

EXIDE[®]



Half Yearly Report
September 30, 2020



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Corporate Profile

Board Of Directors

Altaf Hashwani - Chairman
Arshad Shehzada - MD/CEO
Arif Hashwani
Hussain Hashwani
S. Haider Mehdi
Ayub Hameed
Saira Soomro Najmi
Quaid Johar Udaipurwala

Chief Financial Officer

S. Haider Mehdi

Audit Committee

Ayub Hameed - Chairman
Altaf Hashwani
Quaid Johar Udaipurwala
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
Standard Chartered Bank (Pakistan) Ltd.
United Bank Ltd.
Dubai Islamic Bank Pakistan Limited

Auditors

Yousuf Adil

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

Chairman's Review

I am pleased to present on behalf of the Board of Directors, un-audited condensed interim financial results of your company, duly reviewed for the half-year ended September 30, 2020.

The Economy

Pakistan's GDP growth declined to 2.6 percent for the year 2019-20, as compared to 3.3 percent in the previous year. This decline was due to contractionary economic policies set by the government and the IMF, to help stabilize the macroeconomic conditions prevalent at that time. There was a further slump in the last quarter due to the global outbreak of the COVID-19 pandemic, resulting in lockdowns, further impeding economic activities in Pakistan.

Since then, economic activity has improved in the first quarter of the fiscal year 2020-21 after the easing of lockdowns across the country.

Pakistan's trade deficit during the first quarter of the current year was \$5.83 billion, as compared to \$5.5 billion in the corresponding period of last year. The marginal increase in trade deficit is attributed to a decline in exports and an increase in imports. Exports reduced from \$5.5 billion to \$5.47 billion, while imports increased from US\$ 11.0 billion to \$11.3 billion in the same period of the current year.

Because of an increase in remittances from abroad, the current account has witnessed a surplus of \$0.79 billion during the first quarter of the current year as compared with a deficit of US\$ 1.55 billion in the corresponding period, last year. Foreign Direct Investment remained lackluster, falling by 24% to \$4.16 billion. The foreign exchange reserves of the country at the end of October 2020 was \$19.30 billion as compared with \$15.58 billion last year.

The Industry

Sales of locally produced cars improved by 2.7 percent, 31,868 units sold in July to September 2020 and 31,017 units sold in corresponding period of the last year. However, Trucks and Buses sales reduced by 12.2 percent from 1,944 units to 1,707 units. Farm Tractors sales improved by 14 percent from 9,395 units to 10,713 units. Sales of motorcycles and three-wheelers also improved by 22 percent from 367,656 units to 448,736 units. It is anticipated that the automotive industry will witness further growth in the 2nd quarter of FY 2020-21.

Production

Production activities are being effectively planned and adjusted to cater the market demand, both in terms of quantity and quality. Stress on quality control at all stages of the production process was implemented with great vigor, further strengthening the quality standards of the company's products.

Sales

Net Sales revenue of the company during the half-year under review decreased by 1.9 percent from Rs.4.891 billion to Rs.4.798 billion. This is due to a reduction in production on account of the COVID-19 lockdown.

Profitability

Because of an increase in the prices of raw material and lower sale revenue, Gross profit for the half-year under review reduced by 44%; from Rs. 542.71 million to Rs. 304.16 million. However, selling and distribution expenses were reduced by 31.6 percent from Rs. 452.98 million to Rs. 309.94 million. Due to local inflation, administration and general expenses increased by 2.9 percent from Rs. 60.67 million to Rs. 62.49 million. Operating loss for the period under report works out to Rs. 68.3 million as compared with operating profit of Rs.29.1 million achieved in six months of the last year. Financial charges decreased by 51.5 percent from Rs. 188.05 million to Rs. 94.66 million on account of reduced bank borrowings and a downward revision in markup rates. Loss before tax for the period under review is Rs. 156.14 million as compared to Rs. 184.49 million in the corresponding period last year. Loss per share is Rs. 29.36 as compared to Rs. 33.60 last year.

Future Prospects

It is anticipated that the indigenous organized battery industry will face more competition due to capacity expansion of the existing battery plants and changes in the market dynamics. The management has suitably adjusted prices in Replacement and Export segments, which will improve the performance of the Company in the remaining period of the year.

The management is determined to avail the full benefits of the opportunities by continued focus on the quality, productivity, cost control and after-sales service to improve its competitiveness.

Acknowledgement

On behalf of myself and the Board of Directors of the company, I take this opportunity of acknowledging the devoted and sincere services of all our employees. I am also grateful to our bankers, shareholders, M/s Furukawa Battery Company Limited (Japan), vendors, OEM's, main-dealers, retailers, and all our valued customers for their trust and support for Exide.



Altaf Hashwani

Chairman

Karachi: November 28, 2020

منافع:

رواں نصف سال میں کمپنی کا مجموعی منافع 44 فیصد کی کمی کے ساتھ 542.71 ملین روپے سے کم ہو کر 304.16 ملین روپے ہو گیا۔ منافع میں کمی کی وجہ خام مال کی قیمتوں کا بڑھنا اور آمدنی میں کمی ہونا ہے۔ فروخت اور تقسیم کے اخراجات 31.6 فیصد کمی کے ساتھ 452.98 ملین روپے سے کم ہو کر 309.94 ملین روپے ہو گئے۔ انتظامی اور عمومی اخراجات 3.9 فیصد اضافے کے بعد 60.67 ملین روپے سے 62.49 ملین روپے ہو گئے جس کی وجہ مہنگائی میں اضافہ ہونا ہے۔ گزشتہ سال کی اسی مدت میں 29.1 ملین روپے کے نقصان کے مقابلے میں رواں نصف سال کے دوران آپریٹنگ نقصان 68.3 ملین روپے ریکارڈ کیا گیا۔ مالی ادائیگی 51.5 فیصد کم ہو کر 91.25 ملین روپے ہو گئی جو کہ گزشتہ سال کے اسی عرصے میں 188.05 ملین روپے تھی جو کہ قرضوں اور شرح سود میں کمی کی وجہ سے ہوئی۔ اس ششماہی میں محصولات سے پہلے کا نقصان 156.14 ملین روپے رہا جو کہ گزشتہ سال اسی عرصے کے دوران 184.49 ملین روپے تھا۔ فی شیئر نقصان گزشتہ سال کے اسی عرصے کے دوران 33.60 کے مقابلے میں 29.36 روپے رہا۔

مستقبل کے امکانات:

یہ متوقع ہے کہ مقامی منظم بیٹری صنعت پیداواری صلاحیتوں اور نئے بیٹری مینوفیکچررز کی وجہ سے اور مارکیٹ کی حرکیات کی وجہ سے سخت مقابلے کا سامنا کرنا پڑے گا۔ انتظامیہ نے متبادل اور ایکسپورٹ طبقات میں قیمتوں میں اضافہ کیا ہے جو اس سال کہ باقی عرصے میں کمپنی کی کارکردگی کو بہتر بنائے گا۔

آپ کی کمپنی کی انتظامیہ یقین دلاتی ہے کہ بیٹری کے معیار، پیداواری صلاحیت، لاگت پر کنٹرول پر مسلسل توجہ مرکوز کرتے ہوئے اپنی مسابقت کو بہتر بناتے ہوئے مکمل فائدہ اٹھانے کا عزم رکھتی ہے۔

اعتراف خدمات:

