

EXIDE[®]



Half Yearly Report
September 30, 2021



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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
Navin Salim Merchant
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
Muhammad Shayan - 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, 2021.

The Economy

Pakistan GDP is expected to grow 4.8 per cent during the year 2021-22 (due to growth oriented policies of the government) as Compared to GDP growth of 2.6 per cent last year. Large scale manufacturing industries output increased by 5 per cent in the first quarter of the FY-22 against annual plan projection of 6 per cent which is essential if the GDP growth of 4.8 per cent to be achieved in the FY-22. Current account deficit for the first quarter FY-22 rose to US \$ 4.51 billion due to growing size of imports as opposed to US \$ 4.10 million during the entire fiscal year-2021. The increasing Current account deficit resulted the pressure on the exchange rate as the local currency lost 13.4 per cent against US dollar during FY-22. Foreign Direct Investment flow in the Country remain lackluster, falling by 12 per cent to US \$ 662.1 million from US \$ 750.6 million in the first four months of FY-22. Monetary Policy Committee revised the discount rate by 150 bps to 8.75 per cent in November-2021 widening the difference with other regional Countries (India, Sri Lanka and Bangladesh). Inflation stood at 8.74 per cent in July – Oct-21 Compared to 8.87 per cent of last year.

The Industry

The first four months of the current fiscal year proved to be another milestone for the Auto Sector where highest sale rise of 104 per cent recorded in SUV, 93 per cent in Pick-up/Vans, 71 per cent car, 82 per cent Truck, 14 per cent Farm Tractors and 0.5 per cent two/three wheelers. Although Company sees demand generation for the automotive industry, it faces challenges for the battery industry in the form of surplus capacity, tough competition and higher raw materials prices.

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 vigor for further strengthening quality standards of the products of your Company.

Sales

Net Sales revenue of the Company during the half year under review increased by 64.5 per cent from Rs.4.798 billion to Rs.7.894 billion on account of increase in sales volume, better sales prices and improved market demands.

Profitability

Gross profit for the half year under review increased from Rs.304.163 million to Rs.840.174 million on account of better sales revenue and improved margins. Selling and distribution expenses increased by 64.5 per cent from Rs.309.94 million to Rs.509.75 million due to increase in sales volume. Administration and general expenses increased by 24.6 per cent from Rs.62.50 million to Rs.77.89 million on account of inflation. Operating profit of Rs.243.60 million recorded as against loss of Rs.64.89 million in the last year. Financial cost increased to Rs.110.34 million from Rs.91.25 million on account of higher borrowings.


Profit before tax for the half year under review was Rs.133.26 million as compared to loss before tax of Rs.156.13 million last year. Profit after tax for the half year under report was Rs.34.59 million as compared to loss of Rs.228.10 million last year. Profit per share recorded at Rs.4.45 as against loss of 29.36 in the corresponding period of last year.

Future Prospects

It is anticipated that indigenous organized battery industry will face competition due to capacity expansion of existing battery plants, and the changing market dynamics. It is projected that the profitability in the remaining period of the year will be affected due to increase in prices of basic raw materials, utilities, wages, markup rates and devaluation of Pak Rupee, if the corresponding increase in the selling prices are not absorbed by the market. Nevertheless, your management is determined to avail full benefits of the opportunities by continued focus on quality improvement, productivity, cost control and after sales service to improve its competitiveness and market share.

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, M/s Furukawa Battery Japan, vendors, main dealers, retailers and valued customers including M/s Fauji Fertilizer Bin Qasim Limited, the Original Equipment Manufacturers and government organizations for their trust on us.



Altaf Hashwani

Chairman

Karachi: November 29, 2021

منافع:

بہتر سبز ریونیو اور بہتر مارجن کی وجہ سے زیر جائزہ نصف سال کے دوران مجموعی منافع 304.163 ملین روپے سے بڑھ کر 840.174 ملین روپے ہو گیا۔ فروخت کے حجم میں اضافے کی وجہ سے فروخت اور تقسیم کے اخراجات 309.94 ملین روپے سے 64.5 فیصد بڑھ کر 509.75 ملین روپے ہو گئے۔ مہنگائی کی وجہ سے انتظامی اور عمومی اخراجات 62.50 ملین روپے سے 24.6 فیصد بڑھ کر 77.89 ملین روپے ہو گئے۔ آپرٹنگ منافع 243.60 ملین روپے ریکارڈ کیا گیا جبکہ گزشتہ سال کے اسی عرصے میں 64.89 ملین روپے کا نقصان ہوا تھا۔ زیادہ قرض لینے کی وجہ سے مالی لاگت 91.25 ملین روپے سے بڑھ کر 110.34 ملین روپے ہو گئی۔

زیر جائزہ نصف سال کیلئے ٹیکس سے پہلے کا منافع 133.26 ملین روپے تھا جو گزشتہ سال کے اسی عرصے میں 156.13 ملین روپے کا نقصان تھا۔ رپورٹ کے تحت نصف سال کیلئے بعد از ٹیکس منافع 34.59 ملین روپے رہا جبکہ گزشتہ سال 228.10 ملین روپے کا نقصان ہوا۔ گزشتہ سال کی اسی مدت میں 29.36 کے نقصان کے مقابلے میں فی حصص منافع 4.45 روپے ریکارڈ کیا گیا۔

مستقبل کے امکانات:

یہ متوقع ہے کہ مقامی منظم بیٹری صنعت پیداواری صلاحیتوں اور بدلتی ہوئی مارکیٹ کی حرکیات کی وجہ سے سخت مقابلے کا سامنا کرنا پڑیگا۔ یہ پیش گوئی کی جا رہی ہے کہ اگر مارکیٹ کے ذریعے فروخت کی قیمتوں میں اضافہ نہ کیا گیا تو بنیادی خام مال کی قیمتوں، توانائی، مزدوروں کی تنخواہ میں اضافے اور روپے کی قدر میں کمی رواں سال میں بھی منافع پر اثر انداز ہو سکتے ہیں۔ لیکن 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، فروکار، بیٹری کمپنی لمیٹڈ (جاپان)، تھوک اور خوردہ فروش حضرات، مین ڈیلرز، کمپنی کے سپلائرز، فوجی فریٹلائزرز بن قاسم لمیٹڈ سمیت اپنے تمام گاہکوں، گاڑیوں کے پیداواری یونٹس اور سرکاری تنظیموں کا ہم پر بھروسہ کرنے پر شکر گزار ہوں۔



