Financial assets and financial liabilities

Financial assets

Loans and receivables

Loans and advances Long - term deposits

Trade debts

Trade deposits and other receivables

Cash and bank balances

Financial liabilities

Financial liabilities at amortised cost

Trade and other payables
Unclaimed dividend
Accured mark-up
Loan from Director
Short-term borrowings

| (Rupees '000)· | | | | | |
|----------------|-----------|--|--|--|--|
| | | | | | |
| 27,065 | 34,467 | | | | |
| 46,814 | 37,993 | | | | |
| 3,565,856 | 3,146,701 | | | | |
| 20 520 | 20 507 | | | | |

2018

2019

| 30,528 | 30,597 |
|-----------|-----------|
| 149,083 | 880,414 |
| 3,819,346 | 4,130,172 |
| | |
| | |
| | |
| 968,620 | 1,251,214 |
| 6,076 | 1,224 |
| 81,683 | 40,644 |
| 305,550 | 305,550 |
| 3,199,663 | 2,850,331 |
| 4,561,592 | 4,448,963 |
| | |

42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities are exposed to a variety of financial risks namely credit risk, liquidity risk and market risk. The Company finances its operations through equity, borrowings and management of working capital with a view to monitor an appropriate mix between various sources of finance to minimise risk. The Company has established adequate procedures to manage each of these risks as explained below.

42.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentration of credit risk

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk arises from bank balances and credit exposures to customers, including trade debts. The financial assets of the Company that are subject to credit risk amounted to Rs 3,743.495 million (2018: Rs 3,286.600 million).

For the year ended March 31, 2019

Out of the total bank balance of Rs 73.081 million (2018: Rs 36.746 million) placed with banks maintained in current accounts, amounts aggregating Rs 70.716 million (2018: Rs 30.348 million) have been placed with banks having short-term credit rating of A1+. Whereas the remaining amounts are placed with banks having minimum short term credit rating of A1. Management, after giving due consideration to their strong financial standing, does not expect non–performance by these counter parties on their obligations to the Company.

The most significant financial asset exposed to credit risk is the trade debts of the Company. For trade debts, individual credit limits are assigned to customers keeping in view their payment history, financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. The concentration of credit risk lies in the top 15 (2018: 15) customers which constitute 37% (2018: 26%) of the Company's trade debts.

The breakup of gross amounts due from customers is presented below:

| _ | - | | |
|-----|------|--------|------|
| Due | trom | CHISTO | mers |

Direct customers Distributors

| 2019 | 2018 |
|----------------------|----------------------|
| ····(Rupee | s '000)· |
| 211,740 3,406,178 | 184,808 3,006,421 |
| 3.617.918 | 3.191.229 |

Out of Rs 3,617.918 million (2018: Rs 3,191.229 million), the Company has provided Rs 52.062 million (2018: Rs 44.528 million) as amounts being doubtful. The age profile of trade debts overdue and impaired to the extent of Rs 52.062 million (2018: Rs 44.528 million) has been disclosed in note 12.1 to these unconsolidated financial statements.

42.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet it's financial obligations as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed credit lines open.

The maturity profile of the Company's liabilities based on contractual maturities is disclosed in note 42.3.2 of these unconsolidated financial statements.

42.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of foreign currency risk, interest rate risk and other price risks.

42.3.1 Foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company primarily has foreign currency exposures in US Dollars and Japanese Yen. The Company manages its exposures against foreign exchange risk by entering into foreign exchange contracts where considered necessary. The details of balances are as follows:

For the year ended March 31, 2019

| Bills payable | 2019 | 2018 |
|---------------|----------|--------------------|
| | · (Amour | nt '000) · · · · · |
| US Dollar | 685 | 2,824 |
| Japanese Yen | 38,526 | 9,173 |
| GB Pound | 11 | - |
| Euro | 77 | - |

As at March 31, 2019, if the Pakistani Rupee had weakened / strengthened by 1% against US Dollar, Japanese Yen, GB Pound and Euro with all other receivables held constant, loss before taxation for the year would have been lower / higher by Rs 1.596 million (2018: Rs 3.362 million).

42.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Sensitivity analysis for variable rate instruments

Presently, the Company has KIBOR based short-term borrowings from certain banks that expose the Company to cash flow interest rate risk. In case of increase / decrease in KIBOR by 100 basis points on March 31, 2019, with all other variables held constant, the net assets and loss before taxation for the year would have been lower / higher by Rs 32.813 million (2018: Rs 28.901 million).

The movement in liability under short-term borrowings and KIBOR rates are expected to change over time. Therefore, the sensitivity analysis prepared as at March 31, 2019 is not necessarily indicative of the effect on the Company's net assets due to future movement in interest rates.

Sensitivity to interest / mark-up rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

For the year ended March 31, 2019

The company is exposed to interest / mark-up rate risk in respect of the following:

| t/ | t / mark-up rate risk in respect of the following: | | | | | | | | | |
|---------------|--|-------------------------|----------------------------|-----------|---|--------------------------------|-----------|--------|--|--|
| | | | | | | | | | | |
| | Effective | Intere | Interest / mark-up bearing | | | Non Interest / mark-up bearing | | | | |
| | interest rate (in percentage) | Maturity up to one year | Maturity after one year | Sub-total | Maturity up to one year Maturity after one year | | Sub-total | Total | | |
| (Rupees' 000) | | | | | | | | | | |
| | | | | | | | | | | |
| | | - | - | - | 26,480 | 585 | 27,065 | 27,065 | | |
| | | - | - | - | - | 46,814 | 46,814 | 46,814 | | |

On Balance sheet financial instruments Financial assets

Loans and receivable

Loans and advances

Long-term deposits

Trade receivables
Trade deposits and other receivables

Cash and bank balances

Financial liabilities

Financial liabilities at amortised cost

Trade and other payables
Unclaimed dividend
Accured profit / mark-up
Loan from Director
Short-term borrowings

On balance sheet gap

Off-balance sheet financial instruments

Commitments in respect of capital expenditure Commitments in respect of Letter of credit Outstanding bank guarantees

| | - | - | - | 26,480 | 585 | 27,065 | 27,065 |
|---------------|-------------|---|-------------|-----------|--------|-----------|-----------|
| | - | - | - | - | 46,814 | 46,814 | 46,814 |
| | - | - | - | 3,565,856 | - | 3,565,856 | 3,565,856 |
| | - | - | - | 30,528 | - | 30,528 | 30,528 |
| | - | - | - | 149,083 | - | 149,083 | 149,083 |
| | - | - | - | 3,771,947 | 47,399 | 3,819,346 | 3,819,346 |
| | | | | | | | |
| | - | - | - | 968,620 | - | 968,620 | 968,620 |
| | - | - | - | 6,076 | - | 6,076 | 6,076 |
| | - | _ | - | 81,683 | - | 81,683 | 81,683 |
| | - | _ | - | 305,550 | _ | 305,550 | 305,550 |
| 10.52 - 11.12 | 3,199,663 | - | 3,199,663 | - | - | - | 3,199,663 |
| | 3,199,663 | - | 3,199,663 | 1,361,929 | - | 1,361,929 | 4,561,592 |
| | (3,199,663) | - | (3,199,663) | 2,410,018 | 47,399 | 2,457,417 | (742,246) |
| | | | | | | | |
| | - | - | - | 1,183 | - | 1,183 | 1,183 |
| | - | - | - | 159,541 | - | 159,541 | 159,541 |
| | - | - | - | 49,225 | - | 49,225 | 49,225 |
| | - | - | - | 209,949 | - | 209,949 | 209,949 |
| | | | | | | | |

| | | | 2 | 20 | 018 | | | |
|----------------------------------|----------------------------|-------------------------|-----------|----|--------------------------------|-------------------------|-----------|-------|
| Effective | Interest / mark-up bearing | | | | Non Interest / mark-up bearing | | | |
| interest rate (in percentage) | Maturity up to one year | Maturity after one year | Sub-total | | Maturity up to one year | Maturity after one year | Sub-total | Total |
| (Rupees' 000) | | | | | | | | |

On Balance sheet financial instruments

Financial assets

Loans and receivable Loans and advances

Cash and bank balances

Long-term deposits Trade debts Trade deposits and other receivables

Financial liabilities

Financial liabilities at amortised cost

Trade and other payables
Unclaimed dividend
Accured profit / mark-up
Loan from Director
Short-term borrowings

On balance sheet gap

Off-balance sheet financial instruments

Commitments in respect of capital expenditure Commitments in respect of Letter of credit Outstanding bank guarantees

| | - | - | - | 33,551 | 916 37,993 | 34,467 37,993 | 34,467 37,993 |
|-------------|-------------|---|-------------|-------------------|---------------|-------------------|-------------------|
| | - | - | - | 3,146,701 | - | 3,146,701 | 3,146,701 |
| | - | - | - | 30,597 880,414 | - | 30,597 880,414 | 30,597 880,414 |
| | - | - | - | 4,091,263 | 38,909 | 4,130,172 | 4,130,172 |
| | | | | | | | |
| | - | - | - | 1,251,214 | - | 1,251,214 | 1,251,214 |
| | - | - | - | 1,224 | - | 1,224 | 1,224 |
| | _ | - | _ | 40,644 305,550 | - | 40,644 305,550 | 40,644 305,550 |
| 6.22 - 7.50 | 2,850,331 | - | 2,850,331 | - | - | - | 2,850,331 |
| | 2,850,331 | - | 2,850,331 | 1,598,632 | - | 1,598,632 | 4,448,963 |
| | (2,850,331) | - | (2,850,331) | 2,492,631 | 38,909 | 2,531,540 | (318,791) |
| | | | | | | | |
| | - | - | - | 7,287 366,402 | - | 7,287 366,402 | 7,287 |
| | - | - | - | 68,206 | - | 68,206 | 366,402 68,206 |
| | - | - | - | 441,895 | - | 441,895 | 441,895 |
| | | | | | | | |

For the year ended March 31, 2019

42.3.3 Price risk

The Company is not exposed to any price risk as it does not hold any significant investments exposed to price risk.

42.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or repriced periodically.

International Financial Reporting Standard 13, 'Fair Value Measurements' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Currently there are no financial assets or financial liabilities which are measured at their fair value in the unconsolidated statement of financial position.

42.4.1 Certain categories of operating fixed assets (leasehold land and buildings on leasehold land) are carried at revalued amounts (level 3 measurement) determined by a professional valuer based on their assessment of the market values as disclosed in note 6 to these unconsolidated financial statements.

For the year ended March 31, 2019

43 CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as equity as shown in the unconsolidated statement of financial position plus net debt.

| | 2013 | 2010 |
|---|--------------------------------------|---|
| | ·(Rupee | s '000)· |
| Total borowing | 3.505.213 | 3,155,881 |
| LessL Cash and bank balances | 149,083 | 880,414 |
| Net debt | 3,356,130 | 2,275,467 |
| Total equity | 3,780,870 | 4,287,106 |
| | 7,137,000 | 6,562,573 |
| | | |
| Gearing ratio | 47.02% | 34.67% |
| | | |
| NUMBER OF EMPLOYEES | 2019 | 2018 |
| | · Num | nber · |
| | | |
| | | |
| Number of employees at March 31 | | |
| Number of employees at March 31 - Permanent | 343 | 444 |
| | | |
| - Permanent | 343 | 444 |
| - Permanent | 343 31 | 444 33 |
| - Permanent - Contractual | 343 31 | 444 33 |
| - Permanent - Contractual | 343 31 | 444 33 |
| Permanent Contractual This includes 179 (2018: 177) number of factory employees Average number of employees during the year Permanent | 343 31 374 | 444 33 477 454 |
| Permanent Contractual This includes 179 (2018: 177) number of factory employees Average number of employees during the year | 343 31 374 | 444 33 477 |
| | Net debt Total equity Gearing ratio | Total borowing 3,505,213 LessL Cash and bank balances 149,083 Net debt 3,356,130 Total equity 3,780,870 7,137,000 Gearing ratio 47.02% NUMBER OF EMPLOYEES 2019 |

This includes 178 (2018: 183) number of factory employees

2019

2018

For the year ended March 31, 2019

45 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

As per the requirements of the fourth schedule to the Companies Act, 2017, shariah compliant companies and the companies listed on Islamic Index shall disclose the following:

- (i) Loans / advances obtained as per Islamic mode refer note 22
- (ii) Mark up paid on Islamic modes of financing refer note 30
- (iii) Profits earned or interest paid on any conventional loans, deposits or advances refer notes 28 and 30.

46 GENERAL AND CORRESPONDING FIGURES

Amounts have been rounded to the nearest thousand rupees unless otherwise stated. Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. There were no significant reclassifications / restatements to these unconsolidated financial statements during the year.

47 DATE OF AUTHORISATION

These unconsolidated financial statements were authorised for issue on June 29, 2019 by the Board of Directors of the Company.

Altaf Hashwani Chairman

Arshad Shehzada Chief Executive Officer

Halogle



To the members of Exide Pakistan Limited

Opinion

We have audited the annexed consolidated financial statements of Exide Pakistan Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion consolidated statement of financial statements give a true and fair view of the consolidated financial position of the Group as at March 31, 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as appplicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matters:

| S.No. | Key Audit Matters | How the matter was addressed in our audit |
|-------|--|--|
| 1 | Trade debts | |
| | (Refer notes 11 of the annexed consolidated financial statements) Sales of the Group products are made to dealers, original equipment manufacturers and other customers. These customers are allowed credit period and assigned credit limits as well based on credit assessment. | Our audit procedures to verify trade debts and provision against trade debts amongst others, included the following: |

| S.No. | Key Audit Matters | How the matter was addressed in our audit |
|-------|---|--|
| | The Group has trade debts amounting to Rs. 3.566 billion as at March 31, 2019 which includes an overdue amount of Rs. 2.115 billion. The Group makes provision against trade debts based on objective evidence of impairment which is mainly determined based on days past due and the recovery pattern. During the year, the Group has recognized provision against trade debts amounting to Rs 7.534 million. As at March 31, 2019, the Group holds provision against trade debts amounting to Rs. 52.062 million. The assessment of the recovery of trade debts / determination of provision there against remains an area of significant judgment and estimation. Due to the significance of this judgment and the materiality of trade debts related to the overall statement of financial position of the Group, we considered the recoverability of trade debts as a key audit matter. | We sought external confirmations from selected debtors of their balances that remained outstanding at the year end and compared replies to the request; Where response to the external confirmations were not received, we have checked subsequent receipts/traced the receivables balances to the invoices. Obtained an understanding of the Group's process for assessing impairment against trade debts; Evaluated the appropriateness of the Group's methodology for assessing provision against trade debts. Reviewed the aging report and assessed the accuracy of aging report by checking sample of invoices; Assessed the relevant disclosures made in the consolidated financial statements to determine whether they are complied with the accounting and reporting standards as applicable in Pakistan. |
| 2 | Provisions against battery warranty claims (Refer notes 18.2 of the annexed consolidated financial statements) | |
| | The Group offers different warranty periods for its various classes of batteries. The management carries out an exercise to assess the reasonableness of the provision for warranty obligation retained in the consolidated financial statements for all kinds of batteries. In ascertaining, the adequacy of the provision, the management takes into account the past trend of warranty claims in respect of all kinds of batteries which are sold of the Group. During the year, the warranty claims have increased as compared to the previous years. The charge for the year in respect of provision for warranty claims amounted to Rs 364.268 million and the provision as at March 31, 2019 amounted to Rs 133.411 million. The provision at the year-end takes into account the higher percentage of warranty claims during the year. Due to significance of the provision balance and related significant estimation involved, we considered it as a key audit matter. | Our audit procedure included the following: Obtained an understanding of the warranty process, evaluated the design of, and performed the related test of controls. Evaluated the appropriateness of the Group's methodology for calculating the charge in respect of warranty provisions for the year and tested the basis for the assumptions used in the determination of the warranty provisions. Assessed the relevant disclosures made in the consolidated financial statements to determine whether they are complied with the accounting and reporting standards as applicable in P akistan. |

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the unconsolidated and consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to
 fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is
 sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement
 resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional
 omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business
 activities within the Group to express an opinion on the consolidated financial statements. We are responsible
 for the direction, supervision and performance of the group audit. We remain solely responsible for our audit
 opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

As stated in note 3.2, the consolidated financial statements of the Group for the year ended March 31, 2018 were unaudited.

The engagement partner on the audit resulting in this independent auditor's report is Noman Abbas Sheikh.

A.F. Ferguson & Co.