میری جانب سے اور آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے میں کمپنی کے تمام کیڈرز کے ملازمین کی مخلص خدمات کو تسلیم کرنے کا موقع لیتا ہوں۔ میں کمپنی کے بینکوں، حصص داروں، فروور کوڈا بیٹری کمپنی لمیٹڈ (جاپان)، تھوک اور خوردہ فروش حضرات، مین ڈیلرز، کمپنی کے سپلائرز، گاڑیوں کے پیداواری یونٹس اور سرکاری تنظیموں سمیت اپنے تمام گاہکوں کا بھی شکر گزار ہوں۔



الطاف ہاشوائی

چیرمین

کراچی: 28 نومبر 2020

چیمبر مین کا جائزہ:

میں بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2020 کو ختم ہونے والے نصف سال کیلئے آپ کی کمپنی کے غیر آڈٹ شدہ اکاؤنٹس کا جائزہ پیش کر رہا ہوں۔

معاشیت:

پاکستان کی جی ڈی پی کی شرح نمو گزشتہ سال 3.3 فیصد کے مقابلے میں سال 2019-20 کے دوران 2.6 فیصد کی واقع ہوئی۔ یہ کمی حکومت اور آئی ایم ایف کے درمیان طے شدہ معاشی و اقتصادی پالیسیوں کی وجہ سے ہوئی تاکہ اس وقت کے معاشی حالات کو مستحکم کرنے میں مدد ملے۔ آخری سہ ماہی میں عالمی وباء COVID-19 بیماری کی وجہ سے اس میں مزید کمی کا سامنا کرنا پڑا جس کے نتیجے میں لاک ڈاؤن کرنا پڑا جس سے پاکستان میں معاشی سرگرمیاں مزید متاثر ہوئیں۔

اس کے بعد سے ملک بھر میں لاک ڈاؤن کو کم کرنے کے معامالی سال 2020-21 کی پہلی سہ ماہی میں معاشی سرگرمیوں میں بہتری آئی ہے۔

رواں سال کی پہلی سہ ماہی کے دوران پاکستان کا تجارتی خسارہ 5.83 بلین امریکی ڈالر تھا۔ جبکہ گزشتہ سال کے اسی عرصے میں 5.5 بلین امریکی ڈالر تھا۔ تجارتی خسارے میں اضافے کا سبب برآمدات میں کمی اور درآمدات میں اضافہ ہونا ہے۔ برآمدات 5.5 بلین امریکی ڈالر سے کم ہو کر 5.47 بلین امریکی ڈالر ہو گئیں جبکہ درآمدات گزشتہ سال کی پہلی سہ ماہی میں 11.0 بلین امریکی ڈالر سے بڑھ کر رواں سال کے اسی عرصے میں 11.3 بلین امریکی ڈالر ہو گئیں۔

بیرون ملک سے ترسیلات زر میں اضافے کے پیش نظر رواں سال کی پہلی سہ ماہی کے دوران کرنٹ اکاؤنٹ میں 0.79 بلین امریکی ڈالر کی اضافی رقم دیکھنے میں آئی جبکہ گزشتہ سال کے اسی عرصے میں خسارہ 1.55 بلین امریکی ڈالر رہا تھا۔ براہ راست غیر ملکی سرمایہ کاری کا بہاؤ ملک میں 24 فیصد کم ہو کر 4.16 بلین امریکی ڈالر رہا۔ اکتوبر 2020 کے آخر میں ملک کے زرمبادلہ کے ذخائر 19.30 بلین امریکی ڈالر تھے جبکہ پچھلے سال 15.58 بلین امریکی ڈالر تھے۔

صنعت:

مقامی طور پر تیار ہونے والی کاروں کی فروخت میں جولائی سے ستمبر 2020 میں 31,868 یونٹ فروخت ہوئے جو کہ پچھلے سال فروخت ہونے والے 31,017 یونٹ کے مقابلے میں 2.7 فیصد اضافہ ہوا۔ تاہم بسوں اور ٹرکوں کی فروخت 12.2 فیصد کم ہو کر 1,944 یونٹ سے 1,707 یونٹ ہو گئی۔ فارم ٹریکٹرز کی فروخت تاہم 14 فیصد اضافے کے ساتھ 9,395 یونٹ سے 10,713 یونٹ ہو گئی۔ گزشتہ سال کے اسی عرصے میں موٹر سائیکلوں اور تین پہیوں والی گاڑیوں کی فروخت 22 فیصد اضافے کے ساتھ 367,656 یونٹ سے 448,736 یونٹ ہو گئیں۔ یہ توقع کی جا رہی ہے مالی سال 2020-21 کی دوسری سہ ماہی میں گاڑیوں کی صنعت میں مزید ترقی ہوگی۔

پیداوار:

پیداواری سرگرمیوں کی موثر طریقے سے منصوبہ بندی کی گئی مقدار اور معیار دونوں کے لحاظ سے مارکیٹ کی طلب کو دیکھتے ہوئے ایڈجسٹ کیا گیا۔ آپ کی کمپنی کی مصنوعات کے معیار کو مزید تقویت دینے کیلئے پیداوار کے عمل کے ہر مرحلے میں کوالٹی کنٹرول کے نظام کو نافذ کیا گیا۔

فروخت:

کمپنی کی نیٹ سیلز آمدنی 1.9 فیصد کی کے بعد 4.891 بلین روپے سے کم ہو کر 4.798 بلین روپے رہی جسکی وجہ پیداوار میں کمی اور COVID-19 لاک ڈاؤن کا ہونا ہے۔

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Exide Pakistan Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Exide Pakistan Limited (the Company) as at September 30, 2020 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows and notes to the financial statements for the six months period then ended (here-in-after referred to as "interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the unconsolidated condensed interim profit or loss and other comprehensive income for the three months period ended September 30, 2020 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the six months period ended September 30, 2020.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for the interim financial reporting.

Other Matter

The annual financial statements of the Company for the year ended March 31, 2020 were audited by another firm of Chartered Accountants who vide their report dated August 06, 2020 expressed an unmodified opinion thereon.

The engagement partner on the review resulting in this independent auditor's review report is Hena Sadiq.



Chartered Accountants
Karachi

Dated: November 28, 2020



UNCONSOLIDATED
**FINANCIAL
STATEMENTS**

EXIDE PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

		(Unaudited) September 30, 2020	(Audited) March 31, 2020
Note		Rupees '000	
ASSETS			
Non-current assets			
	Fixed assets	5 1,290,385	1,340,079
	Long term investments	224	224
	Long term loans	10,611	491
	Long term deposits	6 47,323	42,480
		<u>1,348,543</u>	<u>1,383,274</u>
Current assets			
	Stores and spares	99,202	112,321
	Stock-in-trade	7 2,387,634	1,881,076
	Trade debts	8 1,489,108	3,155,002
	Loans and advances	53,011	31,020
	Trade deposits, prepayments and other receivables	42,123	39,697
	Taxation recoverable	1,027,862	1,076,443
	Cash and bank balances	98,036	140,253
		<u>5,196,976</u>	<u>6,435,812</u>
	Assets classified as held for sale	9 -	552,015
	TOTAL ASSETS	<u><u>6,545,519</u></u>	<u><u>8,371,101</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
	18,000,000 (March 31, 2020: 18,000,000) ordinary shares of Rs 10 each	<u>180,000</u>	<u>180,000</u>
	Issued, subscribed and paid-up share capital	77,686	77,686
	Capital reserve	259	259
	Reserve arising on amalgamation - net	25,823	25,823
	Revenue reserves	3,329,991	3,329,991
	Accumulated losses	(443,359)	(725,920)
	Revaluation surplus on property, plant and equipment - net of tax	585,176	1,095,836
		<u>3,575,576</u>	<u>3,803,675</u>
LIABILITIES			
Non-current liabilities			
	Deferred taxation - net	-	-
	Deferred government grant	19,081	-
	Long term loans	336,792	221,894
Current liabilities			
	Trade and other payables	1,397,650	1,784,889
	Unclaimed dividend	5,873	5,873
	Accrued profit / mark-up	22,045	98,936
	Loan from a director	110,550	110,550
	Current portion of long term loans	138,180	-
	Short-term borrowings	939,772	2,345,284
		<u>2,614,070</u>	<u>4,345,532</u>
	TOTAL LIABILITIES	<u>2,969,943</u>	<u>4,567,426</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>6,545,519</u></u>	<u><u>8,371,101</u></u>