الطاف ہاشوانی

چیئرمین

کراچی: 29 نومبر 2021

چیمبر مین کا جائزہ:

میں بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2021 کو ختم ہونے والے نصف سال کیلئے آپ کی کمپنی کے غیر آڈٹ شدہ اکاؤنٹس کا جائزہ پیش کر رہا ہوں۔

معیشت:

سال 2021-22 کے دوران (حکومت کی ترقی پر مبنی پالیسیوں کی وجہ سے) پاکستان کی جی ڈی پی میں 4.8 فیصد اضافہ متوقع ہے جبکہ گزشتہ سال جی ڈی پی کی نمو 2.6 فیصد تھی۔ بڑے پیمانے کی مینوفیکچرنگ انڈسٹریز کی پیداوار میں مالی سال 2022 کی پہلی سہ ماہی میں 5 فیصد اضافہ ہوا جبکہ سالانہ منصوبہ بندی کا تخمینہ 6 فیصد ہے جو کہ مالی سال 2021-22 میں جی ڈی پی کی شرح نمو 4.8 فیصد حاصل کرنے کیلئے ضروری ہے۔ مالی سال 2022 کی پہلی سہ ماہی کے دوران کرنٹ اکاؤنٹ خسارہ بڑھ کر 4.51 بلین امریکی ڈالر ہو گیا جس کی وجہ درآمدات کے سائز میں اضافہ ہونا ہے جو پورے مالی سال 2021 کے دوران 4.10 بلین امریکی ڈالر تھی۔ بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے کے نتیجے میں زرمبادلہ پر دباؤ پڑا کیونکہ مقامی کرنسی مالی سال 2022 کے دوران امریکی ڈالر کے مقابلے میں 13.4 فیصد گر گئی ملک میں براہ راست غیر ملکی سرمایہ کاری کا بہاؤ بدستور کم ہے، مالی سال 2022 کے پہلے چار مہینوں میں 750.6 بلین امریکی ڈالر سے 12 فیصد کم ہو کر 662.1 بلین امریکی ڈالر رہ گیا۔ مانیٹری پالیسی کمیٹی نے نومبر 2021 میں ڈسکاؤنٹ کی شرح کو 150 بی پی ایس بڑھا کر 8.75 فیصد پر کرتے ہوئے دیگر علاقائی ممالک (ہندوستان، سری لنکا اور بنگلہ دیش) کے ساتھ فرق کو بڑھا دیا۔ جولائی تا اکتوبر 2021 کے دوران افراط زر کی شرح 8.74 فیصد رہی جو گزشتہ سال کے اسی عرصے کے دوران 8.87 فیصد تھی۔

صنعت:

رواں مالی سال کے پہلے چار ماہ آٹوسیکٹر کے لئے ایک اور سنگ میل ثابت ہوئے جہاں سب سے زیادہ فروخت میں 104 فیصد اضافہ SUV میں ہوا، 93 فیصد پک اپ / وینز، 71 فیصد کار، 82 فیصد ٹرک، 14 فیصد فارم ٹریکٹر اور 0.5 فیصد دو / تین پہیوں والی گاڑیوں میں ہوا۔ اگرچہ کمپنی آٹوموٹیو انڈسٹری کیلئے ڈیمانڈ جزییشن کو دیکھتی ہے، لیکن اسے بیٹری انڈسٹری کیلئے اضافی صلاحیت، سخت مقابلہ اور خام مال کی اعلیٰ قیمتوں کی صورت میں چیلنجز کا سامنا ہے۔

پیداوار:

پیداواری سرگرمیوں کی موثر طریقے سے منصوبہ بندی کی گئی اور اسے طلب اور رسد کے مطابق بنایا گیا اور پیداوار کے تمام مراحل پر معیار کے کنٹرول پر بھرپور طریقے سے عملدرآمد ہوا۔

فروخت:

کمپنی کی نیٹ سیلز آمدنی 64.5 فیصد اضافہ کے بعد 4.894 بلین روپے سے بڑھ کر 7.894 بلین روپے رہی جسکی وجہ بیٹری کی فروخت اور قیمتوں میں اضافہ ہونا اور مارکیٹ کی مانگ میں بہتری واقع 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, 2021 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows and notes to the unconsolidated condensed interim financial statements for the six months period then ended (here-in-after referred to as "unconsolidated condensed 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 unconsolidated condensed interim financial statements based on our review.

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 unconsolidated condensed 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 figures of the unconsolidated condensed interim profit or loss and other comprehensive income for the three months period ended September 30, 2021 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, 2021.

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



Chartered Accountants

Karachi

Dated: November 29, 2021



UNCONSOLIDATED
**FINANCIAL
STATEMENTS**

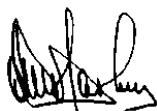
EXIDE PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