Affergusones

Chartered Accountants

Karachi

Dated: July 05, 2019

Consolidated Statement of Financial Position

as at March 31, 2019

| ASSETS Non-current assets Fixed assets Long-term loans Long-term deposits Note 2019 2018 (Rupees '000) 1,507,876 7 585 916 37,993 1,555,275 1,670,769 Current assets |
|---|
| Non-current assets Fixed assets 6 1,507,876 1,631,860 Long-term loans 7 585 916 Long-term deposits 8 46,814 37,993 Current assets |
| Non-current assets Fixed assets 6 1,507,876 1,631,860 Long-term loans 7 585 916 Long-term deposits 8 46,814 37,993 Current assets |
| Fixed assets Long-term loans Long-term deposits 6 1,507,876 585 916 37,993 1,555,275 1,670,769 Current assets |
| Long-term loans 7 585 916 Long-term deposits 8 46,814 37,993 1,555,275 1,670,769 Current assets |
| Long-term deposits 8 46,814 37,993 1,555,275 1,670,769 Current assets |
| 1,555,275 1,670,769 Current assets |
| |
| |
| Stores and spares 9 115,987 105,404 |
| Stock-in-trade 10 2,176,433 2,266,384 |
| Trade debts 11 3,565,856 3,146,701 Loans and advances 12 26,480 33,551 |
| Trade deposits, prepayments and other receivables 13 67,872 55,333 |
| Taxation recoverable 898,853 713,417 |
| Cash and bank balances 14 149,085 880,419 7,000,566 7,201,209 |
| 8,555,841 8,871,978 |
| EQUITY AND LIABILITIES |
| SHARE CAPITAL AND RESERVES |
| Authorised share capital |
| 18,000,000 (2018: 18,000,000) ordinary shares of Rs 10 each 180,000 180,000 |
| Issued, subscribed and paid-up share capital 15 77,686 77,686 |
| Capital reserve 259 259 |
| Revenue reserves Reserve arising on amalgamation - net 3,329,991 25,823 25,823 |
| Accumulated (loss) / unappropriated profit (263,039) 227,593 |
| Revaluation surplus on property, plant and equipment - net of tax 16 609,132 624,793 |
| Equity attributable to the equity holders of the parent 3,779,852 4,286,145 |
| LIABILITIES |
| Non-current liabilities |
| Deferred taxation - net 17 - 9,595 |
| Current liabilities |
| Trade and other payables 18 1,182,292 1,377,814 |
| Unclaimed dividend 6,076 1,224 Accrued profit / mark-up 19 81,683 40,644 |
| Loan from Director 20 306,275 306,225 |
| Short-term borrowings 21 3,199,663 2,850,331 |
| 4,775,989 4,576,238 |
| TOTAL LIABILITIES 4,775,989 4,585,833 |
| TOTAL EQUITY AND LIABILITIES 8,555,841 8,871,978 |
| CONTINGENCIES AND COMMITMENTS 22 |

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Altaf Hashwani Chairman

Arshad ShehzadaChief Executive Officer

Consolidated Statement of Profit or Loss

For the year ended March 31, 2019

| , | | | (Un-audited) | | |
|---|----------|-------------|--------------|--|--|
| | Note | 2019 | 2018 | | |
| | | (Rupee | s '000) | | |
| Oalas wat | 00 | 0.500.570 | 40 204 444 | | |
| Sales - net Cost of sales | 23 24 | 9,506,579 | 12,301,411 | | |
| Cost of Sales | 24 | (8,534,355) | (10,944,793) | | |
| Gross profit | | 972,224 | 1,356,618 | | |
| Selling and distribution expenses | 25 | (938,232) | (868,292) | | |
| Administration and general expenses | 26 | (121,858) | (109,280) | | |
| | | (87,866) | 379,046 | | |
| Other income | 27 | 18,519 | 12,000 | | |
| | | (69,347) | 391,046 | | |
| Other operating charges | 28 | (82,442) | (54,893) | | |
| Operating (loss) / profit | | (151,789) | 336,153 | | |
| Finance cost | 29 | (259,106) | (141,258) | | |
| Penalty | 30 | - | (1,000) | | |
| (Loss) / profit before taxation | | (410,895) | 193,895 | | |
| Taxation - net | 31 | (93,673) | (172,341) | | |
| (Loss) / profit after taxation | | (504,568) | 21,554 | | |
| | • | (Rupees) | | | |
| (Loss) / earnings per share (basic and diluted) | 32 | (64.95) | 2.77 | | |
| (LOSS) / Carrings per snare (Dasic and undted) | 32 | (04.93) | 2.11 | | |

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Altaf Hashwani Chairman

Arshad Shehzada Chief Executive Officer

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended March 31, 2019

| | | | (Un-audited) |
|---|--------|-------------|--------------|
| | Note | 2019 | 2018 |
| | | (Rupee | s '000) |
| (Local / profit for the year after toyation | | | |
| (Loss) / profit for the year after taxation | | (504,568) | 21,554 |
| Other comprehensive Income: | | | |
| Items that will not be reclassified to consolidated statement | | | |
| of profit or loss in subsequent periods | | | |
| | 00.4.0 | (2.222) | (0.040) |
| Remeasurements of defined benefit plan | 33.1.2 | (2,203) | (2,943) |
| Deferred tax on remeasurements of defined benefit plan | 16 | 551 (73) | 736 861 |
| Effect of change in tax rate | 10 | (1,725) | (1,346) |
| Items that may be reclassified to consolidated statement | | (1,725) | (1,040) |
| of profit or loss in subsequent periods | | | |
| or profit of 1000 in Subsequent periods | | | |
| Surplus on revaluation of land and buildings | 16 | - | 134,215 |
| Deferred tax on surplus on revaluation of buildings | 16 | - | (829) |
| | | - | 133,386 |
| | | (506,293) | 153,594 |
| Total comprehensive (loss) / income for the year | | (300,293) | 100,004 |

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Altaf Hashwani Chairman

Arshad Shehzada Chief Executive Officer

Consolidated Statement of Changes in Equity

For the year ended March 31, 2019

| Tor the year ended March 31, 2019 | | Capital | reserves | Revenue | reserves | | |
|--|--|-------------------------------|---|-------------------------------|--|--|-------------|
| | Issued, subscribed and paid-up share capital | General capital reserve | Reserve arising on amalgamati on-net | General revenue reserve | Accumulate d (loss)/ unappropri ated profit | Revaluation surplus on property, plant and equipment | Total |
| | | | (Rupe | es '000) | | | |
| Balance at March 31, 2017 (un-audited) | 77,686 | 259 | 25,823 | 2,729,991 | 892,668 | 503,232 | 4,229,659 |
| Final dividend for the year ended March 31, 2017 declared subsequent to year end | - | - | - | - | (97,108) | - | (97,108) |
| Transfer to revenue reserves madesubsequent to the year ended March 31, 2017 | - | - | - | 600,00 | (600,00) | - | - |
| Profit after taxation for the year ended March 31, 2018 | - | - | - | - | 21,554 | - | 21,554 |
| Other comprehensive income for the year | | | | | | | |
| Remeasurements of defined benefit plan | - | - | - | - | (2,943) | - | (2,943) |
| Deferred Tax on remeasurements of defined benefit plan | - | - | - | - | (736) | - | (736) |
| Effect of change in tax rate (note 16) | - | - | - | - | - | 861 | 861 |
| | - | - | - | - | (2,207) | 861 | (1,346) |
| Surplus on revaluation of land and building - net | - | - | - | - | - | 134,215 | 134,215 |
| Deferred tax on surplus on revaluation of land and building - net | - | - | - | - | - | (829) | (829) |
| | | | | | | 133,386 | 133,386 |
| Transferred from revaluation surplus on property, plant and equipment - net of tax (note 16) | - | - | - | - | 12,686 | (12,686) | - |
| Balance as at March 31, 2018 (un-audited) | 77,686 | 259 | 25,823 | 3,329,991 | 227,593 | 624,793 | 4,286,145 |
| Loss after taxation for the year ended March 31, 2019 | - | - | - | - | (504,568) | - | (504,568) |
| Other comprehensive income for the year | | | | | | | |
| Remeasurements of defined benefit plan | - | - | - | - | (2,203) | - | (2,203) |
| Deferred tax on remeasurements of defined benefit plan Effect of change in tax rate (note 16) | - | - | - | - | 551 - | (73) | 551 (73) |
| | - | - | - | - | (1,652) | (73) | (1,725) |
| Transferred from revalution surplus on property, plant and equipment - net of tax (note 16) | - | - | - | - | 15,588 | (15,588) | - |
| Balance as at March 31, 2019 | 77,686 | 259 | 25,823 | 3,329,991 | (263,039) | 609,132 | 3,779,852 |

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Altaf Hashwani Chairman

Arshad ShehzadaChief Executive Officer

Consolidated Statement of Cash Flows

For the year ended March 31, 2019

| | | | (Un-audited) | |
|--|------|---------------|--------------|--|
| | Note | 2019 | 2018 | |
| | | (Rupees '000) | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash (used in) / generated from operations | 37 | (522,473) | 553,354 | |
| Financial charges paid | | (218,067) | (133,252) | |
| Taxes paid | | (288,704) | (379,848) | |
| Increase in long-term deposits | | (8,821) | (3,255) | |
| Decrease / (increase) in long-term loans | | 331 | (72) | |
| Net cash (used in) / generated from operating activities | | (1,037,734) | 36,927 | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for capital expenditure | | (50,780) | (224,800) | |
| Proceeds from disposal of operating fixed assets | | 7,798 | 11,902 | |
| Net cash used in investing activities | | (42,982) | (212,898) | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Loan from director | | 50 | 305,600 | |
| Net cash flows generated from financing activities | | 50 | 305,600 | |
| | | | | |
| Net (decrease) / increase in cash and cash equivalents during the year | | (1,080,666) | 129,629 | |
| Cash and cash equivalents at the beginning of the year | | (1,969,912) | (2,099,541) | |
| Cash and cash equivalents at the end of the year | 38 | (3,050,578) | (1,969,912) | |
| | | | | |

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Altaf Hashwani Chairman

Arshad Shehzada Chief Executive Officer

For the year ended March 31, 2019

1 THE COMPANY AND ITS OPERATIONS

1.1 The "Group" consists of:

- Holding Company
 - Exide Pakistan Limited
- Subsidiary Company
 - Chloride Pakistan (Private) Limited

1.2 Holding Company

Exide Pakistan Limited (the Holding Company) is a public limited 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 Group is listed on the Pakistan Stock Exchange. The Group is engaged in the manufacturing and ale of batteries, chemicals and acid. Manufacturing facilities for batteries are located at S.I.T.E Karachi while facilities for chemicals and acid are located at S.I.T.E and Bin Qasim Karachi.

1.3 Subsidiary Company

Chloride Pakistan (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan on March 20, 1994 as a private limited company under the repealed Companies Ordinance, 1984 to take the benefit of tax exemption in Hattar. However, the exemption was taken off after its incorporation and therefore the Company did not commense its operations. The principal activity of the company to manufacture and market automotive batteries and industrial cells. The registered office of the Company is situated at A-44, Hill Street, Manghopir Road, S.I.T.E, Karachi.

The auditors of the Subsidiary Company have included an emphasis of matter paragraph in their report on the matter highlighting that the financial statements for the year ended March 31, 2019 have not been prepared on a going concern basis and consequently all the assets appearing in the financial statements have been measured at their realisable values and the liabilities are reported at amount not less than those at which these are expected to be settled.

2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS THAT HAVE AFFECTED THE GROUP'S FINANCIAL POSITION AND PERFORMANCE DURING THE YEAR

- a) During the current year, the Holding Company has incurred a loss mainly due to increased competition in the market together with the reduction in demand for UPS batteries. The cost of production has increased due to high lead prices and deteriorating exchange rate. Furthermore, the increase in selling and distribution expenditure is on account of extra marketing efforts to cope up with tough competition in the market.
- b) The range of profit / mark-up rates on short borrowing facilities availed by the Holding Company have increased from 6.22% 7.50% to 10.52% from 11.12% resulting in increase in financing costs of the group.
- c) The average price of lead (main raw material of battery manufacturing) has increased from USD 2,397/ MT during 2018 to USD 2,435/ MT during 2019;
- d) The Holding Company finalised its plan to start supplying solar energy solutions by the end of the next financial year and has also started procuring inventory;
- e) The exchange rate of USD to PKR has increased from PKR 115.49 as at March 31, 2018 to PKR 140.78 as at March 31, 2019;
- f) For detailed discussions about the Goup's performance please refer to the Director's report.

For the year ended March 31, 2019

3 BASIS OF PREPARATION

3.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with the accounting and reportingstandards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the companies Act, 2017; and
- Provisions of and directives issued under the companies Act, 2017.

Where provisions of and directives issued under the companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the companies Act, 2017 have been followed.

The Holding Company has been directed by the Securities and Exchange Commission of Pakistan (SECP) to prepare consolidated financial statements for the year ended March 31, 2019. Previously, the Holding Company had optained exemption in respect of preparation of consolidated financial statements under section 228 of Comapnies Act, 2017 from SECP. Accordingly, comparive figures for the year ended March 31, 2018 are unaudited.

3.3 Accounting convention

Thses consolidated financial statements have been prepared under the historical cost convention except that inventories are carried at lower of cost or net realisable value, land and building are stated at revalued amount and certain staff retirement benefits are carried at present value.

3.4 Basis of consolidation

Subsidiary Company is the entity in which the Holding Company directly or indirectly controls or beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The financial statements of the Subsidiary Company are included in the consolidated financial statements from the date the control commences untill the control ceases.

The assets and liabilities of the subsidiary companies have been consolidated on a line by line basis and the caring value of investments held by the Holding Company is eleminated against The Holding Company's share in paid up capital of the subsidiary companies.

Intergroup balances and transactions have been eleminated.

Non-controlling interests are that part of net results of the operations and of net assets of the subsidiary companies attributable to interest which are not owned by the Holding Company. Non- controlling interest are presented as a separate item in the consolidated financial statements.

3.5 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year:

There are certain amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after April 1, 2018 but are considered not to be relevant or do not have any significant effect on the companies operations and are, therfore, not detailed in these consolidated financial statements.

- 3.6 Standards, interpretations and amendments to published accounting and reporting standards that are not effective in the current year:
- **3.6.1** The following standards, amendments and interpretation with respect to published accounting and reporting standards would be effective from the date mentioned below against the respectives standards, amendments or interpretations:

For the year ended March 31, 2019

Standards, Interpretations and amendments

Standards, Interpretations and amendments

- IFRS 9 - 'Financial instruments'

Effective date (accounting period ending on or after)

June 30, 2019

Effective date (accounting periods beginning on or after)

| - IFRS 15 - 'Revenue from contracts with customers' | July 1, 2018 |
|--|-----------------|
| - IFRS 16 - 'Leases' | January 1, 2019 |
| - IFRIC 23 - 'Uncertainty over income tax treatments' | January 1, 2019 |
| - IAS 12 - 'Income taxes' (amendments) | January 1, 2019 |
| - IAS 1 - 'Presentations of financial statements' (amendments) | January 1, 2020 |
| - IAS 8 - 'Accounting policies, change in accounting estimates and error' (amendments) | January 1, 2020 |
| - IAS 19 - 'Employee benefits' (amendments) | January 1, 2019 |

The standards / amendments highlighted above may impact the consolidated financial statements of the Group on adoption. The management is currently in the process of assessing the impact of these standards and amendments on the consolidated financial statements of the Group.

3.6.2 There are certain other new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after April 1, 2019 but are considered not to be relevent or will not have any significant effect on the Group's operation and are, therefore, not detailed in these consolidated financial statements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Group's consolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Estimation of provision against doubtful trade debts (notes 5.6 and 11):
- ii) Provision against battery warranty claims (notes 5.10 and 18.2):
- iii) Provision against slow moving and obsolete stock-in-trade (notes 5.5 and 10.1):
- iv) Provision against slow moving and obsolete stores and spares (notes 5.4 and 9.1):
- v) Estimation of liability in respect of staff retirement gratuity (notes 5.12 and 33):
- vi) Provision for taxation (notes 5.14, 17 and 31): and
- vii) Estimation of usefull lives and depreciation rates of property, plant and equipment (notes 5.1 and 6)

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

5.1 Property, plant and equipment

5.1.1 Operating assets

Leasehold land and buildings on leasehold land are stated at revalued amounts less accumulated depreciation and accumulated impairment losses (if any). Plant and machinery, furniture and fixtures, office equipment and appliances and vehicles are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

For the year ended March 31, 2019

Subsequent costs are included in the asset's carrying amounts or recognised as a separte asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance are charged to the consolidated statement of profit or loss as and when incurred except major repairs which are capitaized.