CONTINGENCIES AND COMMITMENTS

10

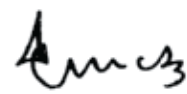
The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Altaf Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer

EXIDE PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE MONTHS AND SIX MONTHS ENDED SEPTEMBER 30, 2020

		Batteries and Others				Chemicals				Total			
		Three months ended September 30, 2020	Six months ended September 30, 2020	Three months ended September 30, 2019	Six months ended September 30, 2019	Three months ended September 30, 2020	Six months ended September 30, 2020	Three months ended September 30, 2019	Six months ended September 30, 2019	Three months ended September 30, 2020	Six months ended September 30, 2020	Three months ended September 30, 2019	Six months ended September 30, 2019
Note ----- (Rupees '000) -----													
Net sales		2,989,913	4,647,922	2,099,862	4,683,093	75,564	149,663	110,066	207,638	3,065,477	4,797,585	2,209,928	4,890,731
Cost of sales	11	2,710,729	4,359,055	1,783,219	4,184,303	67,068	134,367	87,923	163,716	2,777,797	4,493,422	1,871,142	4,348,019
Gross profit		279,184	288,867	316,643	498,790	8,496	15,296	22,143	43,922	287,680	304,163	338,786	542,712
Selling and distribution expenses		185,752	306,747	185,393	450,724	1,809	3,191	1,150	2,251	187,561	309,938	186,543	452,975
Administrative and general expenses		32,491	60,552	21,676	58,090	693	1,947	1,328	2,575	33,184	62,499	23,004	60,665
		218,243	367,299	207,069	508,814	2,502	5,138	2,478	4,826	220,745	372,437	209,547	513,640
Other income		60,941	(78,432)	109,574	(10,024)	5,994	10,158	19,665	39,096	66,935	(68,274)	129,239	29,072
										4,284	7,545	5,118	5,684
Other operating charges										71,219	(60,729)	134,357	34,756
										2,258	4,158	30,380	31,194
Operating profit / (loss)										68,961	(64,887)	103,977	3,562
Finance cost										23,036	91,248	101,359	188,052
Profit / (loss) before taxation										45,925	(156,135)	2,618	(184,490)
Taxation - net	12									45,982	71,964	36,341	76,553
Profit / (loss) after taxation										(57)	(228,099)	(33,723)	(261,043)
Other comprehensive income for the period										-	-	-	-
Total comprehensive profit / (loss) for the period										(57)	(228,099)	(33,723)	(261,043)
----- Rupees -----													
Earnings / (loss) per share (basic and diluted)		(0.01)	(29.36)	(4.34)	(33.60)								

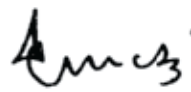
The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Altaf Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer

EXIDE PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserves		Revaluation surplus on property, plant and equipment - net of tax	Total
		General capital reserve	Reserve arising on amalgama- tion - net	General revenue reserve	Accumulated losses		
	----- (Rupees '000) -----						
Balance as at March 31, 2019	77,686	259	25,823	3,329,991	(262,021)	609,132	3,780,870
Adoption of IFRS 9	-	-	-	-	(17,760)	-	(17,760)
Balance as at April 01, 2019 - restated	77,686	259	25,823	3,329,991	(279,781)	609,132	3,763,110
Loss after taxation for the six months ended September 30, 2019	-	-	-	-	(261,043)	-	(261,043)
Transferred from revaluation surplus on property, plant and equipment - net of tax	-	-	-	-	8,744	(8,744)	-
Balance as at September 30, 2019	77,686	259	25,823	3,329,991	(532,080)	600,388	3,502,067
Balance as at March 31, 2020	77,686	259	25,823	3,329,991	(725,920)	1,095,836	3,803,675
Loss after taxation for the six months ended September 30, 2020	-	-	-	-	(228,099)	-	(228,099)
Transferred from revaluation surplus on sale of asset classified as held for sale	-	-	-	-	502,787	(502,787)	-
Transferred from revaluation surplus on property, plant and equipment - net of tax	-	-	-	-	7,873	(7,873)	-
Balance as at September 30, 2020	77,686	259	25,823	3,329,991	(443,359)	585,176	3,575,576

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Altaf Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer

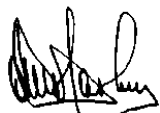


S. Haider Mehdi
Chief Financial Officer

EXIDE PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020

		Six months ended September 30,	
		2020	2019
		----- (Rupees '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	1,317,389	755,089
Financial charges paid		(168,139)	(173,329)
Gratuity paid		-	(740)
Income taxes paid		(23,449)	(249,397)
(Increase) / decrease in long-term deposits		(4,843)	7,394
Increase in long term loans		(10,120)	(1,283)
Net cash flows generated from operating activities		1,110,838	337,734
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		(23,155)	(31,677)
Proceeds from disposal of property, plant and equipment - operating assets		3,453	3,222
Net cash flows generated from investing activities		(19,702)	(28,455)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan obtained		272,159	-
Net cash flows used in financing activities		272,159	-
Net increase in cash and cash equivalents during the period		1,363,295	309,279
Cash and cash equivalents at the beginning of the period		(2,205,031)	(3,050,580)
Cash and cash equivalents at the end of the period	14	(841,736)	(2,741,301)

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Altaf Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer

EXIDE PAKISTAN LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020

1. THE COMPANY AND ITS OPERATIONS

Exide Pakistan Limited (the Company) is a limited liability company and is incorporated in Pakistan. The address of its registered office is A-44, Hill Street, Manghopir Road, S.I.T.E, Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange. The Company is engaged in the manufacturing and sale of batteries, chemicals and acid and in trading of solar energy solutions. 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.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017;

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These unconsolidated condensed interim financial statements represent the separate condensed interim financial statements of the Company. The consolidated condensed interim financial statements of the Company and its subsidiary company are presented separately.

2.3 These unconsolidated condensed interim 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.

2.4 These unconsolidated condensed interim financial statements do not include all information and disclosures required in a full set of financial statements and should be read in conjunction with the unconsolidated annual audited financial statements of the Company for the year ended March 31, 2020.

2.5 These condensed interim financial statements have been presented in Pak Rupee, which is the Company's functional and presentation currency. Amounts presented have been rounded off to the nearest thousand unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and the methods of computation of balances used in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the unconsolidated annual audited financial statements of the Company for the year ended March 31, 2020, except for note

3.1 IAS - 20 'Government Grants'

Loan obtained under the State Bank of Pakistan (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees was initially recognized at its fair value, which is the present value of future cash outflows discounted using the prevailing market interest rate of a similar instrument. The differential between the loan proceeds and fair value is recorded as government grant under IAS 20 "Government Grant".

In subsequent periods, the loan amount would be accreted using the effective interest method. The accretion would increase the carrying value of the loan with a corresponding effect on the interest expense for the period.