AS AT SEPTEMBER 30, 2021		(Unaudited) September 30, 2021	(Audited) March 31, 2021
		----- (Rupees '000) -----	
Note			
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,258,437	1,271,461
Long-term investment	6	-	-
Long term loans		5,393	7,317
Long term deposits	7	44,075	42,039
		<u>1,307,905</u>	<u>1,320,817</u>
Current assets			
Stores and spares		107,212	106,165
Stock-in-trade	8	3,727,952	2,748,574
Trade debts	9	1,995,784	2,333,976
Loans and advances		196,061	73,645
Trade deposits, prepayments and other receivables		44,938	45,047
Taxation recoverable		947,706	941,995
Cash and bank balances		187,368	94,226
		<u>7,207,021</u>	<u>6,343,628</u>
TOTAL ASSETS		<u>8,514,926</u>	<u>7,664,445</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
18,000,000 (March 31, 2021: 18,000,000) ordinary shares of Rs 10 each		<u>180,000</u>	<u>180,000</u>
Issued, subscribed and paid-up share capital		<u>77,686</u>	<u>77,686</u>
Capital reserve			
- General capital reserves		259	259
- Revaluation surplus on property, plant and equipment - net of tax		1,073,888	1,081,204
- Reserve arising on amalgamation - net		25,823	25,823
Revenue reserves			
- General revenue reserves		3,329,991	3,329,991
- Accumulated losses		<u>(664,190)</u>	<u>(706,091)</u>
		<u>3,843,457</u>	<u>3,808,872</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation - net	12.	-	-
Deferred income - government grant		1,351	5,806
Long term loan		28,313	80,331
SBP refinance scheme for payment of salaries and wages		55,962	113,287
		<u>85,626</u>	<u>199,424</u>
Current liabilities			
Trade and other payables		1,462,799	1,240,777
Unclaimed dividend		5,873	5,873
Accrued profit / mark-up		50,329	41,843
Loan from a director		103,550	103,550
Short-term borrowings		2,715,453	2,004,474
Current portion of long term loans		111,034	113,250
Current portion of deferred income - government grant		8,865	8,865
Current portion of SBP refinance scheme for payment of salaries and wages		127,940	137,517
		<u>4,585,843</u>	<u>3,656,149</u>
TOTAL LIABILITIES		<u>4,671,469</u>	<u>3,855,573</u>
TOTAL EQUITY AND LIABILITIES		<u>8,514,926</u>	<u>7,664,445</u>

CONTINGENCIES AND COMMITMENTS

10

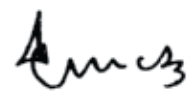
The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.



Altaf Hashwani
Chairman



Arshad Shehzada
Chief Executive Officer




S. Haider Mehdi
Chief Financial Officer

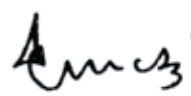
EXIDE PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

		Half Year Ended		Quarter Ended	
		Six months ended September 30, 2021	Six months ended September 30, 2020	Three months ended September 30, 2021	Three months ended September 30, 2020
Note		----- (Rupees'000) -----		----- (Rupees'000) -----	
Revenue from customers - net		7,894,102	4,797,585	3,293,259	3,065,477
Cost of sales	11	(7,053,928)	(4,493,422)	(2,930,308)	(2,777,797)
Gross profit		840,174	304,163	362,951	287,680
Selling and distribution expenses		(509,754)	(309,938)	(206,611)	(187,561)
Administrative and general expenses		(77,888)	(62,499)	(41,412)	(33,184)
Other income		11,071	7,545	8,801	4,284
Other operating expenses		(20,005)	(4,158)	(12,784)	(2,258)
		(596,576)	(369,050)	(252,006)	(218,719)
Operating profit / (loss)		243,598	(64,887)	110,945	68,961
Finance cost		(110,337)	(91,248)	(60,146)	(23,036)
Profit / (loss) before taxation		133,261	(156,135)	50,799	45,925
Taxation - net	12	(98,676)	(71,964)	(41,165)	(45,982)
Profit / (loss) after taxation		34,585	(228,099)	9,634	(57)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income / (loss) for the period		34,585	(228,099)	9,634	(57)
----- (Rupees) -----					
Earnings / (loss) per share (basic and diluted)		4.45	(29.36)	1.24	(0.01)

The annexed notes 1 to 18 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, 2021

	Issued, subscribed and paid-up share capital	Capital reserves			Revenue reserves		Total
		General capital reserve	Revaluation surplus on property, plant and equipment net of tax	Reserve arising on amalgama- tion - net	General revenue reserve	Accumulate d losses	
----- (Rupees '000) -----							
Balance as at March 31, 2020	77,686	259	1,095,836	25,823	3,329,991	(725,920)	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	<u>77,686</u>	<u>259</u>	<u>585,176</u>	<u>25,823</u>	<u>3,329,991</u>	<u>(443,359)</u>	<u>3,575,576</u>
Balance as at March 31, 2021	77,686	259	1,081,204	25,823	3,329,991	(706,091)	3,808,872
Profit after taxation for the six months ended September 30, 2021	-	-	-	-	-	34,585	34,585
Transferred from revaluation surplus on property, plant and equipment - net of tax	-	-	(7,316)	-	-	7,316	-
Balance as at September 30, 2021	<u>77,686</u>	<u>259</u>	<u>1,073,888</u>	<u>25,823</u>	<u>3,329,991</u>	<u>(664,190)</u>	<u>3,843,457</u>

The annexed notes 1 to 18 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

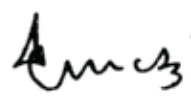
EXIDE PAKISTAN LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

		Six months ended September 30,		
		2021	2020	
Note		----- (Rupees '000) -----		
CASH FLOWS FROM OPERATING ACTIVITIES				
	Cash (used in) / generated from operations	13	(234,305)	1,317,389
	Financial charges paid		(101,851)	(168,139)
	Income taxes paid		(104,387)	(23,449)
	(Increase) in long-term deposits		(2,036)	(4,843)
	Decrease / (increase) in long-term loans		1,924	(10,120)
	Net cash flows (used in) / generated from operating activities		(440,655)	1,110,838
CASH FLOWS FROM INVESTING ACTIVITIES				
	Payments for capital expenditure		(56,298)	(23,155)
	Proceeds from disposal - operating assets		5,738	3,453
	Net cash used in investing activities		(50,560)	(19,702)
CASH FLOWS FROM FINANCING ACTIVITIES				
	Long term loans (repaid) / received		(126,622)	272,159
	Net cash flows (used in) / generated from financing activities		(126,622)	272,159
	Net (decrease) / increase in cash and cash equivalents during the period		(617,837)	1,363,295
	Cash and cash equivalents at the beginning of the period		(1,910,248)	(2,205,031)
	Cash and cash equivalents at the end of the period	14	(2,528,085)	(841,736)

The annexed notes 1 to 18 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, 2021

1. THE COMPANY AND ITS OPERATIONS

Exide Pakistan Limited (the Company) is a limited liability company and is incorporated on 12th January, 1953 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.