Depreciation on all property, plant and equipment is charged using the straight line method in accordance with the rates specified in note 6.1.1 to these consolidated financial statement and after taking into account residual value, if significant. The revalued amount of leasehold land and building on leasehold land is amortised / depreciated equally over the remaining life from the date of revaluation. The residual value, useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation on additions is charged from the month in which the asset become available for use, while no depreciation is charged in the month of disposal.

An increase arising on revaluation is credited to the surplus on revaluation of property, plant and equipment. A decrease arising on revaluation of fixed assets adjusted against the surplus of that asset or , if no surplus exists, is charged to the consolidated statement of profit or loss as an impairment of the asset. A surplus arising subsequently on an impaired asset is reserved through the consolidated statement of profit or loss up to the extent of the original impairment. Each year, the difference between depreciaton based on the revalued carrying amount of the asset charged to the consolidated statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit / accumulated losses.

Gains /losses on disposal property, plant and equipment are charged to the consolidated statement of profit or loss.

5.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses (if any). All expenditure connected to the specific assets incured during installation and construction period is carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

5.2 Intangible assets

Intangible asset acquired by the Group are stated at cost less accumulated amortisation. Cost represents the expense incurred to acquire the intangible asset and bring them to use. The cost of intangible asset is amortised using the straight line method in accordance with the rate specified in note 6.2 to these consolidated financial statements.

Cost associated with maintaining intangible asset is charged to the consolidated statement of profit or loss.

5.3 Financial instruments

5.3.1 Financial assets

5.3.1.1 Classification

The management determines the appropriate classification of its financial assets in accordance with the requirements of International Accounting Standard 39 (IAS 39), "Financial Instruments: Recognition and Measurement" at the time of purchase of financial assets and re-evaluates this classification on a regular basis. The financial assets of the Group are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss'.

For the year ended March 31, 2019

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group's loans and receivables comprise of trade debts, loans and advances, deposits, cash and bank balances and other receivables in the consolidated statement of financial position.

c) Held to maturity

These are financial assets with fixed or determinable payments and fixed maturity and for which the Group has positive intent and ability to hold to maturity.

d) Available for sale financial assets

Financial assets intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in equity prices, are classified as 'available for sale'. Available for sale financial instruments are those non-derivative financial assets that are designated as available for sale or are not classified as either (a) financial assets at fair value through profit or loss; (b) loans and receivables; or (c) held to maturity.

5.3.1.2 Initial recognition and measurement

All financial assets are recognised at the time the Group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Group commits to purchase or sell the assets. Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the consolidated statement of profit or loss.

5.3.1.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) Financial assets at fair value through profit or loss' and 'available for sale'

'Financial assets at fair value through profit or loss' are marked to market using the closing market rates and are carried on the consolidated statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the consolidated statement of profit or loss in the period in which these arise.

'Available for sale' financial assets are marked to market using the closing market rates and are carried on the consolidated statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognised in other comprehensive income.

For financial assets that are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the consolidated statement of financial position date.

Unquoted financial assets, where the fair value cannot be reliably determined, are recognised at cost less impairment, if any. Provision for impairment in value is taken to the consolidated statement of profit or loss.

b) 'Loans and receivables' and 'held to maturity'

Loans and receivables and held to maturity financial assets are carried at amortised cost.

For the year ended March 31, 2019

5.3.1.4 Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset is impaired.

a) Assets carried at amortised cost

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating) the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

b) Assets classified as 'available for sale'

Impairment loss in respect of available for sale assets is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of these assets.

If any evidence for impairment exists, the cumulative loss is removed from equity and recognised in the consolidated statement of profit or loss. For investments, other than equity instruments, the increase in fair value in a subsequent period thereby resulting in reversal of impairment is reversed through the consolidated statement of profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not subsequently reversed through the consolidated statement of profit or loss until disposal.

5.3.2 Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument.

5.3.3 Derecognition

Financial assets are derecognised at the time when the Group loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised at the time when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the consolidated statement of profit or loss.

For the year ended March 31, 2019

5.3.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

5.4 Stores and spares

Stores and spares are valued cost less provision if any. The cost is determined using the weighted average method. Cost comprises invoice value plus other charges incurred thereon.

Provision is made in the consolidated financial statements for slow moving and obsolete stores and spares based on management's best estimate regarding their future usability whenever necessary and is recognised in the consolidated statement of profit or loss.

5.5 Stock-in-trade

Stock in trade, except goods in transit, are valued at the lower of cost, determined using the weighted average method, and net realisable value. Cost in relation to stock-in-trade, except goods in transit, represents direct cost of materials, direct wages and an appropriate portion of production overheads and the related duties where applicable. Goods in transit are valued at cost comprising invoice values plus other charges incurred thereon.

Provision is made in the consolidated financial statements against slow moving and obsolete stock-in-trade based on management's best estimate regarding their future usability whenever necessary and is recognised in the consolidated statement of profit or loss.

Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to be incurred to make the sale.

5.6 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made against doubtful trade debts and other receiveables which is determined based on the management's review of outstanding amounts and previous repayment pattern. Balances considered bad and irrecoverable are written off.

5.7 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. Cash and cash equivalents include cash and cheques in hand, balances with banks and short-term borrowings with original maturities of three months or less.

For the year ended March 31, 2019

5.8 Borrowings and borrowing costs

Borrowings are recognised initially at fair value and are subsequently carried at amortized cost.

Borrowing costs are recognised as an expense in the period in which these are incurred except in cases where such costs are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) in which case such costs are capitalised as part of the cost of that asset.

5.9 Trade and other payables

Trade and other payables are recognised initially at cost, which is the fair value of consideration to be paid in the future for goods and services, whether or not billed to the Group.

5.10 Provision against battery warranty claims

The Group provides after sales warranty for its products for a specified period. Accrual is made in the consolidated financial statements for this warranty based on previous trends and is determined using the management's best estimate.

5.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. The amount recognised represents the best estimate of the expenditure required to settle the obligation at the consolidated statement of financial position date. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

5.12 Staff retirement benefits

The Group operates:

a) an approved funded gratuity plan covering all eligible employees of the Holding Company. A separate fund is being maintained by the Group for employees of Automotive Battery Group Limited (now merged with and into the Group). Annual contributions to the funds are made based on actuarial recommendations. The most recent actuarial valuation was carried out during the year ended March 31, 2019 using the Projected Unit Credit Method. Amounts arising as a result of 'Remeasurements', representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the consolidated statement of financial position immediately, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur; and

For the year ended March 31, 2019

(b) an approved contributory provident fund for all eligible employees of the Holding Company. Monthly equal contributions are made to the fund by the Company and the employees at the rate of 10 % - 20 % of the basic salary.

Staff retirement benefits are payable to staff on completion of the prescribed qualifying period of service under these funds.

5.13 Employees' compensated absences

The Group accounts for the liability in respect of employees' compensated absences in the year in which these are earned.

5.14 Taxation

Current

Provision for current taxation is based on taxable income for the year, if any, at the current rates of taxation after taking into consideration tax credits and rebates and exemptions available, if any. The charge for current tax also includes adjustments, where considered necessary, relating to prior years which arise from assessments / developments made during the year.

Deferred

Deferred tax is recognised using the balance sheet method on all major temporary differences arising between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. Deferred tax is calculated using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

5.15 Impairment

The carrying amount of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. The resulting impairment loss is recognised as an expense immediately in the consolidated statement of profit or loss.

For the year ended March 31, 2019

5.16 Revenue recognition

Sales are stated net of sales tax and discounts and are recognised when persuasive evidence of sale exists. The key area of judgment in recognising revenue is the timing of recognition, which reflects the point or period when the Group has transferred significant risks and rewards of ownership to third parties. Revenue from sale of goods is measured at fair value of the consideration received or receivable and is recognised as revenue on dispatch of goods to customers.

Scrap sales are stated net of sales tax and are recognised in the year in which scrap sales are made.

Mark-up income on deposit accounts with banks and other income is recognised as revenue on an accrual basis.

5.17 Proposed dividends and transfers between reserves

Dividends declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the consolidated financial statements in the period in which such dividends are declared / transfers are made.

5.18 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. As the operations of the Group are predominantly carried out in Pakistan, information relating to geographical segment is not considered relevant.

The Group accounts for segment reporting using the business segments as the primary reporting format based on the Group's practice of reporting to the management on the same basis.

Assets, liabilities, capital expenditures and other balances that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets, liabilities, capital expenditures and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

5.19 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. The consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

5.20 Foreign currency transactions

Transactions in foreign currencies are translated to Pakistani Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange approximating those at the reporting date. Exchange gains / losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to the consolidated statement of profit or loss.

For the year ended March 31, 2019

5.21 Basic and diluted (loss) / earnings per share

The Group presents basic and diluted (loss) / earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

| | | Note | 2019 | 2018 |
|-----|-------------------------------|-------|-------------|--------------|
| 6 | FIXED ASSETS | | ·····(Rupee | s '000)····· |
| | Property, plant and equipment | 6.1 | 1,498,995 | 1,617,198 |
| | Intangible asset | 6.2 | 8,881 | 14,662 |
| | | | 1,507,876 | 1,631,860 |
| | | | | |
| | | | | |
| 6.1 | PROPERTY, PLANT AND EQUIPMENT | | | |
| | Operating assets | 6.1.1 | 1,498,279 | 1,501,590 |
| | Capital work-in-progress | 6.1.2 | 716 | 115,608 |
| | | | 1,498,995 | 1,617,198 |

For the year ended March 31, 2019

| | | 2019 | | | | | | |
|-------|--|-------------------|--------------------------------------|-------------------------|--|--|----------|-------------|
| 6.1.1 | Operating assets | Leasehold land | Buildings on leasehold land | Plant and machinery* | Furniture & fixtures Rupees '000 | Office equipment and appliances | Vehicles | Total |
| | At April 1, 2018 | | | | | | | |
| | Cost / revalued amount | 794,000 | 81,603 | 1,614,776 | 20,769 | 33,450 | 132,984 | 2,677,582 |
| | Accumulated depreciation | - | (10,603) | (1,039,837) | (12,810) | (26,802) | (85,940) | (1,175,992) |
| | Net book value | 794,000 | 71,000 | 574,939 | 7,959 | 6,648 | 47,044 | 1,501,590 |
| | Additions / transfers from CWIP Disposals - Note 6.1.3 | - | 17,159 | 123,226 | 1,741 | 2,853 | 15,843 | 160,822 |
| | Cost Depreciation | - | - | (497) | (32) | - | (13,410) | (13,939) |
| | | - | - | 497 | 21 | - | 9,286 | 9,804 |
| | | - | - | - | (11) | | (4,124) | (4,135) |
| | Depreciation Charge for the Year | (15,880) | (8,935) | (114,158) | (1,839) | (2,385) | (16,801) | (159,998) |
| | Closing Net book value | 778,120 | 79,224 | 584,007 | 7,850 | 7,116 | 41,962 | 1,498,279 |
| | At March 31, 2019 Cost / revalued amount | 794,000 | 98,762 | 1,737,505 | 22,478 | 36,303 | 135,417 | 2,824,465 |
| | Accumulated depreciation | (15,880) | * | (1,153,498) | (14,628) | (29,187) | * | (1,326,186) |
| | Net book value | , , | , | | | , | , , | |
| | | 778,120 | 79,224 | 584,007 | 7,850 | 7,116 | 41,962 | 1,498,279 |
| | Depreciation rate % per annum | 2 | 10 | 10-20 | 10-20 | 10-20 | 10-20 | |

^{*}This includes multiple parts of the mould amounting to Rs. 25.945 million .These parts have been acquired with the funds of the Group but are not in the possession of the Group .These assets have been given by the Group to Precision Polymers (Private) Limited for the purpose of toll manufacturing of battery containers.

| | 2018 | | | | | | |
|---|--------------------------------|--------------------------------------|-------------------------------------|--|---------------------------------|-------------------------------|---------------------------------------|
| At April 1, 2017 | Leasehold land | Buildings on leasehold land | Plant and machinery* | Furniture & fixtures Rupees '000 | Office equipment and appliances | Vehicles | Total |
| Cost / revalued amount Accumulated depreciation Net book value | 570,297 (11,806) 558,491 | 66,236 (6,237) 59,999 | 1,504,739 (929,508) 575,231 | 18,000 (11,107) 6,893 | 29,920 (24,375) 5,545 | 129,959 (77,293) 52,666 | 2,319,151 (1,060,326) 1,258,825 |
| Additions / transfers from CWIP | 118,383 | 15,367 | 114,263 | 2,769 | 3,530 | 16,587 | 270,899 |
| Adjustment due to Revaluation In Cost or Revaluation Accumulated depreciation | (25,579) 25,579 | (3,316) 3,316 | - - | | - - | | (28,895) 28,895 |
| Surplus on revaluation during the year | 130,899 | 3,316 | - | - | - | - | 134,215 |
| Disposals: Cost Depreciation | | - | (4,226) 1,796 | - | | (13,562) 8,763 | (17,788) 10,559 |
| Depreciation charge for the year | (13,773) | (7,682) | (2,430) (112,125) | (1,703) | (2,427) | (4,799) (17,410) | (7,229) (155,120) |
| Closing Net book value | 794,000 | 71,000 | 574,939 | 7,959 | 6,648 | 47,044 | 1,501,590 |
| At March 31, 2018 Cost / revalued amount Accumulated depreciation Net book value | 794,000 | 81,603 (10,603) 71,000 | 1,614,776 (1,039,837) 574,939 | 20,769 (12,810) 7,959 | 33,450 (26,802) 6,648 | 132,984 (85,940) 47,044 | 2,677,582 (1,175,992) 1,501,590 |
| Depreciation rate % per annum | 2 | 10 | 10-20 | 10-20 | 10-20 | 10-20 | |

^{*}This includes multiple parts of the mould amounting to Rs. 25.723 million .These parts have been acquired with the funds of the Group but are not in the possession of the Group .These assets have been given by the Group to Precision Polymers (Private) Limited for the purpose of toll manufacturing of battery containers.

For the year ended March 31, 2019

6.1.2 Capital work-in-progress

Plant and Machinery

2019 2018

Rupees '000 ----716 115,608

6.1.3 The details of the operating assets disposed of during the year are as follows:

| | Cost | Accumulate Depreciation | . | Sale Proceeds | Gain/ (Loss) | Mod | de of Disposals / Sattlement | Particulars of Buyers / Purchasers | |
|---------------------|--------|-------------------------|--------|------------------|-----------------|-----------|---------------------------------|--|--|
| Vehicles | | | | | | | | | |
| Suzuki Cultus | 1,039 | 589 | 450 | 686 | 236 | As per th | e Holding Company Policy | Ehtesham ul Haq* | |
| Suzuki Cultus | 1,010 | 1,010 | - | 404 | 404 | As per th | e Holding Company Policy | Tariq Mehmood* | |
| Suzuki Cultus | 1,010 | 1,010 | - | 404 | 404 | As per th | e Holding Company Policy | M.Asif* | |
| Suzuki Mehran | 657 | 657 | - | 263 | 263 | As per th | e Holding Company Policy | Zafar Pervez* | |
| Suzuki Cultus | 1,039 | 657 | 364 | 634 | 270 | As per th | e Holding Company Policy | Azhar Abbas* | |
| Suzuki Mehran | 683 | 524 | 159 | 369 | 210 | As per th | e Holding Company Policy | Asif Ali* | |
| Honda City | 1,677 | 363 | 1,134 | 1,459 | 145 | As per th | e Holding Company Policy | Nadeem Gulzar* | |
| Suzuki Cultus | 1,124 | 225 | 899 | 1,104 | 205 | As per th | e Holding Company Policy | Sufyan Arshad* | |
| Suzuki Swift | 1,305 | 631 | 674 | 921 | 247 | - | e Holding Company Policy | - | |
| Suzuki Mehran | 663 | 663 | - | 265 | 265 | | e Holding Company Policy | | |
| Suzuki Cultus | 1,034 | 1,034 | - | 414 | 414 | | e Holding Company Policy | | |
| Suzuki Cultus | 1,039 | 866 | 173 | 340 | 167 | | e Holding Company Policy | | |
| Suzuki Mehran | 683 | 592 | 91 | 328 | 237 | | e Holding Company Policy | | |
| Fork Lifter Hub | 447 | 447 | - | 100 | 100 | Negotiate | ed | M. Yousuf | |
| | 13,410 | 9,286 | 4,124 | 7,691 | 3,567 | | | | |
| Plant and Mad | hinery | | | | | | | | |
| Electric Water | Cooler | 44 | 44 | - | _ | _ | Negotiated | Scrap Contractor | |
| Diesel Tank Hu | | 453 | 453 | - | 102 | 102 | Negotiated | M. Yousuf | |
| 2.000 | | 497 | 497 | - | 102 | 102 | S | | |
| Furniture & Fixture | | | | | | | | | |
| Deep Freezer | | 32 | 21 | 11 | 5 | 5 | Negotiated | Adnan Mughal | |
| реер песте | | | | | | | 1105000000 | , which mughter | |
| 2 | 019 | 13,939 | 9,804 | 4,135 | 7,798 | 3,663 | | | |
| 2 | 018 | 17,788 | 10,559 | 7,229 | 11,902 | 4,673 | | | |

^{*} These represent persons in employment of the Group.