The benefit of interest rate lower than market rate on borrowings obtained under State Bank of Pakistan (SBP) under Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of the entity, is accounted for as a government grant which is the difference between loan received and the fair value of the loan. The differential amount is recognised and presented in unconsolidated condensed interim statement of financial position as deferred government grant.

In subsequent periods, the grant shall be amortised over the period of loan and amortization shall be recognised and presented as reduction of related interest expense.

4. ACCOUNTING ESTIMATES / JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements in conformity with accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The significant judgments made by the management in applying the Company's accounting policies and the key resources of estimation and uncertainty were the same as those applied to the unconsolidated annual audited financial statements for the year ended March 31, 2020.

The financial risk management objectives and policies are consistent with those disclosed in the unconsolidated annual audited financial statements of the Company for the year ended March 31, 2020.

	Note	(Unaudited) September 30, 2020 ------(Rupees '000)-----	(Audited) March 31, 2020
5. FIXED ASSETS			
Opening property, plant and equipment		1,338,944	1,498,279
Additions / transfers / revaluation during the period / year	5.1	7,035	115,333
Disposal during the period / year	5.2	(1,854)	(121,813)
Depreciation for the period / year		(70,608)	(152,855)
Closing property, plant and equipment		1,273,517	1,338,944
Capital work-in-progress	5.3	16,480	360
Intangible assets		388	775
		1,290,385	1,340,079

5.1 The following additions have been made to operating assets during the six months ended September 30, 2020:

Particulars	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment and appliances	Vehicles	Total Mar - Sep 2020	Total Mar - Sep 2019
----- (Rupees' 000) -----							
Additions	241	4,251	1,285	1,107	151	7,035	11,387

5.2 The net book value of operating assets disposed of during the six months ended September 30, 2020 amounted to Rs. 1.854 million (September 30, 2019: Rs. 1.502 million).

	Note	(Unaudited) September 30, 2020 ------(Rupees '000)-----	(Audited) March 31, 2020
5.3 Capital work-in-progress			
Plant and machinery	5.3.1 & 5.3.2	16,480	360

5.3.1 The following additions have been made to capital work-in-progress during the six months ended September 30, 2020:

	For the six months ended	
	September 30,	2019
	2020	(Unaudited)
	----- (Rupees '000) -----	
Buildings on leasehold land	241	437
Plant and machinery	20,371	28,324
Furniture and fixtures	1,285	878
Office equipment and appliances	1,107	1,164
Vehicles	151	874
	<u>23,155</u>	<u>31,677</u>

5.3.2 The following transfers have been made from capital work-in-progress during the six months ended September 30, 2020:

	For the six months ended	
	September 30,	2019
	2020	(Unaudited)
	----- (Rupees '000) -----	
Buildings on leasehold land	241	437
Plant and machinery	4,251	8,034
Furniture and fixtures	1,285	878
Office equipment and appliances	1,107	1,164
Vehicles	151	874
	<u>7,035</u>	<u>11,387</u>

6. LONG TERM DEPOSITS

	(Unaudited) September 30, 2020	(Audited) March 31, 2020
	----- (Rupees '000) -----	
Utilities	22,297	19,708
Others	25,026	23,325
	<u>47,323</u>	<u>42,480</u>

7. STOCK-IN-TRADE

Raw and packing materials and components [including goods-in-transit of Rs 133.922 million (March 31, 2020: Rs 151.548 million)]	892,878	1,031,491
Work-in-process	890,302	321,260
Finished goods [including goods-in-transit of Rs 64.973 million (March 31, 2020: Rs 27.328 million)]	640,516	562,587
	<u>2,423,696</u>	<u>1,915,338</u>
Less: provision against slow moving and obsolete stock-in-trade	(36,062)	(34,262)
	<u>2,387,634</u>	<u>1,881,076</u>

7.1

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

Opening balance	34,262	33,307
Provision made during the period / year	1,800	955
Closing balance	36,062	34,262

8. TRADE DEBTS - unsecured

Considered		
- good	1,489,108	3,155,002
- doubtful	76,169	76,169
	1,565,277	3,231,171
Less: provision against doubtful trade debts	8.1 (76,169)	(76,169)
	1,489,108	3,155,002

8.1 Provision against doubtful trade debts

Opening balance	76,169	52,062
Provision made during the period / year	-	24,107
Closing balance	76,169	76,169

(Unaudited) (Audited)
September 30, March 31,
2020 2020
------(Rupees '000)-----

9. ASSETS CLASSIFIED AS HELD FOR SALE

Land	-	532,000
Building	-	20,015
	-	552,015

9.1 During the period Exide Pakistan Limited has formally completed the transfer formalities by executing transfer deed on September 03, 2020 for the property located at plot no. D-7, S.I.T.E Karachi and building thereon classified as held for sale.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

Contingencies in unconsolidated condensed interim financial statements are the same as those disclosed in the unconsolidated annual audited financial statements of the Company for the year ended March 31, 2020.

(Unaudited) (Audited)
September 30, March 31,
2020 2020
------(Rupees '000)-----

10.2 Commitments

Commitments in respect of:

Capital expenditure contracted for but not incurred	1,230	3,153
Letters of credit	566,267	323,584
Letters of guarantee	167,445	193,430

11. COST OF SALES

	For the six months ended	
	September 30,	
	2020	2019
	(Unaudited)	
	----- (Rupees '000) -----	
Raw and packing materials consumed	4,469,144	3,937,800
Salaries, wages and benefits	245,028	190,763
Spares consumed	53,142	25,286
Rent, rates and taxes	1,397	937
Fuel, power and water	278,432	214,204
Insurance	11,073	13,610
Repairs and maintenance	6,129	27,933
Depreciation	63,645	74,152
Amortisation	368	3,850
General expenses	12,035	20,162
	671,249	570,897
Opening stock of work-in-process	321,260	440,877
Closing stock of work-in-process	(890,302)	(469,136)
	(569,042)	(28,259)
Cost of goods manufactured	4,571,351	4,480,438
Opening stock of finished goods	562,587	724,931
Closing stock of finished goods	(640,516)	(857,350)
	(77,929)	(132,419)
	4,493,422	4,348,019

- 11.1 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 period was according to market demand. The installed capacity of the chemical plants for the six months ended September 30, 2020 was 16,500 MT (September 30, 2019: 16,500 MT) whereas actual production during the period was 12,576 MT (September 30, 2019: 14,630 MT).

12. TAXATION - NET

	For the six months ended	
	September 30,	
	2020	2019
	(Unaudited)	
	----- (Rupees '000) -----	
Current - for the period	71,964	72,448
Deferred - net	-	4,105
	71,964	76,553

Note

13. CASH GENERATED FROM OPERATIONS

Loss before taxation		(156,135)	(184,490)
Adjustments:			
Depreciation		70,608	78,056
Amortisation		388	4,053
Gain on disposal of property, plant and equipment - operating assets		(1,599)	(1,720)
Provision against doubtful trade debts		-	5,243
Provision against long-term deposits		-	496
Provision against slow moving and obsolete stock-in-trade		1,800	-
Provision for gratuity		1,865	1,500
Finance cost		91,248	188,052
Working capital changes	13.1	<u>1,309,214</u>	<u>663,899</u>
		<u>1,317,389</u>	<u>755,089</u>

13.1 Working capital changes

(Increase) / decrease in current assets

Stores and spares	13,119	(9,628)
Stock-in-trade	(510,158)	(489,061)
Trade debts	1,665,894	927,419
Loans and advances	(21,991)	(27,219)
Trade deposits, prepayments and other receivables	(2,426)	19,166
	<u>1,144,438</u>	<u>420,677</u>