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 defined benefit plan - gratuity 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, 2021.

2.5 These condensed interim financial statements have been presented in Pak Rupee, which is the Company's functional and presentation currency.

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, 2021.

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, 2021.

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, 2021.

			(Unaudited) September 30, 2021	(Audited) March 31, 2021
	Note		----- (Rupees '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT				
Operating assets				
Opening balance			1,271,103	1,338,943
Additions / transfers / revaluation during the period / year	5.1		30,532	75,775
Disposal during the period / year	5.2		(1,078)	(2,157)
Depreciation for the period / year			(68,244)	(141,458)
Closing balance			1,232,313	1,271,103
Capital work-in-progress	5.3		26,124	358
			1,258,437	1,271,461

5.1 The following additions have been made to operating assets during the six months ended September 30, 2021.

Particulars	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment and appliances	Vehicles	Total Mar - Sep 2021	Total Mar - Sep 2020
-------------	--------------------------------------	------------------------	---------------------------	--	----------	----------------------------	----------------------------

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

Additions	6,291	22,287	563	1,391	-	30,532	7,035
-----------	--------------	---------------	------------	--------------	---	---------------	-------

5.2 The net book value of operating assets disposed of during the six months ended September 30, 2021 amounted to Rs. 1.078 million (September 30, 2020: Rs. 1.854 million).

		(Unaudited) September 30, 2021	(Audited) March 31, 2021
	Note	----- (Rupees '000) -----	
5.3 Capital work-in-progress			
	5.3.1 & 5.3.2	26,124	358

5.3.1 The following additions have been made to capital work-in-progress during the six months ended September 30, 2021:

	For the six months ended	
	(Unaudited) September 30, 2021	2020
	----- (Rupees '000) -----	
Buildings on leasehold land	6,291	241
Plant and machinery	48,053	20,371
Furniture and fixtures	563	1,285
Office equipment and appliances	1,391	1,107
Vehicles	-	151
	56,298	23,155

5.3.2 The following transfers have been made from capital work-in-progress during the six months ended September 30, 2021:

	For the six months ended	
	'(Unaudited)	
	September 30,	
	2021	2020
	----- (Rupees '000) -----	
Buildings on leasehold land	6,291	241
Plant and machinery	22,287	4,251
Furniture and fixtures	563	1,285
Office equipment and appliances	1,391	1,107
Vehicles	-	151
	<u>30,532</u>	<u>7,035</u>

	(Unaudited)	(Audited)
	September 30,	March 31,
	2021	2021
	----- (Rupees '000) -----	
Percentage holding		

6. LONG-TERM INVESTMENT

Investment in related party - at cost

Subsidiary company - unquoted

22,350 (2021: 22,350) ordinary shares of Rs. 10 each held in Chloride Pakistan (Private) Limited, a private limited company incorporated in Pakistan

100%

<u>-</u>	<u>-</u>
-----------------	-----------------

6.1 Provision against long-term investment

Opening balance	224	-
Provision made during the period	-	224
Closing balance	<u>224</u>	<u>224</u>

6.2 Chloride Pakistan (Private) Limited (CPL) has not yet commenced production. The auditors of CPL have included an emphasis of matter paragraph in their report highlighting that the financial statements for the year ended March 31, 2021 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 amounts not less than those at which these are expected to be settled. During 2021, the Company provided the whole amount of subsidiary as impairment as the losses exceeds the breakup value.

6.3 Investment in subsidiary company has been made in accordance with the requirements under the Companies Act, 2017.

(Unaudited)	(Audited)
September 30,	March 31,
2021	2021
----- (Rupees '000) -----	

7. LONG TERM DEPOSITS

Unsecured

Utilities	25,142	25,142
Others	19,486	17,450
	<u>44,628</u>	<u>42,592</u>
Less: provision against long-term deposits	(553)	(553)
	<u>44,075</u>	<u>42,039</u>

		(Unaudited) September 30, 2021	(Audited) March 31, 2021
		----- (Rupees '000) -----	
8. STOCK-IN-TRADE	Note		
Raw and packing materials and components [including goods-in-transit of Rs 441.109 million (March 31, 2021: Rs 446.634 million)]		1,568,052	1,084,598
Work-in-process		1,151,691	1,103,022
Finished goods		1,045,077	596,022
		3,764,820	2,783,642
Less: provision against slow moving and obsolete stock-in-trade	8.1	(36,868)	(35,068)
		3,727,952	2,748,574
8.1 Provision against slow moving and obsolete stock-in-trade			
Opening balance		35,068	34,262
Provision made during the period / year		1,800	806
Closing balance		36,868	35,068
9. TRADE DEBTS			
Unsecured		2,076,683	2,417,725
Less: provision against trade debts	9.1	(80,899)	(83,749)
		1,995,784	2,333,976
9.1 Provision against doubtful trade debts			
Opening balance		83,749	76,169
Provision made during the year		-	7,580
Write off during the period		(2,850)	-
Closing balance		80,899	83,749
10. CONTINGENCIES AND COMMITMENTS			
10.1 Contingencies			

Except for the following, 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, 2021.

On April 12, 2021, a notice was received from tax authorities which entailed audit observations pertaining to tax year 2020 and was duly replied by the Company. Consequently, on June 03, 2021, a show cause notice u/s 122(9) of the Income Tax Ordinance (ITO), 2001 for amendment of assessment u/s 122(1)(5) of the ITO, 2001 was received seeking reasons for charging certain expenses as allowable tax expenses. In response, the Company, through its tax advisor, filed a petition in High Court of Sindh for a stay order against any coercive measures.