For the year ended March 31, 2019

6.1.4 Capital work-in-progress

During the year ended March 31, 2018, leasehold land and buildings on leasehold land of the Group were revalued resulting in a surplus of Rs 134.215 million over the written down values of Rs 730.785 million. The valuation was carried out by an independent valuer - M/s Shahani & Co. on the basis of present market values for similar sized plots in the vicinity and replacement values of similar type of buildings based on present cost of construction.

Had there been no revaluation, the book value of leasehold land and buildings on leasehold land would have been as follows:

Leasehold Land Buildings on Leasehold Land

6.1.5 Particulars of immovable property (i.e. land and building) in the name of the Group are as follows:

| Location | Usage of immovable property | Total Area (In acres) | Covered Area (In sq.ft) |
|--|---|-----------------------------|-------------------------------|
| a) 40-K, Block 6, P.E.C.H.S, Karachi. | Sale Office | 0.41 | 6,000 |
| b) A-45, Hill Street, S.I.T.E, Karachi | Manufacturing Facility | 2.92 | 90.238 |
| c) D-7, S.I.T.E, Karachi | Manufacturing Facility (Chemicals) | 2.61 | 91.630 |
| d) B-119-121, 124-127, H.I.T.E, Hub, Dist., | Manufacturing Facility | 3.91 | 68,000 |
| Lasbella, Balochistan | | | |
| e) E2-1/P-12 (F-11), Eastern Industrial Zone, | Manufacturing Facility (Chemicals) | 2.00 | 16,800 |
| Port Qasim, Authority Areas, Karachi. | | | |
| f) A-47, Hill Street, S.I.T.E, Karachi | Manufacturing Facility (Under Construction) | 1.91 | 2,500 |
| g) 62-A-I and 62-A-II, Industrial Estate, Multan | Plot | 6.00 | Open Plot |

6.1.6 Included in cost of fixed assets - own use are fully depreciated items which are still in use aggregating to Rs. 647.478 million (2018: Rs. 562.951 million).

For the year ended March 31, 2019

6.2 INTANGIBLE ASSET

| | 2019 | | | | | | | |
|----------|------------------|---------------------------------------|-------------------|--------------------------|---------------------|-------------------|-------------------------------------|-------------------------------------|
| | Cost | | | Accumalated Amortisation | | | | |
| | As at April 1 | Additions / Transfers From CWIP | As at March 31 | As at April 1 | Charge for the Year | As at March 31 | Net Book Value as at March 31 | Amortisation rate % per Annum |
| Software | 29,324 | 2,325 | 31,649 | 14,662 | 8,106 | 22,768 | 8,881 | 33 |
| | | | | | | | | |
| | | | | 2018 | | | | |
| | | Cost | | Accumalated Amortisation | | | | |
| | As at April 1 | Additions / Transfers From CWIP | As at March 31 | As at April | Charge for the Year | As at March 31 | Net Book Value as at March 31 | Amortisation rate % per Annum |
| Software | 7,331 | 21,993 | 29,324 | 7,331 | 7,331 | 14,662 | 14,662 | 33 |

6.3 The Group allocates amortisation and depreciation charge to cost of sales, selling and distribution expense and administration and general expenses. Amounts allocated during the year are as follows:

| | | Amortisation | | Depre | ciation |
|-------------------------------------|------|---------------|-------|---------|----------|
| | Note | 2019 | 2018 | 2019 | 2018 |
| | | (Rupees '000) | | (Rupee | es '000) |
| Cost of Sales | 24 | 7,701 | 6,964 | 151,998 | 147,364 |
| Selling and distribution expenses | 25 | 162 | 147 | 3,200 | 3,102 |
| Administration and general expenses | 26 | 243 | 220 | 4,800 | 4,654 |
| | | 8,106 | 7,331 | 159,998 | 155,120 |

7 LONG-TERM LOANS

| Considered good - unsecured | Note | 2019 | 2018 |
|---|------------------|--------------|----------------|
| Due from | | ·····(Rupee | s '000) |
| Executives - related party | 7.1, 7.2 and 7.3 | 539 | 972 |
| Employees | 7.1 | 807 1.346 | 1,459 2,431 |
| Less: current portion of long-term loan | 12 | (761) | (1,515) |
| | | 585 | 916 |

For the year ended March 31, 2019

7.1 Loans to executives and employees are provided for the purchase of motor vehicles and other general purposes in accordance with the terms of their employment. These loans are interest free and repayable over varying periods upto a maximum period of five years.

7.2 Reconciliation of carrying amount of loans due from executives

Opening Balance
Disbursements during the year
Repayments during the year
Closing balance

| 2019 | 2018 | | | |
|-------------------------|---------|--|--|--|
| ·····(Rupees '000)····· | | | | |
| 972 | 1,197 | | | |
| 900 | 994 | | | |
| (1,333) | (1,219) | | | |
| 539 | 972 | | | |

7.3 The maximum aggregate amount due from Executives at the end of any month during the year was Rs 1.063 million (2018: Rs 0.972 million).

8 LONG-TERM DEPOSITS

Utilities Others

| Note | 2019 | 2018 | | | |
|------|--------------------------|--------|--|--|--|
| | ·····(Rupees '000)······ | | | | |
| | 19,708 | 19,708 | | | |
| | 27,106 | 18,285 | | | |
| | 46 814 | 37 993 | | | |

9 STORES AND SPARES

Spares (including in transit - Rs Nil (2018: Rs. 2.028 million)) Stores

Less: provision against slow moving and obsolete stores and spares 9.1

| 111,284 | 102,833 |
|----------|----------|
| 18,393 | 13,200 |
| 129,677 | 116,033 |
| (13,690) | (10,629) |
| 115,987 | 105,404 |

9.1 Provision against slow moving and obsolete stores and spares

Opening Balance
Provision / (reversal) made during the year
Closing Balance

27 & 28

| 10,629 | 11,867 |
|--------|---------|
| 3,061 | (1,238) |
| 13,690 | 10,629 |

For the year ended March 31, 2019

10 STOCK-IN-TRADE

Raw and packing materials and components (including goods-in-transit of Rs 155.82 million (2018: Rs 364 million))

Work-in-process

Finished goods (including in transit of Rs. 44.04 million (2018: Rs. Nil))

Less: provision against slow moving and obsolete stock-in-trade 10.1

| 1,043,932 | 1,136,753 |
|-----------|-----------|
| 440,877 | 452,817 |
| 724,931 | 706,272 |
| 2,209,740 | 2,295,842 |
| (33,307) | (29,458) |
| 2,176,433 | 2,266,384 |

10.1 Provision against slow moving and obsolete stock-in-trade

Opening Balance
Provision made during the year
Provision written back

i iovision written back

Closing Balance

| 29,458 | 27,320 |
|--------|--------|
| 4,688 | 2,138 |
| (839) | - |
| 33,307 | 29,458 |

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10.2 Raw materials and components amounting to Rs 31.489 million (2018: Rs 37.733 million) were held by Precision Polymers (Private) Limited, Wakil Enterprises and Nobel Enterprises who under an arrangement with the Group, manufacture plastic containers, lids and vent plugs for the Group.

11 TRADE DEBTS (unsecured)

Note 2019 2018 ·····(Rupees '000) ······ Considered 3,565,856 3,146,701 - good - doubtful 52,062 44,528 3,617,918 3,191,229 Less: provision against doubtful trade debts 11.1 (52,062)(44,528)

11.1 Provision against doubtful trade debts

 Opening Balance
 44,528
 38,407

 Provision made during the year
 28
 7,534
 6,171

 Provision written back
 27
 (50)

 Closing balance
 52,062
 44,528

3,565,856

3,146,701

For the year ended March 31, 2019

11.2 As at March 31, 2019, Rs. 2,115.005 million (2018: Rs. 2,020.617 million) of the gross trade debts are over due out of which Rs. 52.062 million (2018: Rs. 44.528 million) are impaired and provided for. These balances relate to various customers for whom there is no recent history of default. The age analysis of these trade debts is as follow:

| | Note | 2019 | 2018 |
|---------------|------|-------------|-----------|
| | | ·····(Rupee | s '000) |
| By 3 months | | 1,691,555 | 1,632,553 |
| 4 to 6 months | | 218,219 | 196,781 |
| Over 6 months | | 205,231 | 191,283 |
| | | 2,115,005 | 2,020,617 |

12 LOANS AND ADVANCES

Considered good - unsecured

Current portion of long term loans due from employees and executives $\,7\,$

Advances to:

- employees 12.1

- suppliers

| 761 | 1,515 |
|--------|--------|
| | 92 |
| 25,719 | 31,944 |
| 26,480 | 33,551 |

12.1 Advances to employees are given to meet business expenses and are settled as and when expenses are incurred.

| 13 | TRADE DEPOSITS, PREPAYMENTS AND | Note | 2019 | 2018 |
|----|---|------|-----------------|----------------|
| | OTHER RECEIVABLES | | ·····(Rupee | s '000)····· |
| | Prepayments Insurance claims | | 34,029 | 23,464 429 |
| | Receivable from defined benefit plans - related party | 13.1 | 3,700 24,686 | 429 26,904 |
| | Workers' Profits Participation Fund | 13.3 | 3,315 | 1,272 |
| | Container deposits Others | | 900 1,242 | 2,025 1,239 |
| | | | 67,872 | 55,333 |

For the year ended March 31, 2019

13.1 Receivable from defined benefit plans

| | 2019 | | | 2018 | |
|---------------------------|---------|----------|----------|---------|----------|
| Exide | ABCL | Total | Exide | ABCL | Total |
| ······(Rupees '000)······ | | | | | |
| (24,274) | (2,630) | (26,904) | (28,824) | (2,534) | (31,358) |
| 1,976 | (1,672) | 304 | 969 | 571 | 1,540 |
| 1,804 | 399 | 2,203 | 3,610 | (667) | 2,943 |
| (289) | - | (289) | (29) | - | (29) |
| (20,783) | (3,903) | (24,686) | (24,274) | (2,630) | (26,904) |

Note

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Balance at April 1 Charge for the year Other comprehensive income Contributions paid Balance at March 31

13.2 Automotive Battery Group Limited (ABCL) was merged with Holding Company in accordance with the scheme of amalgamation approved by the Honorable High Court of Sindh on March 11, 2009. The said amalgamation was effective from March 31, 2008. However, the resulting amalgamation did not affect the staff retirement funds operated by both the companies as a result of which separate funds are being operated for the employees of both companies.

13.3 Workers' Profits Participation Fund

Balance at April 1 Allocation for the year

Less amount paid during the year Balance at March 31

| ·····(Rupees '000)····· | | |
|-------------------------|-----|----------|
| (1,2 | 72) | 2,022 |
| _ | | 10,443 |
| (1,2 | 72) | 12,465 |
| (2,04 | 43) | (13,737) |
| (3,3: | 15) | (1,272) |

2018

2019

14 CASH AND BANK BALANCES

Balances with banks - current accounts Cheques in hand Cash in hand

| 2019 | 2018 |
|-------------|--------------|
| ·····(Rupee | s '000)····· |
| | |
| 73,083 | 36,751 |
| 75,851 | 843,572 |
| 151 | 96 |
| 149,085 | 880,419 |

For the year ended March 31, 2019

15 ISSUED SUBSCRIBED AND PAID-UP SHARE CAPITAL

| 2019 | 2018 | | 2019 | 2018 |
|----------------|-------------------|---|-------------|---------|
| ······ (Number | of shares) ······ | | ·····(Rupee | s '000) |
| 359,248 | 359,248 | ordinary shares of Rs 10 each issued as fully paid in cash | 3,592 | 3,592 |
| 20,894 | 20,894 | ordinary shares of Rs 10 each issued for consideration other than cash | 209 | 209 |
| 7,144,309 | 7,144,309 | Ordinary shares of Rs 10 each issued as fully paid bonus shares | 71,443 | 71,443 |
| 244,167 | 244,167 | Ordinary shares of Rs 10 each issued to minority shareholders of Automotive Battery Company Limited | 2,442 | 2,442 |
| 7,768,618 | 7,768,618 | | 77,686 | 77,686 |

15.1 Share held by the related parties of the Holding Company

Name of the shareholders

Arif Hashwani Hussain Hashwani Altaf Hashwani S. Haider Mehdi Syed Muhammad Faiq Ms. Sana Arif Hashwani Ms. Zaver Hashwani Ayub Hameed Arshad Shehzada

| ······ (Number of shares) ······ | | |
|----------------------------------|-----------|-----------|
| | 500 | 500 |
| | 1,250,601 | 1,250,601 |
| | 1,412,945 | 1,412,945 |
| | 652 | 652 |
| | 87 | 87 |
| | 1,593,053 | 1,593,053 |
| | 1,595,687 | 1,595,687 |
| | 100 | 100 |
| | 13 | 13 |
| | | |

2018

2019

For the year ended March 31, 2019

16 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - NET OF TAX

This represents surplus arising on revaluation of leasehold land and buildings on leasehold land, net of deferred tax thereon.

| Surplus on revaluation of operating fixed assets as at April 1 |
|---|
| Surplus arising on revaluation during the year |
| Transferred to unappropriated profit in respect of incremental |
| depreciation charged during the year |
| Related deferred tax liability |
| Surplus on revaluation of operating fixed assets as at March 31 |

Less: related deferred tax liability:

- at beginning of the year
- on surplus arising on revaluation during the year
- on adjustment due to change in tax rate
- on incremental depreciation charged during the year

| 2019 | 2018 | |
|-------------|--------------|--|
| ·····(Rupee | s '000)····· | |
| | | |
| 629,937 | 509,055 | |
| - | 134,215 | |
| | | |
| (15,588) | (12,686) | |
| (695) | (647) | |
| 613,654 | 629,937 | |
| | | |
| 5,144 | 5,823 | |
| - | 829 | |
| 73 | (861) | |
| (695) | (647) | |
| 4,522 | 5,144 | |
| | | |
| 609,132 | 624,793 | |

2012

17 DEFERRED TAXATION - NET

Deferred tax liability arising on taxable temporary differences due to:

- Accelerated tax depreciation
- Revaluation surplus on property, plant and equipment
- Provision for gratuity

Deffered tax assets arising on deductible temporary differences due to:

- Provision against slow moving and obsolete stock-in-trade
- Provision against slow moving and obsolete stores and spares
- Provision against doubtful trade debts
- Provision against battery warranty claims

| 2019 | 2018 | | | | | |
|---------------|----------|--|--|--|--|--|
| (Rupees '000) | | | | | | |
| 47,151 | 48,051 | | | | | |
| 4,522 | 5,144 | | | | | |
| 6,172 | 6,726 | | | | | |
| 57,845 | 59,921 | | | | | |
| | | | | | | |
| (8,327) | (7,365) | | | | | |
| (3,423) | (2,657) | | | | | |
| (13,016) | (11,132) | | | | | |
| (33,079) | (29,172) | | | | | |
| (57,845) | (50,326) | | | | | |
| - | 9,595 | | | | | |
| | | | | | | |

Note

16

For the year ended March 31, 2019

| | Note | 2019 | 2018 |
|----|--|-------------|-----------|
| 18 | TRADE AND OTHER PAYABLES | ·····(Rupee | s '000) |
| | Trade Creditors | 408,250 | 329,354 |
| | Bills Payable | 150,162 | 329,108 |
| | Accured Liabilities 18.1 | 258,540 | 452,089 |
| | Advances from Customers | 25,319 | 27,116 |
| | Provision for Workers' Welfare Fund | 32,051 | 32,051 |
| | Provision Against Battery Warranty Claims 18.2 | 133,411 | 116,687 |
| | Payable to Provident Funds | 1,878 | 2,380 |
| | Royalty Payable | 7,891 | 11,268 |
| | Sales Tax Payable | 156,231 | 66,366 |
| | Penalty Payable | - | 1,000 |
| | Others | 8,559 | 10,395 |
| | | 1,182,292 | 1,377,814 |

18.1 This includes an amount of Rs 4.907 million (2018: Rs 4.926 million) in respect of employees compensated absences.

| | | Note | 2019 | 2018 |
|------|--|------|--|--|
| 18.2 | Provision Against Battery Warranty Claims | | ·····(Rupee | s '000)····· |
| | Balance at April 1 Charge for the year Claims paid during the year Balance at March 31 | 25 | 116,687 364,268 (347,544) 133,411 | 169,108 294,960 (347,381) 116,687 |

18.3 Based on the un-audited financial information of the provident and gratuity funds ('the Funds') as at March 31, 2019, investments in collective investment schemes and listed equity securities out of the Funds have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder.