Increase / (decrease) in current liabilities

Trade and other payables	164,776	243,222
	<u>1,309,214</u>	<u>663,899</u>

14. CASH AND CASH EQUIVALENTS

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

	As at September 30,	
	2020	2019
	(Unaudited)	
	----- (Rupees '000) -----	
Cash and bank balances	98,036	84,231
Short-term borrowings	(939,772)	(2,825,532)
Cash and cash equivalents at the end of the period	<u>(841,736)</u>	<u>(2,741,301)</u>

15. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

15.1 Segment information as at September 30, 2020

	Batteries and Others		Chemicals		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020
<hr style="border-top: 1px dashed black;"/> (Rupees '000) <hr style="border-top: 1px dashed black;"/>						
Segment assets	5,142,853	6,127,211	165,599	400,964	5,308,452	6,528,175
Unallocated assets					1,237,067	1,842,926
					<u>6,545,519</u>	<u>8,371,101</u>
Segment liabilities	416,533	320,173	10,879	14,194	427,412	334,367
Unallocated liabilities					2,542,531	4,233,059
					<u>2,969,943</u>	<u>4,567,426</u>

15.2 Segment information for the six months ended September 30, 2020 (Unaudited)

	Batteries and Others		Chemicals		Total	
	As at September 30,		As at September 30,		As at September 30,	
	2020	2019	2020	2019	2020	2019
<hr style="border-top: 1px dashed black;"/> (Rupees '000) <hr style="border-top: 1px dashed black;"/>						
Net Sales (note 15.2.1)	4,647,922	4,683,093	149,663	207,638	4,797,585	4,890,731
Cost of sales	(4,359,055)	(4,184,303)	(134,367)	(163,716)	(4,493,422)	(4,348,019)
Gross profit	288,867	498,790	15,296	43,922	304,163	542,712
Selling and distribution expenses	(306,747)	(450,724)	(3,191)	(2,251)	(309,938)	(452,975)
Administrative and general expenses	(60,552)	(58,090)	(1,947)	(2,575)	(62,499)	(60,665)
	<u>(367,299)</u>	<u>(508,814)</u>	<u>(5,138)</u>	<u>(4,826)</u>	<u>(372,437)</u>	<u>(513,640)</u>
	(78,432)	(10,024)	10,158	39,096	(68,274)	29,072
Unallocated other income					7,545	5,684
Unallocated other operating charges					(4,158)	(31,194)
Operating profit / (loss)					<u>(64,887)</u>	<u>3,562</u>

15.2.1 Net sales of batteries and others includes sales of solar energy solutions amounting to Rs 62.824 million (September 30, 2019: Rs. 73.42 million).

15.3 Certain liabilities, assets, other income and other operating charges of the Company cannot be allocated to a specific segment. Accordingly, these amounts have been classified as unallocated.

16. TRANSACTIONS WITH RELATED PARTIES

Six months ended September 30, 2020				Six months ended September 30, 2019
Subsidiary company	Other related parties	Key management personnel	Total	
(Rupees '000)				

Transactions

Transactions with key management personnel

- Salaries and wages	-	-	10,017	10,017	9,319
- Defined benefit plan - post employment benefits	-	-	60	60	114
- Defined contribution plan	-	-	144	144	137
Expenses charged in respect of staff contribution plan	-	4,634	-	4,634	4,363
Expenses charged in respect of staff defined benefit plan	-	1,834	-	1,834	1,500
Payment in respect of staff defined benefit plan	-	31	-	31	739
Royalty expense	-	3,793	-	3,793	4,039
Payment made to subsidiary company	3	-	-	3	6

17. 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. Consequently, differences can arise between carrying values and the fair value estimates.

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 to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

17.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets 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:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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

18. Impact of COVID-19 on financial statements

The World Health Organization (WHO) declared COVID-19 as a global pandemic on March 11, 2020. On March 20, 2020, the Government of the Sindh announced a temporary lock down as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company temporarily suspended its operations from April 1, 2020 to April 26, 2020. But the lockdown was subsequently relaxed from end of May, 2020.

The government's guidelines and decision to prevent the further spread of COVID-19 has resulted in a decline in sales during the first quarter of the current period, sales have decreased in the months of April and May amounting to Rs. 115 million and Rs. 804 million respectively.

However, the Company has regained its sales level from June onwards. In order to manage its working capital and other operational requirements, the Company has taken the following steps:

- i) The Company has obtained salary loans under "SBP Refinance Scheme for Payment of Wages and Salaries" Programme to pay off the salaries for the months of April to September 2020. The loan obtained under this scheme amounts to Rs. 271.42 million and is repayable in 8 equal quarterly installments starting from January 01, 2021 onwards.
- ii) The Company has applied for deferment of installments against its long term finance. The restructured facility was scheduled to start from July 31, 2020. During the period Company has requested the deferral of installments, bank has approved the deferral for six months starting from January 31, 2021.

As a result of the steps taken by the Company to meet the challenges / negative effect of COVID-19, the Company is highly optimistic that it will continue to operate at its normal level, which could also be verified from production after lockdown which was lifted in the month of May 2020.

19. CORRESPONDING FIGURES

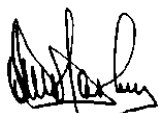
Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on November 28, 2020 by the Board of Directors of the Company.

21. GENERAL

Figures in these unconsolidated condensed interim financial statements have been rounded off to the nearest thousand rupees.



Altaf Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer



CONSOLIDATED
**FINANCIAL
STATEMENTS**

EXIDE PAKISTAN LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

		(Unaudited) September 30, 2020	(Audited) March 31, 2020
	Note	----- Rupees '000 -----	
ASSETS			
Non-current assets			
Fixed assets	5	1,290,385	1,340,079
Long term loans		10,611	491
Long term deposits	6	47,323	42,480
		<u>1,348,319</u>	<u>1,383,050</u>
Current assets			
Stores and spares		99,202	112,321
Stock-in-trade	7	2,387,634	1,881,076
Trade debts	8	1,489,108	3,155,002
Loans and advances		53,011	31,020
Trade deposits, prepayments and other receivables		42,123	39,697
Taxation recoverable		1,027,862	1,076,443
Cash and bank balances		98,038	140,255
		<u>5,196,978</u>	<u>6,435,814</u>
Assets classified as held for sale	9	-	552,015
TOTAL ASSETS		<u>6,545,297</u>	<u>8,370,879</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
18,000,000 (March 31, 2020: 18,000,000) ordinary shares of Rs 10 each		<u>180,000</u>	<u>180,000</u>
Issued, subscribed and paid-up share capital		77,686	77,686
Capital reserve		259	259
Reserve arising on amalgamation - net		25,823	25,823
Revenue reserves		3,329,991	3,329,991
Accumulated losses		(444,461)	(726,997)
Revaluation surplus on property, plant and equipment - net of tax		<u>585,176</u>	<u>1,095,836</u>
		<u>3,574,474</u>	<u>3,802,598</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation - net		-	-
Deferred government grant		19,081	-
Long term loans		336,792	221,894
Current liabilities			
Trade and other payables		1,397,805	1,785,019
Unclaimed dividend		5,873	5,873
Accrued profit / mark-up		22,045	98,936
Loan from a director		111,275	111,275
Current portion of long term loans		138,180	-
Short-term borrowings		939,772	2,345,284
		<u>2,614,950</u>	<u>4,346,387</u>
TOTAL LIABILITIES		<u>2,970,823</u>	<u>4,568,281</u>
TOTAL EQUITY AND LIABILITIES		<u>6,545,297</u>	<u>8,370,879</u>

CONTINGENCIES AND COMMITMENTS

10

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.