10.2 Commitments

Commitments in respect of:

Capital expenditure contracted for but not incurred
Letters of credit
Letters of guarantee

(Unaudited) (Audited)
September 30, March 31,
2021 2021
----- (Rupees '000) -----

9,905	4,636
561,185	886,542
132,670	114,789

For the six months ended
(Unaudited)
September 30,
2021 2020
----- (Rupees '000) -----

11. COST OF SALES

Raw and packing materials consumed

6,617,699 4,469,144

Salaries, wages and benefits
Spares consumed
Rent, rates and taxes
Fuel, power and water
Insurance
Repairs and maintenance
Depreciation
Amortisation
Other expenses

350,847	245,028
93,941	53,142
1,379	1,397
389,091	278,432
5,014	11,073
6,771	6,129
63,463	63,645
-	368
23,447	12,035
933,953	671,249

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

1,103,022	321,260
(1,151,691)	(890,302)
(48,669)	(569,042)

Cost of goods manufactured

7,502,983 4,571,351

Opening stock of finished goods
Closing stock of finished goods

596,022	562,587
(1,045,077)	(640,516)
(449,055)	(77,929)
7,053,928	4,493,422

For the six months ended
(Unaudited)
September 30,
2021 2020
----- (Rupees '000) -----

12. TAXATION - NET

Current - for the period
Deferred - net

Note

12.1

98,676	71,964
-	-
98,676	71,964

12.1 Company's management has evaluated the available evidence about future taxable income and other possible sources of realization of deferred tax asset. The deferred tax credit has been recognized on minimum turnover tax, unused tax losses and tax credits in these financial statements to the extent that deferred tax liability becomes zero due to unavailability of future taxable profits based on management's judgement.

		For the six months ended (Unaudited) September 30,	
	Note	2021 ----- (Rupees '000) -----	2020 -----
13. CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit / (Loss) before taxation		133,261	(156,135)
Adjustments:			
Depreciation		68,244	70,608
Amortisation		-	388
Gain on disposal of property, plant and equipment - operating assets		(4,660)	(1,599)
Provision against slow moving and obsolete stock-in-trade		1,800	1,800
Provision for defined benefit plan - gratuity		1,908	1,865
Provision against battery warranty claims		2,528	-
Amortisation of government grant		(4,455)	-
Finance cost		110,337	91,248
Working capital changes	13.1	(543,268)	1,309,214
		<u>(234,305)</u>	<u>1,317,389</u>

13.1 Working capital changes

(Increase) / decrease in current assets

Stores and spares	(1,047)	13,119
Stock-in-trade	(982,978)	(510,158)
Trade debts	341,042	1,665,894
Loans and advances	(122,416)	(21,991)
Trade deposits, prepayments and other receivables	109	(2,426)
	<u>(765,290)</u>	<u>1,144,438</u>

Increase in current liabilities

Trade and other payables	222,022	164,776
	<u>(543,268)</u>	<u>1,309,214</u>

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the unconsolidated condensed interim statement of cash flows comprise the following;

	(Unaudited) As at September 30,	
	2021	2020
	----- (Rupees '000) -----	
Cash and bank balances	187,368	98,036
Short-term borrowings	(2,715,453)	(939,772)
Cash and cash equivalents at the end of the period	<u>(2,528,085)</u>	<u>(841,736)</u>

15. TRANSACTIONS WITH RELATED PARTIES

Six months ended September 30, 2021				Six months ended September 30, 2020
Subsidiary company	Other related parties	Key management personnel	Total	
----- (Rupees '000) -----				

Transactions

Transactions with key management personnel

- Salaries and benefits	-	-	10,434	10,434	10,017
- Defined benefit plan - gratuity	-	-	60	60	60
- Defined contribution plan - Provident Fund	-	-	144	144	144

Contribution charged in respect of defined contribution plan - Provident Fund

-	5,148	-	5,148	4,634
---	-------	---	-------	-------

Contribution charged in respect of defined benefit plan - Gratuity

-	1,908	-	1,908	1,834
---	-------	---	-------	-------

Payment in respect of defined benefit plan

-	-	-	-	31
---	---	---	---	----

Royalty expense

-	4,823	-	4,823	3,793
---	-------	---	-------	-------

Payment made to subsidiary company

5	-	-	5	3
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16. 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.

16.1 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.

17. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on November 29, 2021 by the Board of Directors of the Company.

18. GENERAL

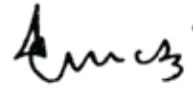
Figures in these unconsolidated condensed interim financial statements have been rounded off to the nearest thousand rupees.



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, 2021

		(Unaudited) September 30, 2021	(Audited) March 31, 2021
	Note	----- (Rupees '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,258,437	1,271,461
Long term loans		5,393	7,317
Long term deposits	6	44,075	42,039
		<u>1,307,905</u>	<u>1,320,817</u>
Current assets			
Stores and spares		107,212	106,165
Stock-in-trade	7	3,727,952	2,748,574
Trade debts	8	1,995,784	2,333,976
Loans and advances		196,061	73,645
Trade deposits, prepayments and other receivables		44,932	45,045
Taxation recoverable		947,706	941,995
Cash and bank balances		187,370	94,228
		<u>7,207,017</u>	<u>6,343,628</u>
TOTAL ASSETS		<u>8,514,922</u>	<u>7,664,445</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
18,000,000 (March 31, 2021: 18,000,000) ordinary shares of Rs 10 each		<u>180,000</u>	<u>180,000</u>
Issued, subscribed and paid-up share capital		<u>77,686</u>	<u>77,686</u>
Capital reserve			
- General capital reserves		259	259
- Revaluation surplus on property, plant and equipment - net of tax		1,073,888	1,081,204
- Reserve arising on amalgamation - net		25,823	25,823
Revenue reserves			
- General revenue reserves		3,329,991	3,329,991
- Accumulated losses		<u>(665,170)</u>	<u>(707,040)</u>
		<u>3,842,477</u>	<u>3,807,923</u>
LIABILITIES			
Non-current liabilities			
Deferred taxation - net	11.	-	-
Deferred income - government grant		1,351	5,806
Long term loan		28,313	80,331
SBP refinance scheme for payment of salaries and wages		55,962	113,287
		<u>85,626</u>	<u>199,424</u>
Current liabilities			
Trade and other payables		1,463,050	1,241,001
Unclaimed dividend		5,873	5,873
Accrued profit / mark-up		50,329	41,843
Loan from a director		104,275	104,275
Short-term borrowings		2,715,453	2,004,474
Current portion of long term loans		111,034	113,250
Current portion of deferred income - government grant		8,865	8,865
Current portion of SBP refinance scheme for payment of salaries and wages		127,940	137,517
		<u>4,586,819</u>	<u>3,657,098</u>
TOTAL LIABILITIES		<u>4,672,445</u>	<u>3,856,522</u>
TOTAL EQUITY AND LIABILITIES		<u>8,514,922</u>	<u>7,664,445</u>