19 ACCRUED PROFIT / MARK-UP

Profit accrued on:

- Running Musharakah
- Istisna

Markup accrued on:

- Running Finance

| 2019 | 2018 |
|-------------|---------|
| ·····(Rupee | s '000) |
| 53,476 | 29,185 |
| 10,540 | 9,973 |
| 64,016 | 39,158 |
| 17,667 | 1,486 |
| 81,683 | 40,644 |
| | |

For the year ended March 31, 2019

| | | Note | 2019 | 2018 |
|----|----------------------|------|-------------|--------------|
| 20 | LOAN FROM DIRECTOR | | ·····(Rupee | s '000)····· |
| | Unsecured | | | |
| | - Loan from Director | 20.1 | 306,275 | 306,225 |

20.1 This represents loans provided by the Director of the Group at his own discretion for the purpose of working capital requirements. The loans are unsecured and does not carry any interest. During the current year, the Director has approved the extension in repayment of loan of the Holding Company till March 2020.

21 SHORT-TERM BORROWINGS

| | Note | 2019 | 2018 |
|----------------------------------|------|-------------|--------------|
| From banking companies - secured | 21.1 | ·····(Rupee | s '000)····· |
| - Running Musharakah | | 1,924,873 | 1,953,210 |
| - Istisna | | 399,422 | 399,422 |
| | | 2,324,295 | 2,352,632 |
| - Running finance | | 875,368 | 497,699 |
| | | 3,199,663 | 2,850,331 |

- 21.1 These facilities, representing Running Musharakah, Istisna and Running Finance facilities, are available from certain commercial banks up to Rs. 4,459 million (2018: Rs. 4,710 million) and carry profit / mark-up ranging from 10.52% to 11.12% (2018: 6.22% to 7.50%) per annum. These facilities are valid until July 15, 2019 and are generally renewable. At March 31, 2019, unutilised facilities aggregated to Rs. 1,259 million (2018: Rs.1,860 million).
- 21.2 At March 31, 2019, unutilised letter of credit and letter of guarantee facilities from certain banks amounted to Rs. 4,262 million (2018: Rs. 3,580 million) in addition to the limit mentioned in note 21.1. Total letter of credit and letter of guarantee facilities sanctioned to the Group amounted to Rs. 4,471 million (2018: Rs. 4,015 million).
- 21.3 All the above mentioned facilities are secured by way of pari passu and joint hypothecation charge over the Group's present and future stock-in-trade and trade debts.

For the year ended March 31, 2019

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

- Automotive Battery Company Limited (which has been merged with Exide Pakistan Limited) had claimed carry over of tax holiday losses beyond the tax holiday period for set off against the profits of taxable period. The tax benefit claimed by the Company amounted to approximately Rs 24 million. This was adjudicated by the Income Tax Appellate Tribunal in the Company's favour and on a reference application for assessment years 1988-89,1989-90 and 1990-91 by the Income Tax Department, the Tribunal referred the question of law to the Honorable Sindh High Court, which upheld the order of the Tribunal vide its judgment dated January 27, 2006. The Tax Department has filed a further appeal before the Supreme Court of Pakistan against the judgment of the High Court which is currently pending. Based on the legal advice from the Group's lawyers and in view of the initial success upto the High Court level, the Group expects the final outcome to be in its favour and accordingly provision has not been made in these consolidated financial statements in respect of this amount.
- The Company received a notice from the Directorate of Intelligence and Investigation the Federal Board of Revenue (FBR), Lahore on April 15, 2011. In the said notice it was alleged that the Group had purchased goods from certain dummy / fake suppliers who got themselves registered with the Regional Tax Officers at Lahore, Faisalabad and Karachi and issued fake sales tax invoices to the Company and accordingly the Company has claimed illegal / inadmissible input tax adjustment amounting to Rs 157.297 million for the period from July 2005 to February 2011. As a result the name of the Group was included as an accused person in the First Information Report (FIR) No. 04/2011 dated March 26, 2011 registered by the Additional Director, Intelligence and Investigation FBR, Lahore.

The management of the Company is of the view that the Company always purchases taxable goods from active taxpayers only as per the guidelines of the FBR in order to claim valid input tax under section 7 of the Sales Tax Act, 1990 (Act). The management is also of the view that on the 15th calendar day of the following month the Group electronically files its Sales Tax Returns and the web portal of FBR accepts input tax claim for only active tax payers. The dummy / fake suppliers as alleged in the FIR were active at the time of purchase of goods and were filing their sales tax returns which was accepted by the web portal of FBR. This made the Company believe that it was safe and legitimate to conclude that the alleged suppliers at the time of supplying taxable goods to the Company were making their output tax payments. The Company had no other means of confirmation. The Company further explained that the payments to these alleged dummy suppliers were made through crossed cheques after physical receipt of goods in order to comply with the requirement of Section 73 of the Act. Income tax was deducted at source under section 153 of the Income Tax Ordinance, 2001.

For the year ended March 31, 2019

The Company has, therefore, filed a Constitutional Petition in the Honorable Sindh High Court (the Court) and prayed to quash the FIR against the Company and declare the notice illegal. The Court has restrained the tax authorities from proceeding with the matter and the notices issued by the tax authorities have been stayed. The department filed an appeal in the Honorable Supreme Court of Pakistan against interim injunction order passed by a learned Division Bench of the Honorable Sindh High Court. The department's appeal was rejected by the Honorable Supreme Court of Pakistan. Majority of alleged accused persons challenged the said FIR no. 04/2011 in the Lahore High Court. However, the Lahore High Court has quashed the said FIR no. 04/2011. The management of the Group is confident that in view of the explanations given in the above paragraph the matter will be decided in favour of the Group and, accordingly, the Company will not be exposed to any loss on account of this action.

The Company received notice no. 10(1)/IRAO(IANDI)/IR/2014/553 dated January 28, 2014 from the Inland Revenue Audit Officer, Directorate of Intelligence and Investigation, Karachi. In the said notice the authority pointed out variances in imports, local purchases and sales as per sales tax return and income tax return. The authority also raised observations in respect of payment of sales tax @ 1% in the event output tax is lower than the input tax and relied upon SRO 660 (1/2007). The directorate directed investigative audit of the Group for the last 5 years.

The Company responded through legal counsel i.e. Fazle Ghani Advocates through letter dated February 18, 2014. Since the authority was not satisfied with the response of the Company and insisted upon submission of various information and audit as stated above, the Group therefore, filed a constitutional petition in the Honorable Sindh High Court through Messrs Fazle Ghani Advocates and challenged the authority of Investigation and Intelligence Department of FBR, for correction of the information and investigative audit. The Honorable High Court has granted an interim order and directed the authority to stop any action against the Company, and the said interim order is operating.

Through the Finance Act, 2017, Section 5A of the Income Tax Ordinance, 2001 was amended. Through the revised provision a tax equal to 7.5 percent of accounting profit for the year will be levied on every public group, other than a scheduled bank and modaraba, if distribution of cash dividend or bonus shares of at least 40 percent of the accounting profit after tax for the year is not made. However, the management is of the view that this amendment is opposed to the principles of economic growth and has, therefore, challenged the amendment in the Honorable Sindh High Court. In this respect, the Group has been granted a stay order by the Honorable Sindh High Court in respect of levy of the above tax. Accordingly, provision amounting to Rs 79.57 million for the year ended March 31, 2017 has not been made in these consolidated financial statements in respect of the additional tax liability and the management expects a favourable outcome in this respect.

Further, through the Finance Act, 2018, Section 5A of the Income Tax Ordinance, 2001 has been further amended. Through the revised provision a tax equal to 5 percent of accounting profit for the year will be levied on every public group, other than a scheduled bank and modaraba, if distribution of cash dividend of at least 20 percent of the accounting profit after tax for the year is not made. Keeping in view the stay order granted by the Honorable Sindh High Court in respect of levy of the above tax, a provision amounting to Rs 9.73 million for the year ended March 31, 2018 has not been made in these consolidated financial statements in respect of the additional tax liability and the management expects a favourable outcome in this respect.

For the year ended March 31, 2019

The Additional Director and Deputy Director of Directorate of Intelligence & Investigation (Inland Revenue), Karachi ("the Directorate") raided the registered office of the Company under section 38 of The Sales Act, 1990. The officials collected certain information from the Company. The purpose of the raid was not disclosed by the authorities and the Company believes that the raid conducted by the Directorate was illegal. The Company had filed a constitution petition in the Honorable Sindh High Court and requested that no coercive action against the Company should be taken. The hearing of the case has been adjourned many times and could not be held after the initial directive. The next date of hearing has been fixed for August 7, 2019. Recently, the Honorable High Court of Sindh has served a notice to the Company on May 24, 2019 by giving reference to the order of the Honorable Supreme Court of Pakistan for payment of minimum of 50 percent of the tax liability calculated by the Income Tax Authorities belonging to this raid. The Company was required to pay the amount before May 30, 2019. The Company based on the advice of its legal counsel believes that the matter will be decided in the favour of the Company. No specific provision has been recognised in respect of the above matter in the consolidated financial statements as the details of eventual payment, if any, and details of claims or defendant are not raised / communicated by the department and management is confident that there

22.1.2 Commitments

2019 2018(Rupees '000).....

Commitments in respect of:

Capital expenditure contracted for but not incurred

Letters of credit

Letters of guarantee

| 1,183 | 7,287 |
|---------|---------|
| 159,541 | 366,402 |
| 49,225 | 68,206 |

22.2 Subsidiary Company

There are no contingencies and commitments are as at March 31, 2019.

For the year ended March 31, 2019

| 23 | SALES - net | Note | Batte | eries | Chem | icals | Total | |
|----|---|------|------------------------|--------------------------|---------------------|--------------------|--------------------------|--------------------------|
| 23 | SALLS - Het | | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | | | (Rupees | ····· (000° | | |
| | Sales | | 12,143,998 | 15,840,559 | 397,176 | 345,094 | 12,541,174 | 16,185,653 |
| | Sales tax | | 1,941,028 | 2,557,763 | 57,710 | 50,142 | 1,998,738 | 2,607,905 |
| | Discounts to distributors and customers | | 1,035,857 | 1,276,337 | - | - | 1,035,857 | 1,276,337 |
| | Net sales | | 2,976,885 9,167,113 | 3,834,100 12,006,459 | 57,710 339,466 | 50,142 294,952 | | 3,884,242 12,301,411 |
| 24 | COST OF SALES | | | | | | | |
| | Opening stock Purchases | | 1,128,024 7,136,234 | 1,526,085 8,052,629 | 8,729 247,930 | 25,770 160,386 | 1,136,753 7,384,164 | 1,551,855 8,213,015 |
| | Closing stock | | 8,264,258 (988,004) | 9,578,714 (1,128,024) | 256,659 (55,929) | 186,156 (8,729) | 8,520,917 (1,043,933) | 9,764,870 (1,136,753) |
| | Raw and packing materials consumed | | 7,276,254 | , , | 200,730 | 177,427 | 7,476,984 | |
| | Salaries, wages and benefits Spares consumed | 24.1 | 303,855 53,072 | 320,911 53,615 | 30,559 | 31,986 | 334,414 53,072 | 352,897 53,615 |
| | Rent, rates and taxes | 24.2 | 1,345 | 44,722 | 162 | 232 | 1,507 | 44,954 |
| | Fuel, power and water | 27.2 | 324,319 | 310,569 | 41,273 | 39,595 | 365,592 | 350,164 |
| | Insurance Repairs and maintenance | | 25,420 57,512 | 25,915 82,331 | 1,751 9,637 | 2,208 7,033 | 27,171 67,149 | 28,123 89,364 |
| | Depreciation | 6.3 | 146,570 | 144,164 | 5,428 | 3,200 | 151,998 | 147,364 |
| | Amortisation General expenses | 6.3 | 7,426 49,841 | 6,813 54,830 | 275 5,645 | 151 5,144 | 7,701 55,486 | 6,964 59,974 |
| | Opening stock of work-in-process | | 450,546 | 511,522 | 2,271 | 1,896 | 452,817 | 513,418 |
| | Closing stock of work-in-process | | (438,445) | (450,546) | (2,432) | (2,271) | (440,877) | (452,817) |
| | Cost of goods manufactured Opening stock of finished goods | | 8,257,715 696,760 | 9,555,536 1,824,210 | 295,299 9,512 | 266,601 4,718 | 8,553,014 706,272 | 9,822,137 1,828,928 |
| | Closing stock of finished goods | | 8,954,475 (714,393) | 11,379,746 (696,760) | 304,811 (10,538) | 271,319 (9,512) | 9,259,286 (724,931) | 11,651,065 (706,272) |
| | | | 8,240,082 | 10,682,986 | 294,273 | 261,807 | 8,534,355 | 10,944,793 |
| | | | | | | | | |

- 24.1 Salaries, wages and benefits include Rs 8.521 million (2018: Rs 9.117 million) in respect of staff retirement benefits.
- 24.2 During the year, Group has entered into a rent free tenancy agreement with Zaver Enterprises (related party) therefore, no rent has been charged during this year.

For the year ended March 31, 2019

25 SELLING AND DISTRIBUTION EXPENSES

| | Note | Batteries | | Chen | nicals | То | tal |
|--|------|-------------------|-------------------|--------|---------|-------------------|-------------------|
| | Note | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | | (Rupee | s '000) | | |
| Salaries, wages and benefits | 25.1 | 92,822 | 92,085 | 513 | 443 | 93,335 | 92,528 |
| Repairs and maintenance | | 1,152 | 1,743 | - | - | 1,152 | 1,743 |
| Royalty | 25.2 | 7,891 | 11,267 | - | - | 7,891 | 11,267 |
| Advertising | | 126,725 46.190 | 117,492 25,180 | - | - | 126,725 46.190 | 117,492 25,180 |
| Sales promotion Rent, rates and taxes | | 23,788 | 18,387 | - | - | 23.788 | 18,387 |
| Insurance | | 23,341 | 25,322 | _ | - | 23,341 | 25,322 |
| Printing and stationery | | 1,047 | 988 | - | | 1,047 | 988 |
| Carriage and forwarding | 40.0 | 195,174 | 233,166 | 3,366 | 4,138 | 198,540 | 237,304 |
| Battery waranty claims | 18.2 | 364,268 | 294,960 | - | - | 364,268 | 294,960 |
| Travelling, conveyance and entertainment | | 22,856 | 14,635 | _ | - | 22,856 | 14,635 |
| Depreciation | 6.3 | 3,086 | 3,036 | 114 | 66 | 3,200 | 3,102 |
| Amortisation | 6.3 | 156 | 144 | 6 | 3 | 162 | 147 |
| Postage, telegram, telephone and telex | | 2,330 | 2,901 | - | - | 2,330 | 2,901 |
| General expenses | | 23,253 | 22,209 | 154 | 127 | 23,407 | 22,336 |
| | | 934,079 | 863,515 | 4,153 | 4,777 | 938,232 | 868,292 |

- 25.1 Salaries, wages and benefits include Rs 1.672 million (2018: Rs 1.789 million) in respect of staff retirement benefits.
- Royalty is paid by the Holding Company to The Furukawa Battery Company Limited, Japan, having its registered office at 4-1, Hoshikawa 2-Chome, Hodogaya-Ku, Yokohama-Shi, Kanagawa-Ken, Japan, and has been computed in accordance with the provisions of the agreements between The Furukawa Battery Company Limited, Japan and Holding Company.