Altaf Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer

EXIDE PAKISTAN LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE MONTHS AND SIX MONTHS ENDED SEPTEMBER 30, 2020

		Batteries and Others				Chemicals				Total			
		Three months ended September 30, 2020	Six months ended September 30, 2020	Three months ended September 30, 2019	Six months ended September 30, 2019	Three months ended September 30, 2020	Six months ended September 30, 2020	Three months ended September 30, 2019	Six months ended September 30, 2019	Three months ended September 30, 2020	Six months ended September 30, 2020	Three months ended September 30, 2019	Six months ended September 30, 2019
Note		(Rupees '000)											
Net sales		2,989,913	4,647,922	2,099,862	4,683,093	75,564	149,663	110,066	207,638	3,065,477	4,797,585	2,209,928	4,890,731
Cost of sales	11	2,710,729	4,359,055	1,783,219	4,184,303	67,068	134,367	87,923	163,716	2,777,797	4,493,422	1,871,142	4,348,019
Gross profit		279,184	288,867	316,643	498,790	8,496	15,296	22,143	43,922	287,680	304,163	338,786	542,712
Selling and distribution expenses		185,752	306,747	185,393	450,724	1,809	3,191	1,150	2,251	187,561	309,938	186,543	452,975
Administrative and general expenses		32,491	60,552	21,676	58,090	693	1,947	1,328	2,575	33,184	62,499	23,004	60,665
		218,243	367,299	207,069	508,814	2,502	5,138	2,478	4,826	220,745	372,437	209,547	513,640
Other income		60,941	(78,432)	109,574	(10,024)	5,994	10,158	19,665	39,096	66,935	(68,274)	129,239	29,072
										4,284	7,545	5,118	5,684
										71,219	(60,729)	134,357	34,756
Other operating charges										2,272	4,183	30,397	31,222
Operating profit / (loss)										68,947	(64,912)	103,960	3,534
Finance cost										23,036	91,248	101,359	188,052
Profit / (loss) before taxation										45,911	(156,160)	2,601	(184,518)
Taxation - net	12									45,982	71,964	36,341	76,553
Profit / (loss) after taxation										(71)	(228,124)	(33,740)	(261,071)
Other comprehensive income for the period										-	-	-	-
Total comprehensive profit / (loss) for the period										(71)	(228,124)	(33,740)	(261,071)
----- Rupees -----													
Earnings / (loss) per share (basic and diluted)		(0.01)	(29.36)	(4.34)	(33.61)								

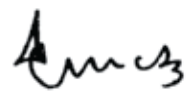
The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.



Altaf Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer

EXIDE PAKISTAN LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserves		Revaluation surplus on property, plant and equipment - net of tax	Total
		General capital reserve	Reserve arising on amalgama- tion - net	General revenue reserve	Accumulated losses		
	----- (Rupees '000) -----						
Balance as at March 31, 2019	77,686	259	25,823	3,329,991	(263,039)	609,132	3,779,852
Adoption of IFRS 9	-	-	-	-	(17,760)	-	(17,760)
Balance as at April 01, 2019 - restated	77,686	259	25,823	3,329,991	(280,799)	609,132	3,762,092
Loss after taxation for the six months ended September 30, 2019	-	-	-	-	(261,071)	-	(261,071)
Transferred from revaluation surplus on property, plant and equipment - net of tax	-	-	-	-	8,744	(8,744)	-
Balance as at September 30, 2019	77,686	259	25,823	3,329,991	(533,126)	600,388	3,501,021
Balance as at March 31, 2020	77,686	259	25,823	3,329,991	(726,997)	1,095,836	3,802,598
Loss after taxation for the six months ended September 30, 2020	-	-	-	-	(228,124)	-	(228,124)
Transferred from revaluation surplus on sale of asset classified as held for sale	-	-	-	-	502,787	(502,787)	-
Transferred from revaluation surplus on property, plant and equipment - net of tax	-	-	-	-	7,873	(7,873)	-
Balance as at September 30, 2020	77,686	259	25,823	3,329,991	(444,461)	585,176	3,574,474

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.



Altaf Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer

EXIDE PAKISTAN LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020

		Six months ended September 30,	
		2020	2019
		----- (Rupees '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	1,317,389	755,089
Financial charges paid		(168,139)	(173,329)
Gratuity paid		-	(740)
Income taxes paid		(23,449)	(249,397)
(Increase) / decrease in long-term deposits		(4,843)	7,394
Increase in long term loans		(10,120)	(1,283)
Net cash flows generated from operating activities		1,110,838	337,734
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		(23,155)	(31,677)
Proceeds from disposal of property, plant and equipment - operating assets		3,453	3,222
Net cash flows generated from investing activities		(19,702)	(28,455)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan obtained		272,159	-
Net cash flows used in financing activities		272,159	-
Net increase in cash and cash equivalents during the period		1,363,295	309,279
Cash and cash equivalents at the beginning of the period		(2,205,029)	(3,050,578)
Cash and cash equivalents at the end of the period	14	(841,734)	(2,741,299)

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.



Altaf Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer

EXIDE PAKISTAN LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020

1. THE COMPANY AND ITS OPERATIONS

Exide Pakistan Limited (the Company) is a limited liability company and is incorporated in Pakistan. The address of its registered office is A-44, Hill Street, Manghopir Road, S.I.T.E, Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange. The Company is engaged in the manufacturing and sale of batteries, chemicals and acid and in trading of solar energy solutions. 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.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017;

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These consolidated condensed interim 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.

2.3 These consolidated condensed interim financial statements do not include all information and disclosures required in a full set of financial statements and should be read in conjunction with the consolidated annual audited financial statements of the Company for the year ended March 31, 2020.

2.4 These condensed interim financial statements have been presented in Pak Rupee, which is the Company's functional and presentation currency. Amounts presented have been rounded off to the nearest thousand unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and the methods of computation of balances used in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated annual audited financial statements of the Company for the year ended March 31, 2020, except for note 3.1.

3.1 IAS - 20 'Government Grants'

Loan obtained under the State Bank of Pakistan (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees was initially recognized at its fair value, which is the present value of future cash outflows discounted using the prevailing market interest rate of a similar instrument. The differential between the loan proceeds and fair value is recorded as government grant under IAS 20 "Government Grant".

In subsequent periods, the loan amount would be accreted using the effective interest method. The accreditation would increase the carrying value of the loan with a corresponding effect on the interest expense for the period.

The benefit of interest rate lower than market rate on borrowings obtained under State Bank of Pakistan (SBP) under Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of the entity, is accounted for as a government grant which is the difference between loan received and the fair value of the loan. The differential amount is recognised and presented in consolidated condensed interim statement of financial position as deferred government grant.

In subsequent periods, the grant shall be amortised over the period of loan and amortization shall be recognised and presented as reduction of related interest expense.

4. ACCOUNTING ESTIMATES / JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these consolidated condensed interim financial statements in conformity with accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The significant judgments made by the management in applying the Company's accounting policies and the key resources of estimation and uncertainty were the same as those applied to the consolidated annual audited financial statements for the year ended March 31, 2020.

The financial risk management objectives and policies are consistent with those disclosed in the consolidated annual audited financial statements of the Company for the year ended March 31, 2020.