CONTINGENCIES AND COMMITMENTS

9

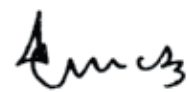
The annexed notes 1 to 17 form an integral part of these consolidated condensed interim financial statements.



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 SIX MONTHS ENDED SEPTEMBER 30, 2021

	Note	Half Year Ended		Quarter Ended	
		Six months ended September 30, 2021	Six months ended September 30, 2020	Three months ended September 30, 2021	Three months ended September 30, 2020
		----- (Rupees'000) -----		----- (Rupees'000) -----	
Revenue from customers - net		7,894,102	4,797,585	3,293,259	3,065,477
Cost of sales	10	(7,053,928)	(4,493,422)	(2,930,308)	(2,777,797)
Gross profit		840,174	304,163	362,951	287,680
Selling and distribution expenses		(509,754)	(309,938)	(206,611)	(187,561)
Administrative and general expenses		(77,888)	(62,499)	(41,412)	(33,184)
Other income		11,071	7,545	8,801	4,284
Other operating expenses		(20,036)	(4,183)	(12,802)	(2,272)
		(596,607)	(369,075)	(252,024)	(218,733)
Operating profit / (loss)		243,567	(64,912)	110,927	68,947
Finance cost		(110,337)	(91,248)	(60,146)	(23,036)
Profit / (loss) before taxation		133,230	(156,160)	50,781	45,911
Taxation - net	11	(98,676)	(71,964)	(41,165)	(45,982)
Profit / (loss) after taxation		34,554	(228,124)	9,616	(71)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income / (loss) for the period		34,554	(228,124)	9,616	(71)
		----- (Rupees) -----			
Earnings / (loss) per share (basic and diluted)		4.45	(29.36)	1.24	(0.01)

The annexed notes 1 to 17 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, 2021

	Issued, subscribed and paid-up share capital	Capital reserves			Revenue reserves		Total
		General capital reserve	Revaluation surplus on property, plant and equipment net of tax	Reserve arising on amalgama- tion - net	General revenue reserve	Accumulate d losses	
----- (Rupees '000) -----							
Balance as at March 31, 2020	77,686	259	1,095,836	25,823	3,329,991	(726,997)	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	585,176	25,823	3,329,991	(444,461)	3,574,474
Balance as at March 31, 2021	77,686	259	1,081,204	25,823	3,329,991	(707,040)	3,807,923
Profit after taxation for the six months ended September 30, 2021	-	-	-	-	-	34,554	34,554
Transferred from revaluation surplus on property, plant and equipment - net of tax	-	-	(7,316)	-	-	7,316	-
Balance as at September 30, 2021	77,686	259	1,073,888	25,823	3,329,991	(665,170)	3,842,477

The annexed notes 1 to 17 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, 2021

		Six months ended September 30,	
		2021	2020
	Note	----- (Rupees '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	12	(234,305)	1,317,389
Financial charges paid		(101,851)	(168,139)
Income taxes paid		(104,387)	(23,449)
(Increase) in long-term deposits		(2,036)	(4,843)
Decrease / (increase) in long-term loans		1,924	(10,120)
Net cash flows (used in) / generated from operating activities		(440,655)	1,110,838
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		(56,298)	(23,155)
Proceeds from disposal - operating assets		5,738	3,453
Net cash used in investing activities		(50,560)	(19,702)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans (repaid) / received		(126,622)	272,159
Net cash flows (used in) / generated from financing activities		(126,622)	272,159
Net (decrease) / increase in cash and cash equivalents during the period		(617,837)	1,363,295
Cash and cash equivalents at the beginning of the period		(1,910,246)	(2,205,029)
Cash and cash equivalents at the end of the period	13	(2,528,082)	(841,734)

The annexed notes 1 to 17 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, 2021

1. THE COMPANY AND ITS OPERATIONS

Exide Pakistan Limited (the Company) is a limited liability company and is incorporated on 12th January, 1953 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 defined benefit plan - gratuity 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, 2021.

2.4 These condensed interim financial statements have been presented in Pak Rupee, which is the Company's functional and presentation currency.

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, 2021.

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, 2021.

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, 2021.

		(Unaudited) September 30, 2021	(Audited) March 31, 2021
	Note	----- (Rupees '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets			
Opening balance		1,271,103	1,338,943
Additions / transfers / revaluation during the period / year	5.1	30,532	75,775
Disposal during the period / year	5.2	(1,078)	(2,157)
Depreciation for the period / year		(68,244)	(141,458)
Closing balance		1,232,313	1,271,103
Capital work-in-progress	5.3	26,124	358
		<u>1,258,437</u>	<u>1,271,461</u>

5.1 The following additions have been made to operating assets during the six months ended September 30, 2021.

Particulars	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment and appliances	Vehicles	Total Mar - Sep 2021	Total Mar - Sep 2020
----- (Rupees' 000) -----							
Additions	6,291	22,287	563	1,391	-	30,532	7,035

5.2 The net book value of operating assets disposed of during the six months ended September 30, 2021 amounted to Rs. 1.078 million (September 30, 2020: Rs. 1.854 million).