26 ADMINISTRATION AND GENERAL EXPENSES

| | Note | Batteries | | Batteries Chemical | | Batteries Chemicals | | Total | |
|--|------|-----------|---------|--------------------|---------|---------------------|---------|-------|--|
| | | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | | |
| | | | | (Rupees | s '000) | | | | |
| Salaries, wages and benefits | 26.1 | 83,660 | 70,856 | 2,055 | 1,513 | 85,715 | 72,369 | | |
| Repairs and maintenance | | 5,120 | 3,839 | 127 | 84 | 5,247 | 3,923 | | |
| Legal and professional charges | | 4,367 | 6,196 | 107 | 135 | 4,474 | 6,331 | | |
| Rent, rates and taxes | | 279 | 268 | 7 | 5 | 286 | 273 | | |
| Insurance | | 1,061 | 1,211 | 26 | 27 | 1,087 | 1,238 | | |
| Depreciation | 6.3 | 4,629 | 4,555 | 171 | 99 | 4,800 | 4,654 | | |
| Amortisation | 6.3 | 234 | 215 | 9 | 5 | 243 | 220 | | |
| Printing and stationery Travelling, conveyance | | 1,760 | 1,578 | 43 | 34 | 1,803 | 1,612 | | |
| and entertainment | | 7,456 | 9,245 | 183 | 201 | 7,639 | 9,446 | | |
| Communication and postage | | 2,106 | 2,335 | 52 | 50 | 2,158 | 2,385 | | |
| General expenses | | 8,193 | 6,683 | 213 | 146 | 8,406 | 6,829 | | |
| | | 118,865 | 106,981 | 2,993 | 2,299 | 121,858 | 109,280 | | |

26.1 Salaries, wages and benefits include Rs 1.548 million (2018: Rs 1.657 million) in respect of staff retirement benefits.

For the year ended March 31, 2019

| | | Note | 2019 | 2018 |
|----|--|------|----------------|----------------|
| 27 | OTHER INCOME | | ·····(Rupee | s '000)····· |
| | Profit on margin deposits Gain on disposal of property, plant and equipment | | 1,301 3,663 | 1,511 4,673 |
| | Reversal of provision for impairment in trade debts Reversal of provision against slow moving and obsolete | 11.1 | - | 50 |
| | stores and spares Scrap sales | 9.1 | - 6,356 | 1,238 4,229 |
| | Reversal of rent | | 7,199 | - |
| | Other | 27.1 | - | 299 |
| | | | 18,519 | 12,000 |

27.1 This represents reversal of rent payable to Zaver Enterprises (a related party) as the amount of rent has been waived.

| 28 | OTHER OPERATING CHARGES | Note | 2019 | 2018 |
|------|--|---|---|---|
| 20 | OTTER OF ERATING GHARGES | | ·····(Rupee | es '000) |
| | Auditors' remuneration Workers' Profits Participation Fund Workers' Welfare Fund Donations Provision against doubtful trade debts Provision against slow moving and obsolete stores and spares Provision against slow moving and obsolete stock-in-trade Bank charges Exchange loss Legal and professional charges | 28.1 13.3 28.2 11.1 9.1 10.1 | 4,619 - 499 7,534 3,061 4,688 7,535 54,449 57 | 3,962 10,443 3,897 499 6,171 - 2,138 9,835 17,881 67 54,893 |
| 28.1 | Auditors' remuneration | | | |
| | Audit fee Tax advisory services Fee for the review of half yearly financial information Special reports and certifications, audit of provident and gratuity Out of pocket expenses | funds | 1,779 857 506 894 583 4,619 | 1,617 762 380 620 583 3,962 |

28.2 Donations were not made to any donee in which the Group or a director or his spouse had any interest.

For the year ended March 31, 2019

| 20 | FINANCE COCT | Note | 2019 | 2018 |
|----|---|------|-------------|--------------|
| 29 | FINANCE COST | | ·····(Rupee | s '000)····· |
| | Profit on short-term running musharakah | | 171,023 | 108,478 |
| | Profit on short-term istisna | | 35,680 | 31,216 |
| | Mark-up on short-term running finance | | 52,403 | 1,564 |
| | | | 259,106 | 141,258 |
| | | | | |
| | | Note | 2019 | 2018 |
| 30 | PENALTY | | ·····(Rupee | s '000)····· |
| | Penalty imposed during the year by the Competition Commission of Pakistan | 30.1 | - | 1,000 |

30.1 Last year, the Competition Commission of Pakistan has imposed a penalty of Rs 1 million on the Holding Company for violating section 10 of the Competition Act, 2010 by omitting to disclose material information related to the products' capacity and characteristics to consumers, and also by engaging in misleading advertisements through various mediums.

| 31 | TAXATION - NET | | 2018 | |
|----|--|--------------------------|-------------------|--|
| 31 | | ·····(Rupees '000)······ | | |
| | Current - for the year - for prior years | 110,907 (8,190) | 153,768 11,307 | |
| | Deferred - net | (9,044) | 7,266 | |
| | | 93,673 | 172,341 | |

- Tax charge for the year ended March 31, 2019 represents minimum tax payable under the Income Tax Ordinance, 2001, and for this reason, relationship between tax expense and accounting profit has not been presented.
- The Group computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available which can be analysed as follows:

| | Provision for taxation | Tax assessed | Excess / (shortage) |
|------|------------------------|--------------|---------------------|
| | (| Rupees '000) | |
| 2018 | 153,768 | 145,578 | 8,190 |
| 2017 | 353,007 | 344,644 | 8,363 |
| 2016 | 234,858 | 234,858 | - |

For the year ended March 31, 2019

32 EARNINGS / (LOSS) PER SHARE (EPS)

Earnings per share has been computed by dividing profit after taxation for the year by the weighted average number of shares outstanding during the year as follows:

| | 2019 | 2018 |
|--|---------------|-------------------|
| | ·····(Rupee | s '000)····· |
| (Loss) / profit after taxation attributable to ordinary shareholders | (504,568) | 21,554 |
| | ····· (Number | of shares) ······ |
| Weighted average number of ordinary shares outstanding during the year | 7,768,618 | 7,768,618 |
| | (Rup | oees) |
| (Loss) / earnings per share (EPS) | (64.95) | 2.77 |

A diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at March 31, 2019 and 2018 which would have any effect on the earnings per share if the option to convert is exercised.

33 DEFINED BENEFIT AND DEFINED CONTRIBUTION PLANS

33.1 Defined benefit plan - Staff retirement gratuity plan

General description

a. b. c.

As mentioned in note 5.12 (a), the Group operates an approved funded gratuity plan covering all eligible employees of the Holding Company. The latest actuarial valuation of the plan has been carried out as at March 31, 2019 and expense has been recorded based on this latest actuarial valuation report. Presently, separate funds are operating for the employees of Exide Pakistan Limited (Exide) and Ex-Automotive Battery Group Limited (ABCL) respectively.

Principal actuarial assumptions

The following significant assumptions have been used for valuation of this scheme.

| | 2019 | | 2018 | | |
|--|--------|--------|-------|-------|--|
| | Exide | ABCL | Exide | ABCL | |
| | | | | | |
| Valuation discount rate | 13.25% | 13.25% | 8.75% | 8.75% | |
| Salary increase rate | 13.25% | 13.25% | 8.75% | 8.75% | |
| Expected rate of return on plan assets | 13.25% | 13.25% | 8.75% | 8.75% | |

For the year ended March 31, 2019

Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables with one year age set back.

The gratuity scheme exposes the entity to the following risks:

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plans.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Risk of insufficiency of assets

This is managed by making regular contribution to the Fund as advised by the actuary.

Withdrawal Risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

33.1.1 The amount recognised in the consolidated statement of financial position is determined as follows: (note 13.1)

2019 2018 Note ABCL ABCL Exide Total Exide Total (Rupees' 000) Present value of defined benefit obligation 33.1.2 36,232 3,170 39,402 34,956 13,109 48,065 Less: fair value of plan assets (57.015)(7,073)(64.088)(59,230)(15.739)(74.969)33.1.2 (20,783)(3,903)(24,686)(24,274)(2,630)(26,904)

For the year ended March 31, 2019

33.1.2 Plan assets comprise of the following:

Debt instruments Mutual funds Equity instruments Cash at bank

Debt instruments Mutual funds Equity instruments Cash at bank

| (Rupees '000) | Percentage composition | (Rupees '000) | Percentage composition | | |
|----------------------------------|------------------------|---------------------------------|-------------------------|--|--|
| EX | DE | AB | CL | | |
| 44,730 11,582 392 311 | 78% 20% 1% 1% | 3,714 2,549 347 363 | 52% 36% 5% 7% | | |
| 57,015 | 100% | 7,073 | 100% | | |
| | 20 | 18 | | | |
| (Rupees '000) | Percentage composition | (Rupees '000) | Percentage composition | | |
| EX | DE | ABCL | | | |
| 42,458 14,281 461 2,030 | 72% 24% 1% 3% | 10,437 2,991 410 1,901 | 66% 19% 3% 12% | | |
| 59,230 | 100% | 15,739 | 100% | | |

2019

| 2019 | | | | | | | |
|-----------------------------------|---------------------------------|-----------|-----------------------------------|---------------------------------|-----------|-------|--|
| Present value of obligation | Fair value of plan assets | Sub-total | Present value of obligation | Fair value of plan assets | Sub-total | Total | |
| | EXIDE | | ABCL | | | | |

| At April 1 |
|-----------------------------|
| Current service cost |
| Interest expense / (income) |
| Past service cost |

Remeasurements:

- Return on plan assets, excluding amount included in interest expense
- Gain from change in demographic / financial assumptions
- Experience adjustment

Contribution
Benefit payments
At March 31

| 34,956 4,150 2,865 | (59,230) | (24,274) 4,150 (2,174) | 13,109 659 768 (2,101) | (15,739) - (998) | (2,630) 659 (230) (2,101) | (26,904) 4,809 (2,404) (2,101) |
|--------------------------|----------|------------------------------|---------------------------------|------------------------|------------------------------------|---|
| 41,971 | (64,269) | (22,298) | | (16,737) | (4,302) | (26,600) |
| - | - | - | - | - | - | - |
| (2,175) | 3,979 | - 1,804 | - (595) | 994 | - 399 | - 2,203 |
| (2,175) | 3,979 | 1,804 | (595) | 994 | 399 | 2,203 |
| - | (289) | (289) | - | - | - | (289) |
| (3,564) | 3,564 | - | (8,670) | 8,670 | - | - |
| 36,232 | (57,015) | (20,783) | 3,170 | (7,073) | (3,903) | (24,686) |
| | | | | | | |

For the year ended March 31, 2019

| | | | 2018 | | | |
|-----------------------------|---------------------------|-----------|-----------------------------|---------------------------------|-----------|-------|
| Present value of obligation | Fair value of plan assets | Sub-total | Present value of obligation | Fair value of plan assets | Sub-total | Total |
| EXIDE ABCL | | | | | | |

At April 1 Current service cost Interest expense / (income) Past service cost

| (Rupees' 000) | | | | | | | | |
|---------------|----------|----------|--------|----------|---------|----------|--|--|
| 33,668 | (62,492) | (28,824) | 15,508 | (18,042) | (2,534) | (31,358) | | |
| 3,320 | - | 3,320 | 778 | - | 778 | 4,098 | | |
| 2,424 | (4,775) | (2,351) | 1,144 | (1,351) | (207) | (2,558) | | |
| - | - | - | - | - | - | - | | |
| | | | | | | | | |
| 39,412 | (67,267) | (27,855) | 17,430 | (19,393) | (1,963) | (29,818 | | |

Remeasurements:

- Return on plan assets, excluding amount included in interest expense
- Gain from change in demographic / financial assumptions
- Experience adjustment

Contribution Benefit payments At March 31

| - | - | | - | - | - | - |
|------------|----------|----------|---------|----------|---------|----------|
| - 1,176 | 2,434 | 3,610 | (2,006) | 1,339 | (667) | 2,943 |
| 1,176 | 2,434 | 3,610 | (2,006) | 1,339 | (667) | 2,943 |
| - | (29) | (29) | - | - | - | (29) |
| (5,632) | 5,632 | - | (2,315) | 2,315 | - | - |
| 34,956 | (59,230) | (24,274) | 13,109 | (15,739) | (2,630) | (26,904) |
| | | | | | | |

33.1.3 Charge for defined benefit plan

Current service cost Interest expense Past service cost

| 2019 | | | | 2018 | |
|------------------|-------------------------|-----------------------------|------------------|--------------|------------------|
| Exide | ABCL | Total | Exide | Total | |
| | | (Rupee | es' 000) | | |
| 4,150 (2,174) | 659 (230) (2,101) | 4,809 (2,404) (2,101) | 3,320 (2,351) | 778 (207) | 4,098 (2,558) |
| 1,976 | (1,672) | 304 | 969 | 571 | 1,540 |

For the year ended March 31, 2019

33.1.4 The sensitivities of the defined benefit obligation to changes in the weighted principal assumptions are as under:



1 year in

assumption

34,974

1 year in

assumption

34,838

..... (Rupees' 000)

Discount rate
Salary increase rate
Withdrawal rate

Life expectancy / withdrawal rate

Discount rate
Salary increase rate
Withdrawal rate

Life expectancy / withdrawal rate

1 year in

assumption

13,113

1 year in

assumption

13,102

For the year ended March 31, 2019

Analysis of the above sensitivities are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the consolidated statement of financial position.

33.1.5 The weighted average duration of the defined benefit obligation is 6.18 years and 4.31 years (2018: 6.56 years and 6.61 years) in Exide and ABCL respectively.

33.1.6 Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

At March 31, 2019

Gratuity Exide Gratuity ABCL

Total

| Less than a year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
|------------------|-------------------|-------------------|--------------|---------|
| | | (Rupees' 000) | | |
| 4,688 | 5,200 | 8,660 | 121,363 | 139,911 |
| 574 | 695 | 1,386 | 5,740 | 8,395 |
| 5,262 | 5,895 | 10,046 | 127,103 | 148,306 |

33.1.7 Historical information

Defined benefit obligation - Exide Defined benefit obligation - ABCL

Fair value of plan assets - Exide Fair value of plan assets - ABCL

Surplus

Remasurement (gain) / loss on obligation - Exide

Remasurement (gain) / loss on obligation - ABCL

Gain / (loss) on plan assets - Exide Gain / (loss) on plan assets - ABCL

| 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------|----------------------|----------------------|----------------------|----------------------|
| | | (Rupees' 000) | | |
| 36,232 3,170 | 34,956 13,109 | 33,668 15,508 | 43,122 18,586 | 41,334 16,072 |
| 39,402 | 48,065 | 49,176 | 61,708 | 57,406 |
| (57,015) (7,073) | (59,230) (15,739) | (62,492) (18,042) | (59,041) (22,250) | (56,692) (19,837) |
| (64,088) | (74,969) | (80,534) | (81,291) | (76,529) |
| (24,686) | (26,904) | (31,358) | (19,582) | (19,123) |
| | | | | |
| (2,175) | 1,176 | 11,479 | (1,417) | (2,369) |
| (595) | (2,006) | 2,211 | (1,417) | (3,372) |
| (2,770) | (830) | 13,690 | (2,834) | (5,741) |
| | | | | |
| 3,979 | 2,434 | (4,180) | (861) | 3,319 |
| 994 | 1,339 | 1,924 | (861) | 781 |
| 4,973 | 3,773 | (2,256) | (1,722) | 4,100 |

For the year ended March 31, 2019

- **33.1.8** Funding levels are monitored on an annual basis and are based on actuarial recommendations. Gratuity cost comprising the service cost and the net interest cost for the next year works out to Rs. 1.240 million and Rs. 0.393 million for Exide and ABCL respectively as per the actuarial valuation report of the Group as of March 31, 2019.
- **33.1.9** The disclosures made in notes 33.1 to 33.1.8 are based on the information included in the actuarial valuation report of the Holding Company as of March 31, 2019.

33.2 Defined contribution plan - provident fund

An amount of Rs 9.033 million (2018: Rs 8.465 million) has been charged during the year in respect of contributory provident fund maintained by the Group.

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

| Short - term employee benefits |
|--|
| Managerial remuneration |
| Bonus |
| Leave Pay |
| Housing, utilities and reimbursable expenses |
| Medical expenses |
| |
| Retirement benefits |
| Defined benefit plan |
| Defined contribution plan |
| |

| | ecutives | Direc | ctors | Executives | | То | Total | |
|-------|---------------|--------|--------|------------|--------|--------|--------|--|
| 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | |
| | (Rupees' 000) | | | | | | | |
| 3,755 | 3,158 | 8,551 | 7,712 | 24,149 | 17,720 | 36,455 | 28,950 | |
| - | - | - | 679 | 1,166 | 1,018 | 1,166 | 1,697 | |
| 87 | 144 | - | 190 | 2,213 | 1,026 | 2,300 | 1,360 | |
| 13 | - | 2,478 | 2,282 | 10,293 | 7,142 | 12,784 | 9,424 | |
| 368 | 381 | 829 | 471 | 2,409 | 1,848 | 3,606 | 2,700 | |
| | | | | | | | | |
| - | - | 228 | 642 | 755 | 567 | 983 | 1,209 | |
| - | - | 274 | 367 | 964 | 681 | 1,238 | 1,048 | |
| 4,223 | 4,043 | 12,360 | 12,343 | 41,949 | 30,002 | 58,532 | 46,388 | |
| 1 | 1 | 2 | 2 | 12 | 7 | 15 | 10 | |

34.1 The chief executive and directors of the Holding Company are provided with free use of Group maintained cars and residential telephones in accordance with their entitlement. Certain executives are also provided with Group maintained cars.