	Note	(Unaudited) September 30, 2020	(Audited) March 31, 2020
		----- (Rupees '000) -----	
5. FIXED ASSETS			
Opening property, plant and equipment		1,338,944	1,498,279
Additions / transfers / revaluation during the period / year	5.1	7,035	115,333
Disposal during the period / year	5.2	(1,854)	(121,813)
Depreciation for the period / year		(70,608)	(152,855)
Closing property, plant and equipment		1,273,517	1,338,944
Capital work-in-progress	5.3	16,480	360
Intangible assets		388	775
		1,290,385	1,340,079

5.1 The following additions have been made to operating assets during the six months ended September 30, 2020:

Particulars	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment and appliances	Vehicles	Total Mar - Sep 2020	Total Mar - Sep 2019
----- (Rupees' 000) -----							
Additions	241	4,251	1,285	1,107	151	7,035	11,387

5.2 The net book value of operating assets disposed of during the six months ended September 30, 2020 amounted to Rs. 1.854 million (September 30, 2019: Rs. 1.502 million).

	Note	(Unaudited) September 30, 2020	(Audited) March 31, 2020
		----- (Rupees '000) -----	
5.3 Capital work-in-progress			
Plant and machinery	5.3.1 & 5.3.2	16,480	360

5.3.1 The following additions have been made to capital work-in-progress during the six months ended September 30, 2020:

	For the six months ended	
	September 30, 2020 (Unaudited)	2019 (Unaudited)
	----- (Rupees '000) -----	
Buildings on leasehold land	241	437
Plant and machinery	20,371	28,324
Furniture and fixtures	1,285	878
Office equipment and appliances	1,107	1,164
Vehicles	151	874
	23,155	31,677

5.3.2 The following transfers have been made from capital work-in-progress during the six months ended September 30, 2020:

	For the six months ended	
	September 30, 2020 (Unaudited)	2019 (Unaudited)
	----- (Rupees '000) -----	
Buildings on leasehold land	241	437
Plant and machinery	4,251	8,034
Furniture and fixtures	1,285	878
Office equipment and appliances	1,107	1,164
Vehicles	151	874
	7,035	11,387

6. LONG TERM DEPOSITS

	(Unaudited) September 30, 2020	(Audited) March 31, 2020
	----- (Rupees '000) -----	
Utilities	22,297	19,708
Others	25,026	23,325
	47,323	42,480

7. STOCK-IN-TRADE

Raw and packing materials and components [including goods-in-transit of Rs 133.922 million (March 31, 2020: Rs 151.548 million)]	892,878	1,031,491
Work-in-process	890,302	321,260
Finished goods [including goods-in-transit of Rs 64.973 million (March 31, 2020: Rs 27.328 million)]	640,516	562,587
	2,423,696	1,915,338
Less: provision against slow moving and obsolete stock-in-trade	(36,062)	(34,262)
	2,387,634	1,881,076

Note

7.1

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

Opening balance	34,262	33,307
Provision made during the period / year	1,800	955
Closing balance	36,062	34,262

8. TRADE DEBTS - unsecured

Considered		
- good	1,489,108	3,155,002
- doubtful	76,169	76,169
	1,565,277	3,231,171
Less: provision against doubtful trade debts	8.1 (76,169)	(76,169)
	1,489,108	3,155,002

8.1 Provision against doubtful trade debts

Opening balance	76,169	52,062
Provision made during the period / year	-	24,107
Closing balance	76,169	76,169

(Unaudited) (Audited)
September 30, March 31,
2020 2020
------(Rupees '000)-----

9. ASSETS CLASSIFIED AS HELD FOR SALE

Land	-	532,000
Building	-	20,015
	-	552,015

9.1 During the period Exide Pakistan Limited has formally completed the transfer formalities by executing transfer deed on September 03, 2020 for the property located at plot no. D-7, S.I.T.E Karachi and building thereon classified as held for sale.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

Contingencies in consolidated condensed interim financial statements are the same as those disclosed in the consolidated annual audited financial statements of the Company for the year ended March 31, 2020.

(Unaudited) (Audited)
September 30, March 31,
2020 2020
------(Rupees '000)-----

10.2 Commitments

Commitments in respect of:

Capital expenditure contracted for but not incurred	1,230	3,153
Letters of credit	566,267	323,584
Letters of guarantee	167,445	193,430

11. COST OF SALES

	For the six months ended September 30, 2020 2019 (Unaudited) ----- (Rupees '000) -----	
Raw and packing materials consumed	4,469,144	3,937,800
Salaries, wages and benefits	245,028	190,763
Spares consumed	53,142	25,286
Rent, rates and taxes	1,397	937
Fuel, power and water	278,432	214,204
Insurance	11,073	13,610
Repairs and maintenance	6,129	27,933
Depreciation	63,645	74,152
Amortisation	368	3,850
General expenses	12,035	20,162
	671,249	570,897
Opening stock of work-in-process	321,260	440,877
Closing stock of work-in-process	(890,302)	(469,136)
	(569,042)	(28,259)
Cost of goods manufactured	4,571,351	4,480,438
Opening stock of finished goods	562,587	724,931
Closing stock of finished goods	(640,516)	(857,350)
	(77,929)	(132,419)
	4,493,422	4,348,019

- 11.1 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 period was according to market demand. The installed capacity of the chemical plants for the six months ended September 30, 2020 was 16,500 MT (September 30, 2019: 16,500 MT) whereas actual production during the period was 12,576 MT (September 30, 2019: 14,630 MT).

12. TAXATION - NET

	For the six months ended September 30, 2020 2019 (Unaudited) ----- (Rupees '000) -----	
Current - for the period	71,964	72,448
Deferred - net	-	4,105
	71,964	76,553

Note

13. CASH GENERATED FROM OPERATIONS

Loss before taxation	(156,160)	(184,518)
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Adjustments:

Depreciation	70,608	78,056
Amortisation	388	4,053
Gain on disposal of property, plant and equipment - operating assets	(1,599)	(1,720)
Provision against doubtful trade debts	-	5,243
Provision against long-term deposits	-	496
Provision against slow moving and obsolete stock-in-trade	1,800	-
Provision for gratuity	1,865	1,500
Finance cost	91,248	188,052
Working capital changes	13.1 1,309,239	663,927
	<u>1,317,389</u>	<u>755,089</u>

13.1 Working capital changes

(Increase) / decrease in current assets

Stores and spares	13,119	(9,628)
Stock-in-trade	(510,158)	(489,061)
Trade debts	1,665,894	927,419
Loans and advances	(21,991)	(27,219)
Trade deposits, prepayments and other receivables	(2,426)	19,166
	<u>1,144,438</u>	<u>420,677</u>

Increase / (decrease) in current liabilities

Trade and other payables	164,801	243,250
	<u>1,309,239</u>	<u>663,927</u>

14. CASH AND CASH EQUIVALENTS

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

	As at September 30, 2020	2019 (Unaudited)
	----- (Rupees '000) -----	
Cash and bank balances	98,038	84,233
Short-term borrowings	(939,772)	(2,825,532)
Cash and cash equivalents at the end of the period	<u>(841,734)</u>	<u>(2,741,299)</u>

15. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

15.1 Segment information as at September 30, 2020

	Batteries and Others		Chemicals		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020	September 30, 2020	March 31, 2020
(Rupees '000)						
Segment assets	5,142,853	6,127,211	165,599	400,964	5,308,452	6,528,175
Unallocated assets					1,236,845	1,842,926
					6,545,297	8,371,101
Segment liabilities	416,533	320,173	10,879	14,194	427,412	334,367
Unallocated liabilities					2,543,411	4,233,059
					2,970,823	4,567,426