		(Unaudited) September 30, 2021	(Audited) March 31, 2021
	Note	----- (Rupees '000) -----	
5.3 Capital work-in-progress			
	5.3.1 & 5.3.2	<u>26,124</u>	<u>358</u>

5.3.1 The following additions have been made to capital work-in-progress during the six months ended September 30, 2021:

	For the six months ended	
	(Unaudited) September 30, 2021	2020
	----- (Rupees '000) -----	
Buildings on leasehold land	6,291	241
Plant and machinery	48,053	20,371
Furniture and fixtures	563	1,285
Office equipment and appliances	1,391	1,107
Vehicles	-	151
	<u>56,298</u>	<u>23,155</u>

5.3.2 The following transfers have been made from capital work-in-progress during the six months ended September 30, 2021:

	For the six months ended	
	(Unaudited) September 30, 2021	2020
	----- (Rupees '000) -----	
Buildings on leasehold land	6,291	241
Plant and machinery	22,287	4,251
Furniture and fixtures	563	1,285
Office equipment and appliances	1,391	1,107
Vehicles	-	151
	<u>30,532</u>	<u>7,035</u>

		(Unaudited) September 30, 2021 ----- (Rupees '000) -----	(Audited) March 31, 2021 -----
6. LONG TERM DEPOSITS			
Unsecured			
Utilities		25,142	25,142
Others		19,486	17,450
		<u>44,628</u>	<u>42,592</u>
Less: provision against long-term deposits		(553)	(553)
		<u>44,075</u>	<u>42,039</u>
		(Unaudited) September 30, 2021 ----- (Rupees '000) -----	(Audited) March 31, 2021 -----
7. STOCK-IN-TRADE	Note		
Raw and packing materials and components [including goods-in-transit of Rs 441.109 million (March 31, 2021: Rs 446.634 million)]		1,568,052	1,084,598
Work-in-process		1,151,691	1,103,022
Finished goods		1,045,077	596,022
		<u>3,764,820</u>	<u>2,783,642</u>
Less: provision against slow moving and obsolete stock-in-trade	7.1	(36,868)	(35,068)
		<u>3,727,952</u>	<u>2,748,574</u>
7.1 Provision against slow moving and obsolete stock-in-trade			
Opening balance		35,068	34,262
Provision made during the period / year		1,800	806
Closing balance		<u>36,868</u>	<u>35,068</u>
8. TRADE DEBTS			
Unsecured		2,076,683	2,417,725
Less: provision against trade debts	8.1	(80,899)	(83,749)
		<u>1,995,784</u>	<u>2,333,976</u>
8.1 Provision against doubtful trade debts			
Opening balance		83,749	76,169
Provision made during the year		-	7,580
Write off during the period		(2,850)	-
Closing balance		<u>80,899</u>	<u>83,749</u>
9. CONTINGENCIES AND COMMITMENTS			
9.1 Contingencies			

Except for the following, 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, 2021.

On April 12, 2021, a notice was received from tax authorities which entailed audit observations pertaining to tax year 2020 and was duly replied by the Company. Consequently, on June 03, 2021, a show cause notice u/s 122(9) of the Income Tax Ordinance (ITO), 2001 for amendment of assessment u/s 122(1)(5) of the ITO, 2001 was received seeking reasons for charging certain expenses as allowable tax expenses. In response, the Company, through its tax advisor, filed a petition in High Court of Sindh for a stay order against any coercive measures.

		(Unaudited) September 30, 2021 ----- (Rupees '000) -----	(Audited) March 31, 2021 -----
9.2	Commitments		
	Commitments in respect of:		
	Capital expenditure contracted for but not incurred	<u>9,905</u>	<u>4,636</u>
	Letters of credit	<u>561,185</u>	<u>886,542</u>
	Letters of guarantee	<u>132,670</u>	<u>114,789</u>
		For the six months ended (Unaudited) September 30, 2021 2020 ----- (Rupees '000) -----	
10.	COST OF SALES		
	Raw and packing materials consumed	6,617,699	4,469,144
	Salaries, wages and benefits	350,847	245,028
	Spares consumed	93,941	53,142
	Rent, rates and taxes	1,379	1,397
	Fuel, power and water	389,091	278,432
	Insurance	5,014	11,073
	Repairs and maintenance	6,771	6,129
	Depreciation	63,463	63,645
	Amortisation	-	368
	Other expenses	23,447	12,035
		933,953	671,249
	Opening stock of work-in-process	1,103,022	321,260
	Closing stock of work-in-process	(1,151,691)	(890,302)
		(48,669)	(569,042)
	Cost of goods manufactured	7,502,983	4,571,351
	Opening stock of finished goods	596,022	562,587
	Closing stock of finished goods	(1,045,077)	(640,516)
		(449,055)	(77,929)
		7,053,928	4,493,422
		For the six months ended (Unaudited) September 30, 2021 2020 ----- (Rupees '000) -----	
11.	TAXATION - NET	Note	
	Current - for the period		98,676 71,964
	Deferred - net	12.1	<u>-</u> <u>-</u>
			<u>98,676</u> <u>71,964</u>
11.1	Company's management has evaluated the available evidence about future taxable income and other possible sources of realization of deferred tax asset. The deferred tax credit has been recognized on minimum turnover tax, unused tax losses and tax credits in these financial statements to the extent that deferred tax liability becomes zero due to unavailability of future taxable profits based on management's judgement.		