34.2 Remuneration to other directors

Number of persons

Aggregate amount charged in the consolidated financial statements for fee to directors was Rs 0.15 million (2018: Rs 0.20 million).

For the year ended March 31, 2019

35 TRANSACTIONS WITH RELATED PARTIES

Related parties include subsidiary group, entities under common directorship, directors, major shareholders, key management personnel and retirement benefit funds. Transactions with related parties essentially entail rent expense, transactions with key management personnel and amounts charged to benefit and contribution plans. Details of transactions with related parties and the balances with them as at year end other than those which have been disclosed else where are as follows:

| Key Management personnel | | Parties | |
|--------------------------|------|---------|------|
| 2019 | 2018 | 2019 | 2018 |

····· (Rupees '000) ·····

Transactions with key management personnel:

- Salaries
- Defined benefit plan post employment benefits
- Defined contribution plan
- Sale of motor vehicle having cost Rs. Nil (2018: Rs 1.663 million) and book value of
- Rs. Nil (2018: Rs.0.748 million) for

Rent expense

Expenses charged in respect of staff contribution plan Expenses charged in respect of staff defined benefit plan

| 41.695 | 29,979 | _ | _ |
|--------|--------|-------|--------|
| 807 | | - | - |
| 882 | 367 | - | - |
| - | | - | - |
| | 207 | | |
| - | 637 | - | - |
| _ | _ | _ | 42,460 |
| _ | - | 9,033 | 8,465 |
| - | - | 304 | 1,540 |
| | | | |

35.1 Following are the related parties with whom the Group had entered into transactions or have arrangement / agreement in place:

| S.No. | Group Name | Basis of association | Aggregate % of Shareholding |
|-------|-------------------|----------------------|--------------------------------|
| 1 | Zever Enternrises | Common Directorshin | N/A |

35.2 Consideration for services is determined with mutual agreement considering the level of services provided. Expenses charged by / to the Group are determined on actual cost basis. Particulars of remuneration of Chief Executive, Directors and Executives are disclosed in note 34 to these consolidated financial statements.

For the year ended March 31, 2019

- 35.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Group considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.
- 35.4 Particulars of transactions with workers' profit participation fund and staff retirement benefit plans are disclosed in notes 13.3 and 33 respectively to these consolidated financial statements.

36 PRODUCTION CAPACITY

The actual production capacity of the battery plant cannot be determined as it depends on the proportion of different types of batteries produced which varies in relation to the consumer demand. The actual production during the year was according to market demand. The installed capacity of the chemical plants is 33,000 MT (2018: 33,000 MT) per annum whereas actual production during the year was 26,032 MT (2018: 30,128 MT).

37 CASH GENERATED FROM OPERATIONS

| CASH GENERALED FROM OPERATIONS | Note | 2019 | 2018 |
|---|---------|-------------|--------------|
| | | ·····(Rupee | s '000)····· |
| (Loss) / profit before taxation | | (410,895) | 193,895 |
| Adjustment: | | | |
| Depreciation | 6.3 | 159,998 | 155,120 |
| Amortisation | 6.3 | 8,106 | 7,331 |
| Gain on disposal of property, plant and equipment | 27 | (3,663) | (4,673) |
| Provision / (reversal) against slow moving and obsolete | | | |
| stores and spares | 27 & 28 | 3,061 | (1,238) |
| Provision against doubtful trade debts - net | 27& 28 | 7,534 | 6,121 |
| Provision against slow moving and obsolete stock-in-trade | 28 | 4,688 | 2,138 |
| Provision written back | 10.1 | (839) | - |
| Finance cost | 29 | 259,106 | 141,258 |
| Working capital changes | 37.1 | (549,569) | 53,402 |
| | | (522,473) | 553,354 |

For the year ended March 31, 2019

37.1 Working Capital Changes

2019 2018(Rupees '000).....

(Increase) / decrease in current assets

spares stock-in-trade Trade debts

Loans and advances
Trade deposits, short-term prepayments and other receivables

(Decrease) / increase in trade and other payables

| (13,644) | 2,796 |
|-----------|-----------|
| 86,102 | 1,598,359 |
| (426,689) | (820,977) |
| 7,071 | (2,873) |
| (11,739) | (13,964) |
| (359,899) | 763,341 |
| (190,670) | (709,939) |
| (549,569) | 53,402 |

38 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise of the following consolidated statement of financial position amounts:

| | Note | 2019 | 2018 |
|------------------------|------|-------------|--------------|
| | | ·····(Rupee | s '000)····· |
| Cash and bank balances | 14 | 149,085 | 880,419 |
| Short-term borrowings | 21 | (3,199,663) | (2,850,331) |
| | | (3,050,578 | (1,969,912) |

38.1 Reconciliation of liabilities arising from financing activities

| | As at March 31, 2018 | Non-cash changes | Cash flows | As at March 31, 2019 |
|--|----------------------|---------------------|---------------|----------------------------|
| | | ·····(Rupee | es '000)····· | |
| Loan from director | 306,225 | | 50 | 306,275 |
| Total libilities from financing activities | 306,225 | | 50 | 306,275 |

For the year ended March 31, 2019

39 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

| | | Note | Batte | eries | Chem | nicals | Comp | any |
|------|---------------------------------------|-----------|-------------|--------------|-----------|-----------|-------------|--------------|
| | | Note | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | | | (Rupees | s '000) | | |
| | Net Sales | 23 | 9,167,113 | 12,006,459 | 339,466 | 294,952 | 9,506,579 | 12,301,411 |
| | Cost of Sales | 24 | (8,240,082) | (10,682,986) | (294,273) | (261,807) | (8,534,355) | (10,944,793) |
| | Gross Profit | | 927,031 | 1,323,473 | 45,193 | 33,145 | 972,224 | 1,356,618 |
| | Selling and distribution expenses | 25 | (934,079) | (863,515) | (4,153) | (4,777) | (938,232) | (868,292) |
| | Administration and general expenses | 26 | (118,865) | (106,981) | (2,993) | (2,299) | (121,858) | (109,280) |
| | | | | | | | | |
| | Other income | | 6,356 | 4,229 | - | - | 6,356 | 4,229 |
| | Unallocated other income | 39.7 | - | - | - | - | 12,163 | 7,771 |
| | | 27 | | | | | 18,519 | 12,000 |
| | Unallocalated other operating charges | 39.7 & 28 | - | - | - | - | (82,442) | (54,893) |
| | Operating (loss) / profit | | (119,557) | 357,206 | 38,047 | 26,069 | (151,789) | 336,153 |
| | | | | | | | | |
| 39.1 | Segment assets | | 7,168,566 | 7,032,911 | 265,458 | 172,771 | 7,434,024 | 7,205,682 |
| 39.2 | Unallocated assets | 39.7 | | | | | 1,121,817 | 1,666,296 |
| | | | | | | | 8,555,841 | 8,871,978 |
| 39.3 | Segment liabilities | | 310,517 | 475,638 | 6,266 | 8,541 | 316,783 | 484,179 |
| 39.4 | Unallocated liabilities | 39.7 | | | | | 4,459,206 | 4,101,654 |
| | | | | | | | 4,775,989 | 4,585,833 |
| 39.5 | Capital expenditure | | 48,967 | 219,410 | 1,813 | 5,390 | 50,780 | 224,800 |
| 39.6 | Depreciatoin expense | | 154,285 | 151,401 | 5,713 | 3,719 | 159,998 | 155,120 |
| | . ' | | , | , | | | | |

^{39.7} Certain liabilities, assets, other income and other operating charges of the Group cannote be allocated to a specifice segment. Accordingly, these amounts have been classified as unallocated.

For the year ended March 31, 2019

40 FINANCIAL INSTRUMENTS BY CATEGORY

40.1 Financial assets and financial liabilities

Financial assets

Loans and receivables

Loans and advances Long - term deposits Trade debts

Trade deposits and other receivables

Cash and bank balances

Financial liabilities

Financial liabilities at amortised cost

Trade and other payables Unclaimed dividend Accured mark-up Loan from Director Short-term borrowings

| 27,065 | 34,467 |
|-----------|-----------|
| 46,814 | 37,993 |
| 3,565,856 | 3,146,701 |
| 30,528 | 30,597 |
| 149,085 | 880,414 |
| 3,819,348 | 4,130,172 |
| | |
| | |

----(Rupees '000) ----

2018

2019

| 00,020 | 00,00. |
|-----------|-----------|
| 149,085 | 880,414 |
| 3,819,348 | 4,130,172 |
| | |
| | |
| | |
| 968,691 | 1,251,214 |
| 6,076 | 1,224 |
| 81,683 | 40,644 |
| 306,275 | 306,225 |
| 3,199,663 | 2,850,331 |
| 4,562,388 | 4,449,638 |
| | |

41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are exposed to a variety of financial risks namely credit risk, liquidity risk and market risk. The Group finances its operations through equity, borrowings and management of working capital with a view to monitor an appropriate mix between various sources of finance to minimise risk. The Group has established adequate procedures to manage each of these risks as explained below.

41.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentration of credit risk

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Credit risk arises from bank balances and credit exposures to customers, including trade debts. The financial assets of the Group that are subject to credit risk amounted to Rs 3,743.497 million (2018: Rs 3,286.600 million).

For the year ended March 31, 2019

Out of the total bank balance of Rs 73.083 million (2018: Rs 36.751 million) placed with banks maintained in current accounts, amounts aggregating Rs 70.716 million (2018: Rs 30.348 million) have been placed with banks having short-term credit rating of A1+. Whereas the remaining amounts are placed with banks having minimum short term credit rating of A1. Management, after giving due consideration to their strong financial standing, does not expect non–performance by these counter parties on their obligations to the Group.

The most significant financial asset exposed to credit risk is the trade debts of the Group. For trade debts, individual credit limits are assigned to customers keeping in view their payment history, financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. The concentration of credit risk lies in the top 15 (2018: 15) customers which constitute 37% (2018: 26%) of the Group's trade debts.

The breakup of gross amounts due from customers is presented below:

| _ | _ | | |
|-----|------|-------|------|
| Due | from | custo | mers |

Direct customers Distributors

| 2019 | 2018 |
|----------------------|----------------------|
| ·(Rupee | s '000)· |
| 211,740 3,406,178 | 184,808 3,006,421 |
| 3 617 918 | 3 191 229 |

Out of Rs 3,617.918 million (2018: Rs 3,191.229 million), the Group has provided Rs 52.062 million (2018: Rs 44.528 million) as amounts being doubtful. The age profile of trade debts overdue and impaired to the extent of Rs 52.062 million (2018: Rs 44.528 million) has been disclosed in note 11.1 to these consolidated financial statements.

41.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet it's financial obligations as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines open.

The maturity profile of the Group's liabilities based on contractual maturities is disclosed in note 41.3.2 of these consolidated financial statements.

41.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of foreign currency risk, interest rate risk and other price risks.

41.3.1 Foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Group primarily has foreign currency exposures in US Dollars and Japanese Yen. The Group manages its exposures against foreign exchange risk by entering into foreign exchange contracts where considered necessary. The details of balances are as follows:

For the year ended March 31, 2019

| Bills payable | 2019 | 2018 | |
|---------------|-------------------|-------|--|
| | · (Amount '000) · | | |
| US Dollar | 685 | 2,824 | |
| Japanese Yen | 38,526 | 9,173 | |
| GB Pound | 11 | - | |
| Euro | 77 | - | |

As at March 31, 2019, if the Pakistani Rupee had weakened / strengthened by 1% against US Dollar, Japanese Yen, GB Pound and Euro with all other receivables held constant, loss before taxation for the year would have been lower / higher by Rs 1.596 million (2018: Rs 3.362 million).

41.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Sensitivity analysis for variable rate instruments

Presently, the Group has KIBOR based short-term borrowings from certain banks that expose the Group to cash flow interest rate risk. In case of increase / decrease in KIBOR by 100 basis points on March 31, 2019, with all other variables held constant, the net assets and loss before taxation for the year would have been lower / higher by Rs 32.813 million (2018: Rs 28.901 million).

The movement in liability under short-term borrowings and KIBOR rates are expected to change over time. Therefore, the sensitivity analysis prepared as at March 31, 2019 is not necessarily indicative of the effect on the Group's net assets due to future movement in interest rates.

Sensitivity to interest / mark-up rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period. The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

For the year ended March 31, 2019

On balance sheet gap

Outstanding bank guarantees

Off-balance sheet financial instruments

Commitments in respect of Letter of credit

Commitments in respect of capital expenditure

The Group is exposed to interest / mark-up rate risk in respect of the following:

| , | | | | | | | | |
|--|----------------------------------|-------------------------|-------------------------|-------------|-------------------------|-------------------------|-------------------|-------------------|
| | | | | 2 | 2019 | | | |
| | Effective | Inter | est / mark-up | bearing | Non Inte | rest / mark-up | bearing | |
| | interest rate (in percentage) | Maturity up to one year | Maturity after | Sub-total | Maturity up to one year | Maturity after one year | Sub-total | Total |
| On Balance sheet financial instruments | | | | | (Pupos' 00 | • | | |
| Financial assets | | | | | (Nupees oc | 0) | | |
| Loans and receivable | | | | | | | | |
| Loans and advances | | - | - | - | 26,480 | 585 46.814 | 27,065 46,814 | 27,065 46,814 |
| Long-term deposits Trade receivables | | - | - | - | 3.565.856 | 40,014 | 3.565.856 | 3,565,856 |
| Trade deposits and other receivables | | - | - | - | 30,528 | - | 30,528 | 30,528 |
| Cash and bank balances | | - | - | - | 149,085 | - | 149,085 | 149,085 |
| Financial liabilities | | - | - | - | 3,771,949 | 47,399 | 3,819,348 | 3,819,348 |
| | | | | | | | | |
| Financial liabilities at amortised cost Trade and other payables | | | | | 968,691 | | 968.691 | 968,691 |
| Unclaimed dividend | | _ | _ | | 6,076 | _ | 6,076 | 6,076 |
| Accured profit / mark-up | | - | - | - | 81,683 | - | 81,683 | 81,683 |
| Loan from Director | | - | - | - | 306,275 | - | 306,275 | 306,275 |
| Short-term borrowings | 10.52 - 11.12 | 3,199,663 | - | 3,199,663 | - | - | - | 3,199,663 |
| | | 3,199,663 | - | 3,199,663 | 1,362,725 | - | 1,362,725 | 4,562,388 |
| On balance sheet gap | | (3,199,663) | - | (3,199,663) | 2,409,224 | 47,399 | 2,456,623 | (743,040) |
| Off-balance sheet financial instruments | | | | | | | | |
| Commitments in respect of capital expenditure | | - | - | - | 1,183 | - | 1,183 | 1,183 |
| Commitments in respect of Letter of credit | | - | - | - | 159,541 | - | 159,541 | 159,541 |
| Outstanding bank guarantees | | | - | - | 49,225 | - | 49,225 | 49,225 |
| | | | - | - | 209,949 | - | 209,949 | 209,949 |
| | | | | 2 | 2018 | | | |
| | Effective | Inter | est / mark-up | bearing | Non Inte | rest / mark-up | bearing | |
| | interest rate (in percentage) | Maturity up to one year | Maturity after one year | Sub-total | Maturity up to one year | Maturity after one year | Sub-total | Total |
| | | | | | (Rupees' 00 | 0) | | |
| On Balance sheet financial instruments Financial assets | | | | | | | | |
| Loans and receivable | | | | | | | | |
| Loans and advances | | - | - | - | 33,551 | 916 | 34,467 | 34,467 |
| Long-term deposits | | - | - | - | - | 37,993 | 37,993 | 37,993 |
| Trade debts | | - | - | - | 3,146,701 | - | 3,146,701 | 3,146,701 |
| Trade deposits and other receivables | | - | - | - | 30,597 | - | 30,597 | 30,597 |
| Cash and bank balances | | - | - | - | 880,414 | | 880,414 | 880,414 |
| Financial liabilities | | - | - | - | 4,091,263 | 38,909 | 4,130,172 | 4,130,172 |
| Financial liabilities at amortised cost | | | | | | | | |
| Trade and other payables | | - | - | - | 1,251,214 | - | 1,251,214 | 1,251,214 |
| Unclaimed dividend | | - | - | - | 1,224 | - | 1,224 | 1,224 |
| Accured profit / mark-up Loan from Director | | - | - | | 40,644 306,225 | - | 40,644 306,225 | 40,644 306,225 |
| Short-term borrowings | 6.22 - 7.50 | 2,850,331 | - | 2,850,331 | - 300,225 | - | - 300,223 | 2,850,331 |
| | | 2,850,331 | - | 2,850,331 | 1,599,307 | - | 1,599,307 | 4,449,638 |
| | | | | | | | | |

(2,850,331)

(2,850,331)

2,491,956

7,287

366,402

441,895

68,206

38,909

2,530,865

7,287

366,402

441,895

68,206

(319,466)

7,287

366,402

441,895

68,206

For the year ended March 31, 2019

41.3.3 Price risk

The Group is not exposed to any price risk as it does not hold any significant investments exposed to price risk.