15.2 Segment information for the six months ended September 30, 2020 (Unaudited)

	Batteries and Others		Chemicals		Total	
	As at September 30,		As at September 30,		As at September 30,	
	2020	2019	2020	2019	2020	2019
(Rupees '000)						
Net Sales (note 15.2.1)	4,647,922	4,683,093	149,663	207,638	4,797,585	4,890,731
Cost of sales	(4,359,055)	(4,184,303)	(134,367)	(163,716)	(4,493,422)	(4,348,019)
Gross profit	288,867	498,790	15,296	43,922	304,163	542,712
Selling and distribution expenses	(306,747)	(450,724)	(3,191)	(2,251)	(309,938)	(452,975)
Administrative and general expenses	(60,552)	(58,090)	(1,947)	(2,575)	(62,499)	(60,665)
	(367,299)	(508,814)	(5,138)	(4,826)	(372,437)	(513,640)
	(78,432)	(10,024)	10,158	39,096	(68,274)	29,072
Unallocated other income					7,545	5,684
Unallocated other operating charges					(4,183)	(31,222)
Operating profit / (loss)					(64,912)	3,534

15.2.1 Net sales of batteries and others includes sales of solar energy solutions amounting to Rs 62.824 million (September 30, 2019: Rs. 73.42 million).

15.3 Certain liabilities, assets, other income and other operating charges of the Company cannot be allocated to a specific segment. Accordingly, these amounts have been classified as unallocated.

16. TRANSACTIONS WITH RELATED PARTIES

Six months ended September 30, 2020				Six months ended September 30, 2019
Subsidiary company	Other related parties	Key management personnel	Total	
(Rupees '000)				

Transactions

Transactions with key management personnel				
- Salaries and wages	-	-	10,017	10,017
- Defined benefit plan - post employment benefits	-	-	60	60
- Defined contribution plan	-	-	144	144
Expenses charged in respect of staff contribution plan	-	4,634	-	4,634
Expenses charged in respect of staff defined benefit plan	-	1,834	-	1,834
Payment in respect of staff defined benefit plan	-	31	-	31
Royalty expense	-	3,793	-	3,793

17. 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. Consequently, differences can arise between carrying values and the fair value estimates.

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 to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

17.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets 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:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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

18. Impact of COVID-19 on financial statements

The World Health Organization (WHO) declared COVID-19 as a global pandemic on March 11, 2020. On March 20, 2020, the Government of the Sindh announced a temporary lock down as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company temporarily suspended its operations from April 1, 2020 to April 26, 2020. But the lockdown was subsequently relaxed from end of May, 2020.

The government's guidelines and decision to prevent the further spread of COVID-19 has resulted in a decline in sales during the first quarter of the current period, sales have decreased in the months of April and May amounting to Rs. 115 million and Rs. 804 million respectively.

However, the Company has regained its sales level from June onwards. In order to manage its working capital and other operational requirements, the Company has taken the following steps:

- i) The Company has obtained salary loans under "SBP Refinance Scheme for Payment of Wages and Salaries" Programme to pay off the salaries for the months of April to September 2020. The loan obtained under this scheme amounts to Rs. 271.42 million and is repayable in 8 equal quarterly installments starting from January 01, 2021 onwards.
- ii) The Company has applied for deferment of installments against its long term finance. The restructured facility was scheduled to start from July 31, 2020. During the period Company has requested the deferral of installments, bank has approved the deferral for six months starting from January 31, 2021.

As a result of the steps taken by the Company to meet the challenges / negative effect of COVID-19, the Company is highly optimistic that it will continue to operate at its normal level, which could also be verified from production after lockdown which was lifted in the month of May 2020.

19. CORRESPONDING FIGURES

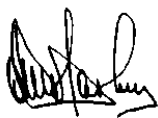
Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

20. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on November 28, 2020 by the Board of Directors of the Company.

21. GENERAL

Figures in these consolidated condensed interim financial statements have been rounded off to the nearest thousand rupees.



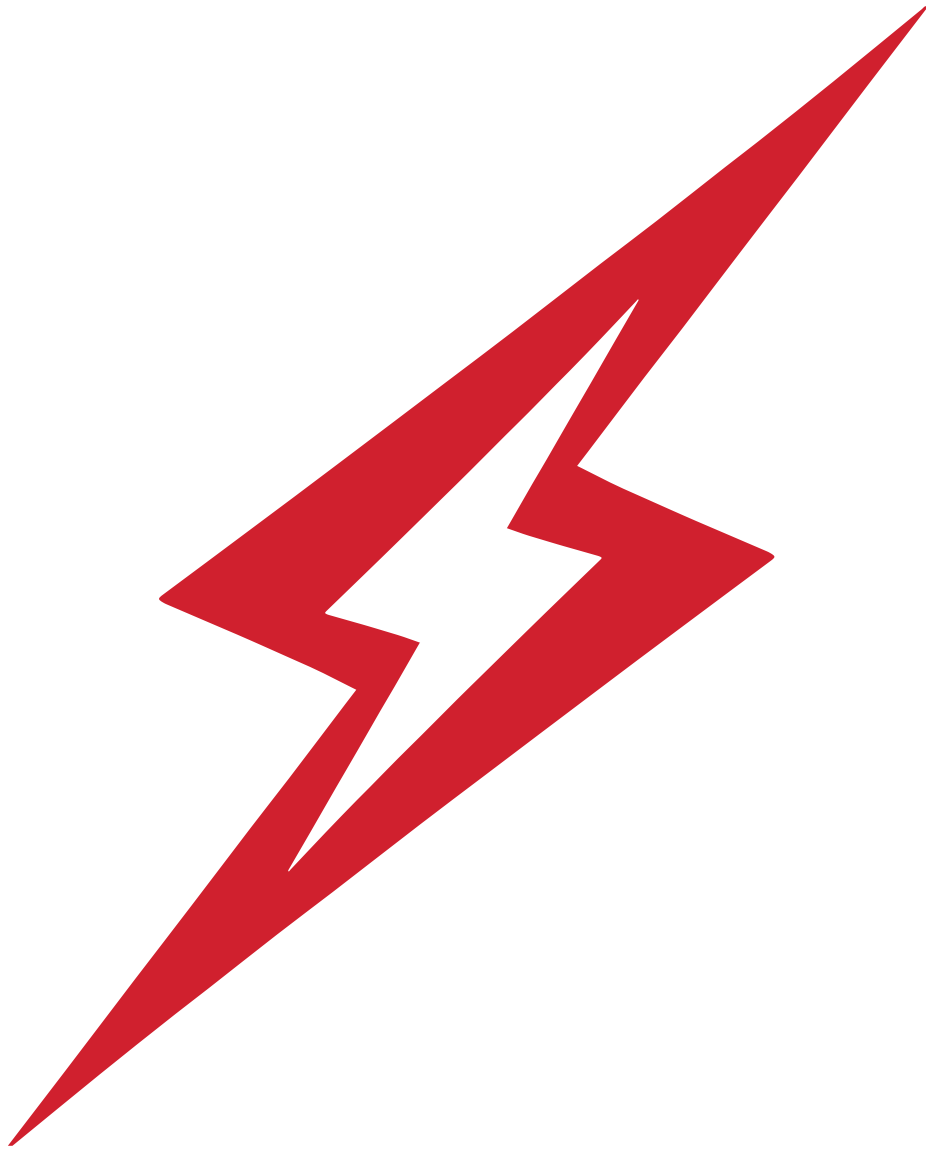
Altaf Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer



S. Haider Mehdi
Chief Financial Officer




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