		For the six months ended (Unaudited) September 30, 2021 2020 ----- (Rupees '000) -----	
12. CASH (USED IN) / GENERATED FROM OPERATIONS	Note		
Profit / (Loss) before taxation		133,230	(156,160)
Adjustments:			
Depreciation		68,244	70,608
Amortisation		-	388
Gain on disposal of property, plant and equipment - operating assets		(4,660)	(1,599)
Provision against slow moving and obsolete stock-in-trade		1,800	1,800
Provision for defined benefit plan - gratuity		1,908	1,865
Provision against battery warranty claims		2,528	-
Amortisation of government grant		(4,455)	-
Finance cost		110,337	91,248
Working capital changes	12.1	(543,237)	1,309,239
		<u>(234,305)</u>	<u>1,317,389</u>

12.1 Working capital changes

(Increase) / decrease in current assets

Stores and spares	(1,047)	13,119
Stock-in-trade	(982,978)	(510,158)
Trade debts	341,042	1,665,894
Loans and advances	(122,416)	(21,991)
Trade deposits, prepayments and other receivables	113	(2,426)
	<u>(765,286)</u>	<u>1,144,438</u>

Increase in current liabilities

Trade and other payables	222,049	164,801
	<u>(543,237)</u>	<u>1,309,239</u>

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated condensed interim statement of cash flows comprise the following;

	(Unaudited) As at September 30, 2021 2020 ----- (Rupees '000) -----	
Cash and bank balances	187,370	98,038
Short-term borrowings	(2,715,453)	(939,772)
Cash and cash equivalents at the end of the period	<u>(2,528,083)</u>	<u>(841,734)</u>

14. TRANSACTIONS WITH RELATED PARTIES

Six months ended September 30, 2021				Six months ended September 30, 2020
Subsidiary company	Other related parties	Key management personnel	Total	
----- (Rupees '000) -----				

Transactions

Transactions with key management personnel

- Salaries and benefits	-	-	10,434	10,434	10,017
- Defined benefit plan - gratuity	-	-	60	60	60
- Defined contribution plan - Provident Fund	-	-	144	144	144

Contribution charged in respect of defined contribution plan - Provident Fund

-	5,148	-	5,148	4,634
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Contribution charged in respect of defined benefit plan - Gratuity

-	1,908	-	1,908	1,834
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Payment in respect of defined benefit plan

-	-	-	-	31
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Royalty expense

-	4,823	-	4,823	3,793
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15. 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.

15.1 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.

16. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on November 29, 2021 by the Board of Directors of the Company.

17. GENERAL

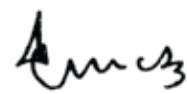
Figures in these consolidated condensed interim financial statements have been rounded off to the nearest thousand rupees.



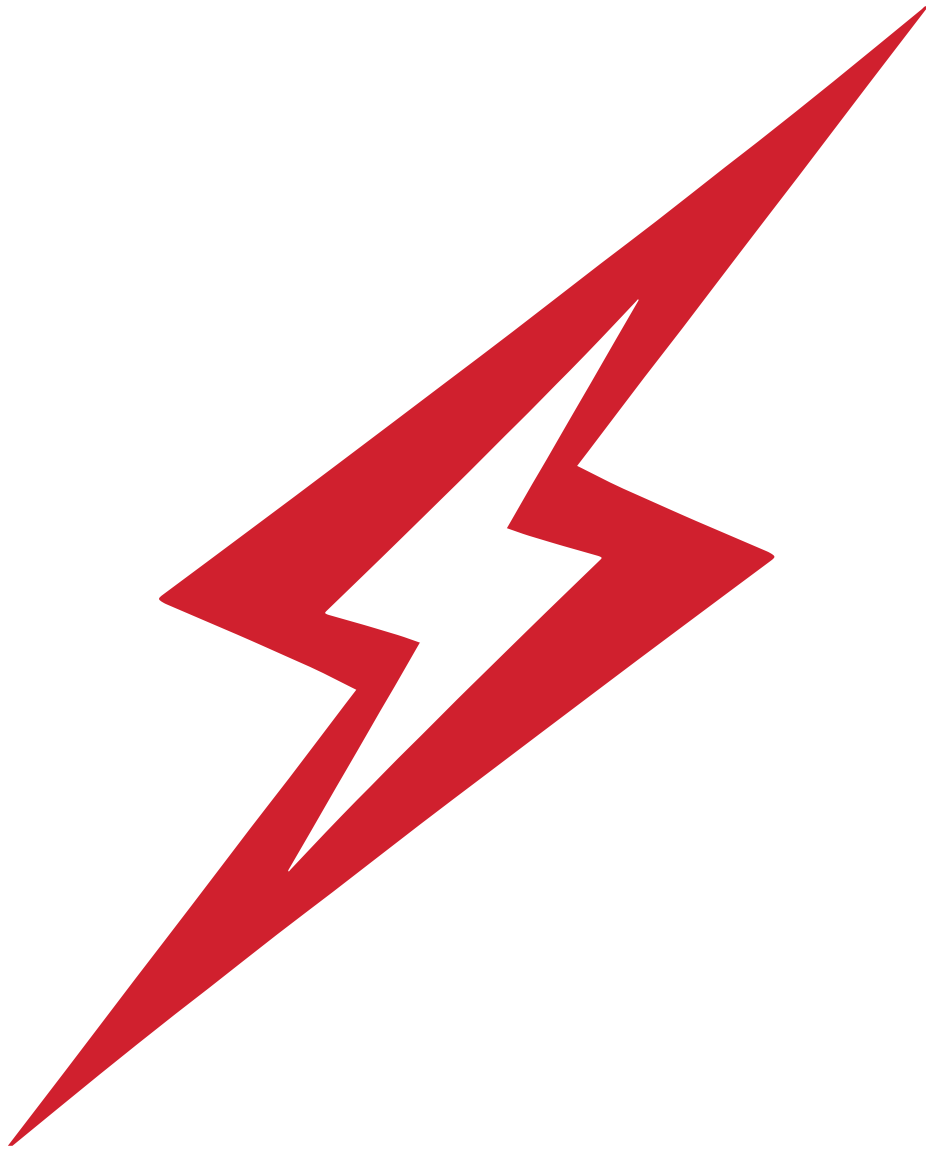
Altaf Hashwani
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