41.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or repriced periodically.

International Financial Reporting Standard 13, 'Fair Value Measurements' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Currently there are no financial assets or financial liabilities which are measured at their fair value in the consolidated statement of financial position.

41.4.1 Certain categories of operating fixed assets (leasehold land and buildings on leasehold land) are carried at revalued amounts (level 3 measurement) determined by a professional valuer based on their assessment of the market values as disclosed in note 6 to these consolidated financial statements.

For the year ended March 31, 2019

42 CAPITAL RISK MANAGEMENT

The Group's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as equity as shown in the consolidated statement of financial position plus net debt.

| | | ·(Rupee | s '000)· |
|------|---|-----------|-----------|
| | Total borowing | 3,505,938 | 3,156,556 |
| | LessL Cash and bank balances | 149,085 | 880,414 |
| | Net debt | 3,356,853 | 2,276,142 |
| | Total equity | 3,779,852 | 4,287,106 |
| | | 7,136,705 | 6,563,248 |
| | | , , | , , |
| | Gearing ratio | 47.04% | 34.68% |
| | | | |
| 43 | NUMBER OF EMPLOYEES | 2019 | 2018 |
| | | · Num | nber · |
| 43.1 | Number of employees at March 31 | | |
| | - Permanent | 343 | 444 |
| | - Contractual | 31 | 33 |
| | | 374 | 477 |
| | This includes 179 (2018: 177) number of factory employees | | |
| 43.2 | Average number of employees during the year | | |
| | - Permanent | 394 | 454 |
| | - Contractual | 32 | 33 |
| | | 426 | 487 |
| | | | |

This includes 178 (2018: 183) number of factory employees

2019

2018

For the year ended March 31, 2019

44 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

As per the requirements of the fourth schedule to the Companies Act, 2017, shariah compliant companies and the companies listed on Islamic Index shall disclose the following:

- (i) Loans / advances obtained as per Islamic mode refer note 21
- (ii) Mark up paid on Islamic modes of financing refer note 29
- (iii) Profits earned or interest paid on any conventional loans, deposits or advances refer notes 27 and 29.

45 GENERAL AND CORRESPONDING FIGURES

Amounts have been rounded to the nearest thousand rupees unless otherwise stated. Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. There were no significant reclassifications / restatements to these consolidated financial statements during the year.

46 DATE OF AUTHORISATION

These consolidated financial statements were authorised for issue on June 29, 2019 by the Board of Directors of the Holding Company.

Altaf Hashwani Chairman **Arshad Shehzada**Chief Executive Officer

Durkoglo

S. Haider Mehdi Chief Financial Officer

Pattern of Shareholding

as on March 31, 2019

| HAVING SHARES | | | | | | |
|--------------------|---------------|---------|-------------|------------|--|--|
| NO. OF SHAREHOLDER | RS From | То | SHARES HELD | PERCENTAGE | | |
| 1303 | 1 | 100 | 43555 | 0.5607 | | |
| 518 | 101 | 500 | 140048 | 1.8156 | | |
| 153 | 501 | 1000 | 107946 | 1.3895 | | |
| 111 | 1001 | 5000 | 238793 | 3.0738 | | |
| 8 | 5001 | 10000 | 62580 | 0.8055 | | |
| 1 | 10001 | 15000 | 11360 | 0.1462 | | |
| 3 | 15001 | 20000 | 52204 | 0.6720 | | |
| 2 | 45001 | 50000 | 48899 | 0.6294 | | |
| 1 | 50001 | 55000 | 51320 | 0.6606 | | |
| 1 | 105001 | 110000 | 106040 | 1.3650 | | |
| 1 | 110001 | 115000 | 114582 | 1.4749 | | |
| 1 | 425001 | 430000 | 427499 | 5.5029 | | |
| 1 | 510001 | 515000 | 510724 | 6.5742 | | |
| 1 | 1250001 | 1255000 | 1250601 | 16.0981 | | |
| 1 | 1410001 | 1415000 | 1412944 | 18.1878 | | |
| 1 | 1590001 | 1595000 | 1592836 | 20.5035 | | |
| 1 | 1595001 | 1600000 | 1595687 | 20.5402 | | |
| 2107 | Company Total | | 7768618 | 100.0000 | | |

Categories of Shareholders

as on March 31, 2019

| Particulars | No of Folio | Balance Share | Percentage |
|----------------------------|-------------|---------------|------------|
| DIRECTORS, CEO, & CHILDREN | 11 | 5853538 | 75.3485 |
| NIT & ICP | 2 | 165 | 0.0021 |
| BANKS, DFI & NBFI | 2 | 347 | 0.0045 |
| INSURANCE COMPANIES | 2 | 478819 | 6.1635 |
| MUTUAL FUNDS | 4 | 518344 | 6.6723 |
| GENERAL PUBLIC (LOCAL) | 2011 | 573516 | 7.3825 |
| GENERAL PUBLIC (FOREIGN) | 46 | 28149 | 0.3623 |
| OTHERS | 21 | 200431 | 2.5800 |
| JOINT STOCK COMPANIES | 3 | 76 | 0.0010 |
| FOREIGN COMPANIES | 3 | 114623 | 1.4755 |
| CHARITABLE TRUST | 1 | 12 | 0.0002 |
| MODARABAS | 1 | 598 | 0.0077 |
| Company Total | 2107 | 7768618 | 100.0000 |

| Folio No | Name | Code | Balance Held | Percentage |
|--------------|--|------|--------------|------------|
| 000000000916 | MRS SANA HASHWANI | 001 | 217 | 0.0028 |
| 00000001026 | SYED HAIDER MEHDI | 001 | 638 | 0.0082 |
| 00000001190 | MR ALTAF HASHWANI | 001 | 1 | 0.0000 |
| 00000001733 | MR SYED HAIDER MEHDI | 001 | 14 | 0.0002 |
| 003277005882 | ARIF HASHWANI | 001 | 500 | 0.0064 |
| 003277007548 | HUSSAIN HASHWANI | 001 | 1250601 | 16.0981 |
| 003277007974 | ALTAF HASHWANI | 001 | 1412944 | 18.1878 |
| 003277012059 | ARSHAD SHAHZADA | 001 | 13 | 0.0002 |
| 003277070721 | SYED MUHAMMAD FAIQ | 001 | 87 | 0.0011 |
| 003277086852 | SANA ARIF HASHWANI | 001 | 1592836 | 20.5035 |
| 003277086965 | ZAVER HASHWANI | 001 | 1595687 | 20.5402 |
| 00000000360 | INVESTMENT CORPN OF PAKISTAN | 003 | 19 | 0.0002 |
| 00000001349 | M/S INVESTMENT CORPORATION OF PAKISTAN | 003 | 146 | 0.0019 |
| 000083000036 | IDBL (ICP UNIT) | 004 | 48 | 0.0006 |
| 003889000028 | NATIONAL BANK OF PAKISTAN | 004 | 299 | 0.0038 |
| 002683000023 | STATE LIFE INSURANCE CORP. OF PAKISTAN | 005 | 427499 | 5.5029 |
| 003277002538 | EFU LIFE ASSURANCE LTD | 005 | 51320 | 0.6606 |
| 003277004962 | FIRST ALNOOR MODARABA | 006 | 120 | 0.0015 |
| 012120000028 | CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND | 006 | 7300 | 0.0940 |
| 014902000021 | CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST | 006 | 510724 | 605742 |

Categories of Shareholders

as on March 31, 2019

| Folio No | Name | Code | Balance Held | Percentage |
|--------------|--|------|--------------|------------|
| 016410000029 | ABA ALI HABIB SECURITIES (PVT) LIMITED-MF | 006 | 200 | 0.0026 |
| 000000000417 | KHADIM ALI SHAH BUKHARI & CO | 010 | 68 | 0.0009 |
| 00000001301 | M/S HABIB BROTHERS (PVT) LTD | 010 | 304 | 0.0039 |
| 00000001544 | M/S MUTUAL TRDG. CO. (PVT) LTD. | 010 | 595 | 0.0077 |
| 00000001822 | ZAVER ENTERPRISE | 010 | 106040 | 1.3650 |
| 003277001225 | HASHOO HOLDINGS (PVT) LTD | 010 | 16104 | 0.2073 |
| 003277001339 | PREMIER FASHION (PVT) LTD | 010 | 2050 | 0.0264 |
| 003277044333 | FATEH TEXTILE MILLS LTD. | 010 | 359 | 0.0046 |
| 003277045148 | TRUSTEES MRS.KHORSHED H.DINSHAW &MR.HOSHANG | | | |
| | N.E.DINSHAW C.TR | 010 | 1061 | 0.0137 |
| 003277078335 | TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES | | | |
| | PENSION FUND | 010 | 48899 | 0.6294 |
| 003277082127 | TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT | | | |
| | FUND TRUST | 010 | 1716 | 0.0221 |
| 003277089566 | LIBERTY MILLS LIMITED | 010 | 11360 | 0.1462 |
| 003525057191 | SARFRAZ MAHMOOD (PRIVATE) LTD | 010 | 85 | 0.0011 |
| 003525064045 | NH CAPITAL (PRIVATE) LIMITED | 010 | 29 | 0.0004 |
| 003525087235 | MAPLE LEAF CAPITAL LIMITED | 010 | 1 | 0.0000 |
| 003525089724 | SUNRAYS TEXTILE MILLS LIMITED | 010 | 560 | 0.0072 |
| 004895000026 | DJM SECURITIES (PRIVATE) LIMITED | 010 | 7500 | 0.0965 |
| 005736000015 | NCC - PRE SETTLEMENT DELIVERY ACCOUNT | 010 | 300 | 0.0039 |
| 006684000029 | MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI | | | |
| | SECURITIES (PVT) LTD | 010 | 500 | 0.0064 |
| 010470000029 | GPH SECURITIES (PVT) LTD. | 010 | 600 | 0.0077 |
| 015578000021 | BEST SECURITIES (PVT) LIMITED | 010 | 800 | 0.0103 |
| 016857000026 | MRA SCEURITIES LIMITED-MF | 010 | 1500 | 0.0193 |
| 00000000348 | HOSHANG DINSHAW (PVT) LTD | 011 | 24 | 0.0003 |
| 000000000811 | PERIN DINSHAW (PVT) LTD | 011 | 17 | 0.0002 |
| 000000000812 | PERIN DINSHAW (PVT) LTD-MQURESH | 011 | 35 | 0.0005 |
| 000000000795 | NOMURA BANK (LUXEMBOURG) SA | 012 | 5 | 0.0001 |
| 00000001053 | TEMPLETON GLOBAL STRATEGY SICAV | 012 | 36 | 0.0005 |
| 00000001292 | M/S FURUKAWA BATTERY CO LTD | 012 | 114582 | 1.4749 |
| 00000001818 | GHULAMAN-E-ABBAS EDUCATIONAL & MEDICAL TRUST | 013 | 12 | 0.0002 |
| 00000001289 | M/S FIRST UDL MODARABA | 014 | 598 | 0.0077 |





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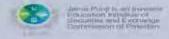
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*Mobile suggestions recommission for the western the professor and two the commissions and the commission of the commiss



Form of Proxy

Exide Pakistan Limited A-44, Hill Street, Manghopir Road, S.I.T.E., Karachi.

| I/We | | | |
|----------------------------|--|-------|----------------------------------|
| of — | in the distric | ct of | |
| being a member of Exide F | Pakistan Limited and a holder of | | |
| Ordinary Shares as per Sha | are Register Folio Number | | |
| nereby appoint | | | |
| of | in the district of | | |
| or failing him | | | |
| | as my/oneral Meeting of the Company to be h | | • |
| Signature this | day of | 2019. | |
| | | | Signature on Revenue Stamp |
| Signature of Proxy | Signature should agree with the specimen signature | | |

registered with the Company

فارم برائے پراکسی

سالانه اجلاس عام

| _ ضلع بحثیت ممبرا کیسائیڈ پاکستان کمیٹڈ، بذریعہ ہذا کمپنی کے ممبر | میں/ہمسننہ |
|--|--|
| ورت میں دوسرے ممبر سکنہ کو اپنی جگہ 29 جولائی 2019 کو منعقد | سکنه کو ، اور اس کی عدم موجود گی کی ص |
| ہ اجلاس میں شرکت کرنے اور ووٹ دینے کیلئے اپنا پراکسی مقرر کر تا/کرتی ہوں/ کرتے ہیں ۔ | ہونے والے سمپنی کے سالانہ اجلاس عام یا نکسی ملتوی شد |
| جودگی میں دستخط کئے گئے ۔ | مور خہ 2019 کو درج ذیل گواہان کی مو |
| ٢_ وستخط | ا_ وشخط |
| ئام:ئام: | :¡t |
| :a; | :=; |
| CNIC يا پاسپورٹ نمبر | CNIC يا پاسپورٺ نمبر |
| | فوليو/CDC اكاؤنث نمبر |
| -/ 10 روپے کے ریوینیو ٹکٹ پر دستخط مینی میں رجسٹرڈ نمونے کے دستخط کے مطابق ہونا جا بیئے | |

اہم ہدایات:

ہر لحاظ سے مکمل اور دستخط شدہ پراکسی فارم، کمپنی کے رجسٹرڈ آفسA-44سائٹ کراچی میں اجلاس نثر وع ہونے کے وقت سے کم از کم 48 گھٹے پہلے لازمی طور پر پہنچ جانا چاہیئے

کوئی الیا شخص پراکسی مقرر نہیں کیا جاسکتا جو ممینی کاممبر نہ ہو، البتہ کارپوریشن کسی غیرممبر کو پراکسی مقرر کر سکتی ہے۔

اگر کوئی شخص ایک سے زیادہ پراکسی مقرر کرے اور پراکسی کی ایک سے زیادہ دستاویز جمع کرائے تو ایسی تمام دستاویز مستر دکردی جائیں گی۔

CDC اكاؤنث مولدرز / كار بوريشن كائيول كيلع مدايات

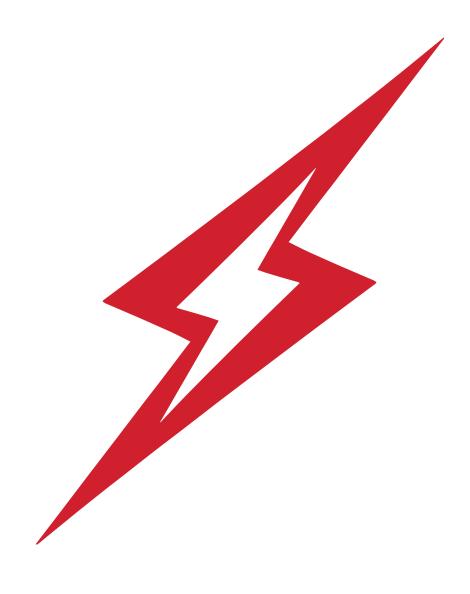
درج بالا کے علاوہ درج ذیل شر ائط پوری ہونا بھی لاذمی ہے:

پراکسی فارم پر دو گواہان کے دستخط مع ان کے نام، پتے اور CNIC نمبر درج ہونا لازمی ہے۔

پراکسی فارم کے ہمراہ مستفید ہونے والے ممبر (Beneficial Owner) اور پراکسی کے CNIC یا پاسپورٹ کی تصدیق شدہ کائی منسلک ہونا لازمی ہے۔

پراکسی کو اجلاس میں شرکت کے وقت اپنا اصل تومی شاختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

کار پوریٹ اکائی کی صورت میں پراکسی فارم کے ساتھ بورڈ آف ڈائیر کیگرز کی قرارداد /پاور آف اٹارنی مع نمونہ کے دستخط (اگر پہلے سے جمع نہ کرائے گئے ہوں) کمپنی کے پاس جمع کرانا ضروری ہے۔



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